PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 286

HOUSE OF COMMONS

OFFICIAL REPORT

FIFTH SESSION OF THE FIFTY-FIRST PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-FIFTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1996–97

COMPRISING PERIOD
25 November—6 December 1996

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25 November 1996

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIFTH SESSION OF THE FIFTY-FIRST PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 27 APRIL 1992]

FORTY-FIFTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 286**

THIRD VOLUME OF SESSION 1996–97

House of Commons

Monday 25 November 1996

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

Road Freight

1. **Mr. Spring:** To ask the Secretary of State for Transport what measures he is taking to encourage alternatives to road freight. [4002]

The Secretary of State for Transport (Sir George Young): Privatisation is helping rail to win new freight traffic, and we have created the economic conditions in which the shipping and ports industries can grasp business opportunities. We continue to make available grants to encourage the shift of freight from road to rail and water.

Mr. Spring: Given the congestion on the roads, may I warmly welcome my right hon. Friend's initiatives to move freight off the roads and on to rail, especially his initiative in establishing the freight facilities grant to give further incentive to that desirable trend?

Sir George Young: I entirely agree with what my hon. Friend says about the importance of freight grants. He will be pleased to learn that grant expenditure has increased every year since 1991-92 and that my Department's spending in the current financial year is likely to be the highest for 10 years, even before the recent award to Freightliner, which is worth up to £75 million over five years.

Mr. Chidgey: Does the Secretary of State agree that the tripling by Railtrack of the costs for enlarging the loading gauge on the west coast main line, which is essential to the success of the piggyback freight consortium, is a positive discouragement to alternatives to road freight? What action will he take to make Railtrack accountable and ensure that it provides more freight on the rails rather than merely maximising profits?

Sir George Young: The hon. Gentleman slightly jumped the gun in his initial conclusion. Railtrack has been examining the cost of upgrading the west coast main line to take piggyback freight, and consultants appointed by my Department have kept abreast of the work to ensure that any grant application can be dealt with expeditiously. We must wait for Railtrack to finish its analysis before arriving at any firm conclusions. I confirm that it is indeed Government policy to secure any useful transfer that we can of freight from road to rail.

Mr. Gale: I applaud my right hon. Friend's endeavours to move freight from road to rail, but he will recognise that, for the moment at least, much freight travels by road and by sea. Those of us who represent channel ports are extremely concerned about the damaging effects of the illegal strikes and blockades in France on the employment of our constituents. The European Commissioner who is responsible for such matters, Mr. Kinnock, is uncharacteristically silent on the subject. What endeavours are the Government making to have the blockades lifted and the illegal strike ended?

Sir George Young: I am grateful to my hon. Friend for raising this most important subject. Before the weekend, I made strong representations to the French Transport Minister about the plight of British lorries and the innocent drivers who have been detained. I received a

response this morning regretting what has happened, confirming that some British lorries were released over the weekend and enabled to proceed and giving details about claims for compensation. However, if the matter is not resolved soon, I may need to write again.

Mr. Andrew Smith: With 1,000 British lorry drivers stranded in France, at considerable inconvenience, cost and risk to their personal safety, does the Secretary of State agree that the House will expect the French authorities to afford every protection to British lorry drivers?

On compensation, does the Secretary of State agree that the confusion about documentation and what is necessary to register a valid claim must be sorted out without further delay? The matter should be taken up with the French authorities by the Prime Minister, to ensure that our lorry drivers get a fair deal.

Sir George Young: On compensation, which is important, the letter from the French Transport Minister has some useful information. The hon. Gentleman's concern about industrial disputes in France would have more credibility if occasionally he condemned those in this country.

Mr. David Shaw: Is my right hon. Friend aware that ferries from Dover are having great difficulty in taking any lorries at all, because of the blockade of Calais? Is not it unreasonable that Dover ferry companies and haulage companies should lose vast amounts of money in the current circumstances? Many of my constituents are stranded in France with lorries and are unable to come back home to their families. French police are forcing British lorry drivers to join blockades to help the French lorry drivers' strike.

Can my right hon. Friend confirm the serious allegations, which may turn out to be true, that the channel tunnel was sabotaged by a striking French lorry driver? Is this not an appalling state of affairs? What will happen about compensation, because, the last time the French promised it, they never paid up?

Sir George Young: I know that the French inquiry, headed by an investigating magistrate, is under way. That inquiry will want to consider the cause of the fire, and will certainly want to investigate the allegations that my hon. Friend mentioned.

I take the issue of compensation extremely seriously. Many owner lorry drivers' futures are threatened by the dispute and many of the smaller haulage companies also face an extremely difficult financial future. We propose to take further action to ensure that the compensation claims are promptly processed by the French authorities.

National Bus Network

2. **Mr. MacShane:** To ask the Secretary of State for Transport what steps he is taking to ensure that major urban centres form part of the national bus service network. [4003]

The Minister for Railways and Roads (Mr. John Watts): The Government are keen to encourage bus use, and are working actively with operators and local authorities on measures to this end, notably through the bus working group and through support for local transport schemes designed to promote bus travel. There is already an extensive network of bus and coach services serving major urban centres. Specific additions to the network are primarily for the commercial judgment of operators.

Mr. MacShane: I thank the Minister for his reply. He will be aware that a spanking new bus interchange, one of the finest in Europe, has recently opened in Rotherham, but it is not connected to any of the national bus networks. The answer is always that it is a matter for commercial judgment or local subsidies. I understand that; but is the Minister aware that, if many towns the size of Rotherham are isolated from the national bus network, that drives more and more people into their cars? Is he aware that, as a result, the traffic jams into London sometimes start at junction 31 in South Yorkshire because people are obliged to use their private cars, as, under deregulation, buses do not operate within a national network to serve leading metropolitan borough centres such as Rotherham?

Mr. Watts: If the hon. Gentleman cares to consult the Great Britain bus timetable, he will find that 16 different bus services link Rotherham with other towns in the region and that there is a daily coach service between London and Rotherham. There are yet more frequent services between London and Sheffield, which is a half-hour bus ride from Rotherham.

Dr. Spink: How many new buses and coaches is Stagecoach ordering now?

Mr. Watts: I cannot remember the precise figure off hand, but my hon. Friend is quite right to draw attention to the substantial orders recently placed by Stagecoach and other private sector companies.

Traffic Reduction

3. **Mr. Rendel:** To ask the Secretary of State for Transport what plans he has to introduce new measures to reduce road traffic. [4004]

Mr. Watts: Our Green Paper sets out a range of measures, including new powers for local authorities to manage traffic demand in their areas, privatisation of rail passenger and freight services, support for bus priority measures and encouragement for green commuting and transport plans.

Mr. Rendel: Does the Minister agree that it would be a good policy to try to introduce some targets for road traffic reduction? Given that 200 Members from all parties have already signed an early-day motion in support of the Road Traffic (Reduction) Bill, which my hon. Friend the Member for Bath (Mr. Foster) is to introduce, will the Government guarantee it a fair wind and do everything they can to make sure that it is passed?

Mr. Watts: I am very much in favour of the inclusion of targets in local transport plans and I encourage local authorities that seek to include targets in their package bids in order to show what they expect to deliver. I have agreed to meet the hon. Member for Bath to discuss the terms of his Bill.

Sir Peter Fry: Will my hon. Friend not be seduced too much by Opposition arguments? I agree that it is right to

reduce traffic where possible, but I am sure that he accepts that the Government do not want to appear to be anti-motorist. Most of my constituents, and most of his, own a motor car and expect to be able to use it in reasonable circumstances. I hope that that will be the policy of the Government.

Mr. Watts: My hon. Friend is entirely right: it would be folly for any Government to be anti-car and anti-motorist. We must seek to provide car users with attractive, convenient and acceptable public transport alternatives, so that they can choose whether to go by car or by public transport, which is what our policies are designed to do.

Mr. Grocott: Does the Minister agree that one way of encouraging more traffic to travel by rail would be to encourage the franchising director to require potential franchisees to improve on current levels of service? Will the Minister write to the director and suggest that he reinstate the through service from Telford to London, which was lost some years ago and which was always assumed to be part of the development and growth of the new town? Should it not be part of the director's job to do such things? Will the Minister take action?

Mr. Watts: The instructions and guidance to the franchising director include the fact that, in assessing franchise bids, he should take account of pledges to improve services over and above those included in the passenger service requirement and the existing BR timetable. The hon. Gentleman will know that, in the majority of the 13 franchises that have been let, new private sector franchisees have pledged to extend services rather than reduce them, as Opposition Members had alleged would happen.

Transport Expenditure (London)

4. **Mr. Congdon:** To ask the Secretary of State for Transport how much was spent on (a) roads and (b) public transport in Greater London in 1995–96. [4005]

The Minister for Transport in London (Mr. John Bowis): Spending comes from a variety of public and private sources. In 1995-96, those included Government grant of £904 million to London Transport, £37 million to the docklands light railway, £124 million to local authorities, £13.5 million to the Traffic Director for London and £220 million to the Highways Agency.

Figures for Railtrack and the Office of Passenger Rail Franchising in Greater London are not identified separately.

Mr. Congdon: I very much welcome the significant investment there has been in public transport in London, particularly the money spent on the underground and the Jubilee line extension, as well as the commitment to spend £125 million on Croydon light rail. Does my hon. Friend agree that it is also important, particularly in south London, to ensure that access to the motorway network is improved—not so much by building new roads as by significantly improving the existing transport infrastructure to maintain the competitiveness of centres such as Croydon?

Mr. Bowis: My hon. Friend is right: it is important to ensure the smooth running of our roads. We shall certainly bear in mind the fact that one of the most important ways of achieving that end involves the red route network, which will enable the orbital routes to flow more freely. My hon. Friend is also right to pay tribute to the high level of investment in public transport in London—four times more in real terms has been invested this year in London Transport than in 1979. Substantial progress has been made under this Government. In the past hour, we have been able to announce that the Croydon tramlink deal has been signed and will proceed.

Mr. Cohen: The stop-go building of the M11 link road through Wanstead and Leytonstone has caused considerable inconvenience to local residents, is an environmental eyesore and has created crime traps. The Highways Authority has ruled out the possibility of environmental compensation for the area. Will the Minister accept that that is unreasonable and will he consider the possibility of environmental compensation?

Mr. Bowis: The hon. Gentleman pays tribute to the Government's plan to improve London's roads, particularly the M11-Hackney link. I do not think that I heard him pay tribute to the fact that, in the past couple of weeks, the go-ahead for the last two sections of that road has been announced—his constituents' problems should be moving towards a resolution. The hon. Gentleman may want to have a word with his own Front-Bench team, who have imposed a moratorium on all new road building.

Mr. Evennett: I, too, welcome the figures that my hon. Friend has given this afternoon. Is he aware that people in my constituency are demanding a balance between road and rail expenditure and are looking to a new crossing of the Thames between Woolwich and Dartford? When will he be able to say more about those issues?

Mr. Bowis: My hon. Friend is right to say that river crossings are important to his constituents and to many others. He will know that a package of river crossings, including Woolwich, Gallions Reach and Blackwall, is being carefully examined as part of the infrastructure that London needs to be effective. If he has read today's *Evening Standard*—I believe everything I see in that—he will know of the welcome news that we have given the go-ahead for the escape ramp for the Blackwall tunnel, which will also be good news for those trying to get across the river in an efficient and effective way.

Congestion (London)

5. **Mrs. Bridget Prentice:** To ask the Secretary of State for Transport what estimate he has made of the annual cost to business of congestion in London. [4006]

Mr. Bowis: We have made no such estimates.

Mrs. Prentice: Is that not a limited and disgraceful answer from the Minister? Does he not agree that London is in virtual gridlock most of the working week? Apart from the air pollution, effects on health and general inconvenience for travellers, does that not have a devastating effect on London's businesses? Is it not now time to have an integrated transport strategy for London?

Mr. Bowis: Again, the party that says it will have no more roads building and that has announced today that it

will have no more new underground lines either is not the party that should be talking about congestion in London. We are, of course, aware of the needs of businesses and, indeed, of other people seeking to get around our city and we have been taking action throughout our years in office to do something about the issue, not just carrying out surveys. In fact, it would be difficult to identify the criteria needed for the sort of assessment that the hon. Lady seeks.

As for good news for those concerned about congestion, I should have thought that the hon. Lady would spring to her feet to welcome the progress of the docklands light railway down to Lewisham—her part of the world—and the fact that, once the Jubilee line extension is built, those extensions will connect at Canary Wharf. That will provide relief for her constituents, which will enable her to join the executives of Europe, who have highlighted London as their favourite city and its transport as one of the reasons for that.

Mr. Dunn: May I first make it plain that we do not want another river crossing in Dartford, thank you very much? Is the Minister prepared to consider greater use of the River Thames, greater use of park-and-ride facilities and greater use of light transit railways in south London in particular? Will he accept our congratulations for doing all that he can to speed up traffic on the A2, a subject which is down in my name for debate later this week?

Mr. Bowis: I will certainly take note of my hon. Friend's wish not to have the new river crossing to Dartford, even if it were to come from Woolwich, as my hon. Friend the Member for Erith and Crayford (Mr. Evennett) suggested earlier. I will not prejudge the debate later this week, but my hon. Friend the Member for Dartford (Mr. Dunn) is right to highlight the need for us to continue to work in partnership with the local authorities, the Highways Agency, the highways authorities, London Transport and others to make sure that, in his part of London and the south-east and in areas that others of us represent, we have an efficient traffic and transport system that continues to ensure that London is a powerhouse of the British economy.

Ms Glenda Jackson: Has it escaped the Minister's notice that his party has been in government for the past 17 years? It is their abject failure to create a properly integrated transport system for London that has produced ever-greater congestion on London's streets and ever-higher levels of air pollution and which prompted the Corporation of the City of London to state only last year that transport issues are a key competitive threat to London's economic position. What, in their dying days, do his Government intend to do to ensure that London's economic future is not threatened by their failure in the same way as they significantly threatened its past?

Mr. Bowis: As the hon. Lady moves into her next period of opposition, I hope that she will learn to pay tribute and give credit where it is due to a Government who have been investing in London's infrastructure to an extent far greater than previous Labour Governments could have dreamt of. I have mentioned the fact that, this year, London Transport is investing in real terms four times the amount invested in 1979, the year in which the Conservatives came to office.

Even excluding the Jubilee line extension, in real terms we are investing twice what was invested in the 1980s and three times what was invested in the 1970s. The Opposition can only come up with a policy of no spend on roads and no spend on new rail lines but, instead, the promise of a Thames tax, so Londoners will know that they will pay through the nose in Labour's taxes and get nothing in return.

Mr. John Marshall: My hon. Friend will agree that public transport plays a major role in reducing road congestion in London. Can he therefore comment on the article in today's *Evening Standard*, suggesting that there will be no new trains on the Northern line until September 1997, which would mean that GEC was much too far behind schedule, and which would make many of my constituents and many commuters in London very angry indeed?

Mr. Bowis: My hon. Friend is right to draw attention to the fact that, thanks to the private finance initiative, new trains will be coming on the Northern line, serving his constituents and mine. It is equally right to say that there have been delays in those trains' manufacture. They are now starting to come through for trials, and they will be in service by next summer, as promised by London Transport—or according to the understanding that I have from London Transport.

Fishing Vessel Safety

6. **Dr. Godman:** To ask the Secretary of State for Transport what plans he has to modify the rules and regulations governing the occupational safety of the crews of United Kingdom-registered fishing vessels. [4007]

Sir George Young: The occupational safety of crews in United Kingdom fishing vessels is being pursued through the development of regulations to implement EC health and safety directives.

Dr. Godman: I know that the Secretary of State has an abiding concern for the safety of fishermen. Does he agree that, when a fishing vessel must be abandoned and the crew forced into the water, crew members stand a far greater chance of survival and rescue if they are wearing survival suits—that is, if they have had time to don them? Why is the Department of Transport reluctant to introduce a regulation governing the carriage of such survival suits on all UK-registered fishing vessels? Is that not the case with the European Union's directive on occupational and safety matters relating to fishermen? Why not give owners and skippers a one-off grant to purchase such suits?

Sir George Young: I hate to challenge what the hon. Gentleman said, because I respect his knowledge of these matters, but my information is that the existing international and European obligations do not require the carriage of immersion suits. None the less, that would clearly be valuable in the circumstances that he outlined, and my Department will shortly promulgate a recommendation that fishermen should wear an automatic single-chamber inflatable lifejacket when working on deck.

Mr. Waterson: Does my right hon. Friend agree that the Government have done a great deal to enhance the

safety of not only fishing crews but all crews operating in UK waters, especially by stepping up inspections of vessels calling at ports in this country and publishing lists of so-called ships of shame?

Sir George Young: Yes, indeed. That is a valuable initiative, which the Department introduced two or three years ago. We do detain ships when they do not reach the right standards, we publicise their names to exert peer group pressure and we keep the vessels until such time as the necessary repairs have been carried out.

Vulnerable Road Users

7. **Mr. Flynn:** To ask the Secretary of State for Transport what action he plans to implement the recommendations of the third report of the Transport Select Committee of Session 1995–96, HC373, on risk reduction for vulnerable road users. [4008]

Mr. Bowis: The Government's response to the Transport Committee's report on risk reduction for vulnerable road users was published on 12 November.

Mr. Flynn: The Committee strongly recommended that the Government publicise the dangers of aggressive bull bars and specifically recommended that the Department write to all owners of fleets of vehicles on which they are fitted, not only to warn them of the dangers to other road users with whom the bull bar vehicles might collide but to emphasise the added dangers to the drivers and other occupants of the vehicles on which they are fitted. Have the Government done that?

Mr. Bowis: I share the hon. Gentleman's and the Committee's concern about aggressive bull bars. I should like to go much further than he suggests and have aggressive bull bars banned. I tell the hon. Gentleman that straight. The way to achieve that is to do as we are doing now—work with the European Commission to design a directive on standards for such items. We are making good progress in that respect. Britain is leading the way and I hope that, before long, we shall achieve what the hon. Gentleman and I both want.

Mr. Matthew Banks: Following publication of the most recent report by the Transport Select Committee on risk reduction for vulnerable road users, may I congratulate my hon. Friend on the meetings that he has held with motor cycling organisations and the Motor Cycle Industry Association? Given the importance of increasing car and lorry drivers' awareness, will he give his continued backing to the recommendations in the "Think Bike" campaign in *Motor Cycle News*?

Mr. Bowis: Yes. I am grateful to my hon. Friend for his kind words about my meetings with representatives and journalists from the industry and I pay tribute to his work in ensuring that those issues are kept before us, as he rides around on his bright red motorbike. We must continue to pay attention to this matter. Motor cycling is an effective way of reducing congestion on our roads, but it must be done safely. We are tackling that by ensuring that motorbike riders ride safely, are properly trained and are capable of coping with the power with which they deal at different stages in their biking careers, and by ensuring that other road users are aware of motor cyclists' needs, particularly by observing them. Being seen and seeing are part of the package that we seek to achieve.

Mr. Donald Anderson: Did I overhear the Minister say that he was in favour of banning bull bars? Has he thought of pressing the Government on that issue?

Mr. Bowis: I said clearly that I want to move towards a ban on aggressive bull bars. I believe that the House would support that. I also said that the way to achieve such a ban was by reaching agreement on a European directive, which is necessary if we are to tackle these matters. We have made good progress and I hope that, before long, we shall see the desired result.

Speed Cameras

8. **Mr. Mark Robinson:** To ask the Secretary of State for Transport what assessment he has made of the effect of speed cameras in reducing accident rates. [4009]

Mr. Bowis: A cost-benefit analysis of traffic light and speed cameras in 10 police force areas, commissioned by the Home Office and carried out between November 1995 and March 1996, identified a 28 per cent. fall in accidents at speed camera sites—*[Interruption.]*

Madam Speaker: Order. The Minister is answering the hon. Member's question. Other hon. Members should be helpful on such occasions and not pass between the Member and the Minister.

Mr. Bowis: The report identified a 28 per cent. fall in accidents at speed camera sites and an 18 per cent. fall at traffic light sites.

Mr. Robinson: I congratulate my hon. Friend on those results. I understand that the Government's policy is to target speed cameras on particularly dangerous stretches of road. May I draw my hon. Friend's attention to the A303 between Sparkford and Podimore, on which the West Camel parish council has made representations through me to the Minister for Railways and Roads? It is recognised as a dangerous stretch of road and we hope that it will soon be turned into a dual carriageway. In the interim, however, will the Department look at the matter again to see whether a speed camera could be installed in the hope that it will cut the accident rate, as there have been some awful accidents there in recent years?

Mr. Bowis: I am grateful to my hon. Friend. He is right to pay tribute to the effectiveness of cameras when they are put in the right place. That is made possible through the good partnership between local highway authorities and the police.

The aim of installing the cameras is to deter inappropriate speed, rather than to catch the speedsters. In addition to the reduction in accidents to which I referred, speed at those points has reduced by an average of 4.2 mph. That is good for road safety and, with my hon. Friend, I shall look into the case in Somerset.

Rail Privatisation

9. **Lady Olga Maitland:** To ask the Secretary of State for Transport if he will make a statement on privatisation plans in relation to rail services. [4010]

Sir George Young: Rail privatisation is progressing extremely well. About 70 per cent. of the rail industry has been transferred to the private sector, generating some £4.5 billion in proceeds for the Exchequer. Thirteen passenger rail services are now in the private sector, the Cross Country franchise is expected to be awarded shortly and the remaining 11 are all on course to be awarded in this financial year. All British Rail's former domestic freight businesses are now in the private sector. The international freight operation, Railfreight Distribution, is expected to be sold at the turn of the year.

Lady Olga Maitland: I hope that my right hon. Friend's plans include a scheme to privatise London Underground. That would provide an opportunity for investment to extend the line from Morden to Sutton in my constituency, which would be widely welcomed. Is he aware how successful the privatisation of Network SouthCentral has been and how popular it is with my commuters, who find that 90 per cent. of trains now arrive on time? Is it not a pity that Labour so bitterly opposes privatisation, putting ideology before passenger interests?

Sir George Young: I was delighted to hear from my hon. Friend of the success of privatisation in her constituency. She is right to remind the House that punctuality on South West Trains mainline services has improved by more than 3 per cent. since franchising. As *The Daily Telegraph* commented last Friday:

"Privatised trains run on time more often".

My hon. Friend will recall that our right hon. Friend the Prime Minister said at Bournemouth that we are seeing whether the principles behind privatisation can be applied more widely, in particular to London Underground.

Mrs. Dunwoody: We are all delighted to know that the Secretary of State, like Mussolini, wants to make the trains run on time. Is he aware of the great disquiet in my constituency because the new director of Opraf is allowing tenders for the line on the basis of the existing timetable, which has been shown to contain more than 100 errors? If the tendering is going ahead before the consultation exercise, how genuine is his commitment to the interests of those who use public transport?

Sir George Young: The consultation on the draft passenger service requirements is genuine. As the hon. Lady knows, following consultation, changes have been made to the draft PSRs and improvements have been made. I have no doubt that when the west coast main line is franchised, her constituents and the constituents of Chester and of other constituencies on that line will experience the benefits of our privatisation policy.

Mr. Rowe: Having spent several years dismally failing to persuade British Rail to provide any new rolling stock on my local railway, may I say how delighted my commuters are at the promise in the new owner's franchise agreement that they will shortly enjoy the benefits of new rolling stock?

Sir George Young: My hon. Friend is right to point out that there has been some £400 million of new investment in rolling stock in that franchise—further evidence that privatisation will allow higher investment than a public sector railway would have. Given his efforts to persuade British Rail, he will be interested to learn that the latest figures show that rail complaints fell by 25 per cent. in the first half of this year, I hope that that means that he will get fewer letters of complaint in his postbag.

Mr. Llwyd: On Wednesday last I travelled on the 9 am train from Paddington to Cardiff. I arrived 45 minutes late on a two-hour journey—which is typical, I suppose. When I arrived, I was told that there were sheep on the line, and I subsequently heard that the same sheep had delayed the 8 am service. When I went to catch the 4.25 pm return, I was told that it had been cancelled five minutes earlier. I asked whether the sheep were still active and was told that there had been no interference by sheep that week. That is a newly franchised service, and it is not very good, is it?

Sir George Young: It is a better service than was provided by British Rail. Great Western is already refurbishing several trains, and privatisation will result in more services from Paddington to Cardiff. Therefore, there is less risk of being delayed by sheep.

Industrial Action (London Transport)

10. **Mr. Nicholls:** To ask the Secretary of State for Transport what is his estimate of the loss of income to London Transport caused by the recent strikes. [4011]

Mr. Bowis: London Transport estimates that its loss resulting from the recent strikes is about £15 million.

Mr. Nicholls: Bad though that figure is, does my hon. Friend agree that behind it lies much inconvenience and the real misery of those who tried to use London Transport? Does he further agree that those commuters were entitled to expect the Labour party's outright condemnation of the strikes, but heard instead only the sponsored silence of the shadow Cabinet?

Mr. Bowis: My hon. Friend is right. Throughout the summer, while Londoners suffered from that wholly unnecessary strike action, we were more likely to hear the scrunch of Opposition Members wandering the beaches of Benidorm in their designer clothes than a single squeak on behalf of anguished Londoners. I hope that the Opposition will take the opportunity to condemn, even retrospectively, that strike and the disruption that it caused.

Mr. Tony Banks: No one could accuse the Minister of wearing designer suits. However inconvenient strikes on London Transport may be, at least they are predictable—commuters know that the trains will not run that day. If the Minister travelled on London Transport, he would realise how appalling the service is in terms of daily inconvenience to Londoners. On that subject, when will he explain what happened last week when the entire underground system closed down—the second time that Lots road power station has completely packed up in recent months? What went wrong? Will there be an inquiry and when will the Minister apologise to Londoners?

Mr. Bowis: The hon. Gentleman would certainly hear the sand scrunch if I walked on it. He is one of the few

Labour Members to comment on the strikes that crippled Londoners' ability to travel to work during the summer. We have heard nothing about it from the current Opposition Front Benchers or their predecessors, but it is time that we did because Londoners are waiting to hear whether the sponsored silence will be the pattern for Labour and strikes.

London Transport has made clear to the people of London its regrets and apologies for that late-night disruption, which, it has stressed, had nothing to do with investment but was caused by a problem with a valve turning off the power for 10 minutes. During that time, it could not get Greenwich station up and running, so the system was transferred to the main stream and it began to work again, causing minimum disruption and inconvenience. Trains were running by the end of the night and everything was in order for the next morning.

Mr. Harry Greenway: My constituents suffered a great deal as a result of last week's underground shutdown. Does my hon. Friend share their concern and anger that Labour Members speak up about that incident, which lasted for only a few hours on one day, but do not speak against strikes that last for many days and cause much more distress, anger and disruption? Where are their values?

Mr. Bowis: My hon. Friend is right. London Underground is investigating the incident and what may be done to prevent any repetition. However, we may compare that small incident, which lasted only a few hours, with the 1.6 million tube passengers whose lives and journeys to work were disrupted by the underground strike, week after week, while the Labour party said nothing.

Congestion Costs

11. **Mr. Callaghan:** To ask the Secretary of State for Transport if he will make a statement on the costs of traffic congestion to British businesses. [4012]

Mr. Watts: There is no generally accepted definition of congestion costs, and my Department does not publish estimates.

Mr. Callaghan: I thank the Minister for that answer, but is he aware that, according to Confederation of British Industry estimates, congestion on the M25 costs businesses £1 billion and nationally it costs them £19 billion? What will the Government do to alleviate the worries of the CBI and the nation?

Mr. Watts: We are aware of the parts of the network that suffer congestion and our well-targeted trunk road programme is designed to relieve the most severe congestion points. We are also applying modern technology to enable us to manage the network better, part of which will be the strategy that I announced last Monday for the development, under the private finance initiative, of regional traffic control centres. That will allow for the strategic management of motorways and trunk roads over a much broader area.

HOUSE OF COMMONS

Renovations

27. **Mr. Wareing:** To ask the Chairman of the Finance and Services Committee what representations he has received in respect of expenditure on renovations in the Palace of Westminster during the summer recess. [4032]

Mr. Paul Channon (Chairman of the Finance and Services Committee): I have received one representation.

Mr. Wareing: In these times of cuts in social benefits, and when local authorities cannot get the resources to provide proper community care, was it not exorbitant for the House to spend £17 million, including £6 million on the kitchen in the Members Cafeteria? Every summer recess, the interior of the House resembles nothing more than one huge building site, and much of the work is repetitive and unnecessary. Is it not a higher priority to provide an escalator for elderly members of the public who have to tramp huffing and puffing up the stairs to reach the Strangers Gallery?

Mr. Channon: I quite understand and share the hon. Gentleman's desire for as much economy as possible. He must realise that what he proposes was fully debated in the House on 12 July 1994 and carried unanimously. We could not have continued without being closed down eventually, as we were clearly defying health and safety regulations. Everything that is done in the House is much more expensive than it would be elsewhere because this is a grade I listed building.

Sir Colin Shepherd: Does my right hon. Friend agree that it is right that the House should no longer hide behind Crown immunity and that it should face up to its responsibilities, and that much of the expenditure incurred to which the hon. Member for Liverpool, West Derby (Mr. Wareing) referred was related to improving the conditions of those who work in the Palace? Should we not comply with the legislation with which we make others outside comply?

Mr. Channon: I agree.

Dame Elaine Kellett-Bowman *rose—*

Madam Speaker: We must now return to Transport questions and to Question 12 from Sir Mark Lennox-Boyd.

I call Mr. Jim Cunningham on Question 13.

Dame Elaine Kellett-Bowman: On a point of order, Madam Speaker. I rise because of the other question.

Madam Speaker: Order. We always return to the original questions when we have finished.

Dame Elaine Kellett-Bowman *rose—*

Madam Speaker: Order. Question 28 was withdrawn. We now return to Transport questions. Sir Mark Lennox-Boyd is not in his place; Mr. Jim Cunningham is.

Dame Elaine Kellett-Bowman: I was rising for Question 27, Madam Speaker.

TRANSPORT

Departmental Rail Investment

13. **Mr. Jim Cunningham:** To ask the Secretary of State for Transport what sums his Department has invested in (a) the west coast and (b) the east coast lines in the past three years. [4014]

Mr. Watts: Railtrack is responsible for investment in rail infrastructure and has confirmed that investment in the west coast main line for each of the financial years since 1994 totals £168.6 million. It plans to spend £1.35 billion to renew the core infrastructure and is prepared to spend an additional £150 million on a passenger upgrade. The east coast line was upgraded in 1991-92 at a cost of £550 million. Railtrack has not, therefore, had to inject major investment subsequently.

Mr. Cunningham: As the west coast main line is of strategic national importance, will the Minister assure the House that it will be given a full upgrade to ensure maximum efficiency?

Mr. Watts: The £1.35 billion core investment programme and the £150 million upgrade programme announced and agreed by Railtrack shows the high priority that is given to this nationally significant route.

Mr. Devlin: As a regular traveller on the east coast main line, may I tell my hon. Friend how pleased I was that the punctuality of trains has improved dramatically since it was privatised and taken over by Great North Eastern? A much wider and better range of services is available for passengers on the east coast main line, which is yet another benefit of privatisation.

Mr. Watts: My hon. Friend is right to draw attention to the substantial improvement in services provided by Great North Eastern.

Mr. Bradley: When will work to upgrade the west coast main line begin? Will the Minister assure us that it will be a full upgrade and not just a modernisation of the line, and that it will include the feeder lines—such as the Northampton to Birmingham line—into the west coast main line? Will he also assure us that the infrastructure will be fully developed to ensure the maximum use of freight on projects such as piggyback? When will he announce which franchisee will operate the line?

Mr. Watts: Contracts to develop signalling systems have already been let and are central to the core investment programme. It is expected that physical works on the upgrade will begin early in the new year. It would be premature for me to announce the identity of the franchisee; the announcement will be made in the usual way by the franchising director. The hon. Gentleman will have heard my right hon. Friend say that Railtrack has not yet concluded its work on identifying the possibilities for freight upgrading on the line.

Driving Licences

15. **Mr. Donald Anderson:** To ask the Secretary of State for Transport if he will make a statement on progress on including a photograph of the holder on driving licences. [4016]

Sir George Young: With the Driver and Vehicle Licensing Agency, we are reviewing the timetable for the introduction of photographs on driving licences.

Mr. Anderson: Will the Minister confirm that no further legislative action is required in respect of photocard driving licences? Following his visit, he must be aware that in Morriston in my constituency great investment has been made in the relevant machinery and that people have been trained and are ready to go. When will he give the off?

Sir George Young: On the first question, the hon. Gentleman is correct: no further legislation is required for photocards on driving licences. On his substantive point, my right hon. and learned Friend the Home Secretary announced in August that, following public consultation, the Government had decided that the planned plastic photocard driving licence linked to a voluntary identity card would be available. We had previously secured an amendment to the EU directive to allow that. It was announced in the Queen's Speech that a draft identity card Bill would be published this Session.

Bus Services

16. **Mr. Hanson:** To ask the Secretary of State for Transport what has been the change in the number of bus passenger journeys made outside London since 1985–86. [4017]

Mr. Watts: There were 4,489 million passenger journeys on local bus services outside London in 1985-86, and 3,178 million in 1995-96.

Mr. Hanson: Is not it a disgrace that there has been a massive fall in the number of bus journeys outside London since the Government introduced deregulation? Do not those figures clearly show that privatisation has failed, that deregulation has resulted in fewer journeys, poorer services, higher costs and poorer vehicles, and that re-regulation is urgently required?

Mr. Watts: No; if the hon. Gentleman studied the trends over a longer period, he would find that the decline in bus usage has been running at about 4 per cent. per annum since the 1970s. In recent years, the rate of decline in bus usage has been arrested. He mentioned inferior vehicles. Reference was made to the significant orders placed by Stagecoach. I have now recalled the figures: the order is for 1,000 new buses in the first tranche, followed by a further 650.

School Transport

21. **Mr. Bennett:** To ask the Secretary of State for Transport what estimate he has made of the number of children travelling to school by car in (a) 1979 and (b) 1995. [4025]

Mr. Bowis: It is estimated that, on average, some 2 million children aged five to 15 travelled to school by car during the period 1993-95. Figures are not available for 1979.

Mr. Bennett: Do we not have a vicious circle? The more parents take their children to school by car, the more danger there is from traffic around school gates, which pushes more people into the same process. What is the Minister going to do to reverse that process, and to try to ensure that our streets are safer so that more children can walk to school?

Mr. Bowis: The hon. Gentleman is right. We believe that more children could walk to school if the routes to school were made safe. To that end, we are working with organisations such as Sustrans and local authorities to ensure that routes are safe—by means of, for instance, lighting, signing and design—and that children are taught how to walk safely to school. If we do that, and encourage schemes such as the 20 mph zones that are being introduced around some school gates, we can increase the number of children—53 per cent.—who still walk to school.

HOUSE OF COMMONS

Parliamentary Questions

29. **Mr. Gunnell:** To ask the Lord President of the Council what assessment he has made of the consequences for the procedures of the House of the recommendations of the second report of the Select Committee on Public Service of Session 1995–96 (HC 313) in respect of the answering of parliamentary questions. [4036]

The Lord President of the Council and Leader of the House of Commons (Mr. Tony Newton): The recommendations of the Public Service Select Committee, and the Government's responses, bear on how parliamentary questions should be answered. They have no direct implications for the procedures of the House.

Mr. Gunnell: I thank the Lord President for his answer. Does he not agree, however, that, after considering the history of parliamentary questions and their use sometimes as a game, the Select Committee felt that the purpose of such questions was to hold the Executive to account, and pointed out that they should be answered—adding that, when they were not answered, an explanation should be given? Indeed, the Government agreed with the Select Committee.

Will the right hon. Gentleman draw the attention of the Prime Minister and other Ministers to the fact that parliamentary questions should be answered, and point out that words should not be used to pretend that an answer has been given when even simple answers such as "Yes" and "No" are frequently avoided?

Mr. Newton: The hon. Gentleman will know that my right hon. Friend the Chancellor of the Duchy of Lancaster has responded to the reports to which he refers in, I think, very positive terms, seeking to clarify the basis on which parliamentary questions are answered. I hope that that will help the House, but I will draw what the hon. Gentleman has said to my right hon. Friend's attention and, as he asked, to that of my right hon. Friend the Prime Minister.

Adjournment Debates

30. **Mr. John Marshall:** To ask the Lord President of the Council how many subjects have been raised as Adjournment debates since January 1995. [4037]

Mr. Newton: Since January 1995, there have been, as of Thursday 21 November 1996, 288 daily and 275 Wednesday morning Adjournment debates initiated by individual hon. Members.

Mr. Marshall: I thank my right hon. Friend for his answer, which demonstrates the increased time available for Back Benchers. Would he care to note the debate on legal aid that I have initiated, which shows that the legal aid fund is a juggernaut out of control? Will he accept my assurance that, if the Chancellor of the Excqhr and the Chief Secretary to the Treasury attack it tomorrow, there will be a warm welcome from me and from many others?

Mr. Newton: My hon. Friend is certainly right that there has been a large increase in the number of opportunities available to Back Benchers, particularly through the introduction of Wednesday morning debates in exchange for Consolidated Fund debates and some private Members' debates at other times during the week. I am sure that my right hon. and learned Friend the Chancellor of Exchequer and my right hon. Friend the Chief Secretary will have heard what he said about legal aid and will have noted it carefully. More to the point, I am sure that my noble Friend the Lord Chancellor has carefully noted my hon. Friend's concern about these matters.

Overseas Development Questions

31. **Mr. Foulkes:** To ask the Lord President of the Council what recent representations he has received concerning the time allocated for questions on overseas development. [4038]

Mr. Newton: I have received none recently. I hope that that is short enough for the hon. Gentleman.

Mr. Foulkes: I have an interest to declare in the matter. Will the Leader of the House confirm that representations have been made through the usual channels? Is it not ridiculous that we had 10 minutes for questions to the Chairman of the Finance and Services Committee and only one question was asked and answered, but that we have only 15 minutes for Overseas Development

questions, with dozens of hon. Members queuing to ask questions and a Department of State involved? Will he consider the matter urgently?

Mr. Newton: There are two or three points. This question is linked with a question further down the Order Paper which is unlikely to be reached and to which I am not unsympathetic. It was not so long ago that Overseas Development questions were extended from 10 to 15 minutes. On some subjects, related matters would be in order at Foreign and Commonwealth Office questions, but I am not dismissing the hon. Gentleman's point out of hand. It is getting a bit late in this Parliament to make significant changes to the question rota.

Dame Elaine Kellett-Bowman: On a point of order, Madam Speaker.

Madam Speaker: I shall take it after the statement.

EMU Regulations

3.30 pm

The Chancellor of the Exchequer (Mr. Kenneth Clarke): With permission, I should like to make a statement on the regulations governing economic and monetary union.

In the past few days, some highly misleading claims have been made about the draft legislation for the detailed preparation of economic and monetary union. They culminated in the misrepresentation of a series of documents in *The Sunday Times* yesterday.

I am strongly in favour of full parliamentary debate and scrutiny of those important issues. That scrutiny must be properly completed before any decisions are made that might have binding effect on this country. What the whole House must want is an informed debate at the right time, rather than one based on inaccuracies and innuendo.

That is why today I want to clear up the misconceptions and to clarify the issues and the procedures involved. My right hon. Friend the Leader of the House will in due course make an announcement about the form and timing of the debate, which must certainly come before the Dublin summit. I repeat that no binding decisions will be taken in any forum or were ever likely to be until that debate has taken place.

Last week, European Standing Committee B considered the latest relevant documents that should be subject to parliamentary scrutiny. It had all the up-to-date relevant legislative documents before it. They were commissioned at the Florence summit in June and cover the legal status of the euro, the proposals for a new voluntary exchange rate mechanism of the European monetary system, and the stability pact designed to provide a mechanism to help to ensure that participants in stage 3 of EMU do not run an excessive deficit.

I have written to every hon. Member setting out the facts about those texts. [HON. MEMBERS: "No."] I have. The logistics, I gather, have not ensured that every hon. Member has them yet, but a large number of copies of those letters are in the Whips Offices of both sides of the House and, I believe, have been for some considerable time. I have today arranged for further copies of the letter to be deposited not only in the Whips Offices, but in the Libraries of both Houses. I stand by that letter and I believe it to be accurate in every respect. I do not propose to read out the details of the letter, but I should like again to underline four key points about the draft European Union legislation.

First, the opt-out from EMU that the Prime Minister negotiated at Maastricht remains entirely unaffected. Secondly, everything contained in the EU stability pact, including fines on ins, derives from and was foreshadowed in the Maastricht treaty. Thirdly, unless we join stage 3 of economic and monetary union, we shall retain, as now, control of domestic economic policy. We would still have our existing commitment to endeavour to avoid an excessive deficit, but there is no question of any fines or other sanctions being imposed on us for running an excessive deficit.

I know that some colleagues have raised the possibility that recital 13 of the draft regulations strengthening surveillance could be used to impose policy obligations or sanctions that can be binding on member states. That interpretation is incorrect. Article 103(5) can be used to impose only detailed rules as to procedure. Any recommendations that might be made under article 103(4) are non-binding.

Finally, the stability pact makes good economic sense for the United Kingdom and for Europe as a means of ensuring that EMU is soundly based, whether we are in or out of a single currency. If we are in, we need to ensure that no other member of EMU falls into excessive deficit or debt crisis, which might tend to drive up interest rates. If we are out, we need the euro zone to be stable, as the British economy is more successful when the economies of our major customers are successful. That is why I am negotiating so toughly in the Economic and Finance Council in British interests to get the details right. That is why Parliament must scrutinise properly what I am doing.

I have always accepted that such documents should be subject to the House's rules on scrutiny. I have no choice but to accept it, but I accept it extremely willingly; I am in favour of those procedures. Since the scrutiny procedure will not have been completed by the time the ECOFIN Council of Ministers meets on Monday 2 December, I shall maintain a scrutiny reserve at that meeting. There is nothing new or exceptional about that—scrutiny reserves are often entered into by Ministers at many Council meetings. I was quite clear in every discussion that I had with hon. Members and others last week that I would maintain the scrutiny reserve in this matter until the proper process was completed. That means that nothing of substance can now be settled at next Monday's ECOFIN meeting.

I come to the documents referred to in yesterday's edition of *The Sunday Times*. The first is a briefing note that was prepared at the request of the European Union Commissioners, Sir Leon Brittan and Neil Kinnock. It was designed to help them be aware of British views at an early stage of the negotiations before the Commission's thinking on the stability pact was finalised. The note was requested by them and sent to both of them in confidence. The reason why it was in confidence is that European Commissioners are constitutionally independent, although I am quite sure that other Commissioners regularly receive briefings from other Governments.

As someone—I believe that it was the right hon. Member for Dunfermline, East (Mr. Brown)—has seen fit to break that confidence and put the document in the public domain, I have today decided to release it. I am actually happy to do so because it confirms that, throughout the negotiations, I have shown proper regard for the interests and procedures of Parliament and a desire to achieve a sensible and acceptable outcome on the stability pact. In fact, I particularly rely on the document that I sent to the two European Commissioners. When I sent it, I never expected that Parliament would see it. The document therefore shows that, at the beginning of October, in private as well as in public, I was particularly anxious to preserve the freedom of nation states to control their own economic policies, and particularly anxious to protect this House's position and its parliamentary procedures. I hope that releasing it does not weaken my negotiating position in the Council, because it contains nothing that other Finance Ministers do not now know about the positions that I am holding in the Council.

The paper states:

"the current proposals will not be acceptable to Parliament."

[Mr. Kenneth Clarke]

That was correct at the time. The whole point of the document, as hon. Members will see when they read it, is that it was sent before the Commission tabled its proposals. The paper makes it quite clear that I was concerned about certain proposals that we feared that the German and French Governments might be making to the Commission. It transpired that we were largely mistaken about the French position. In fact, the German position in negotiation has been much more reasonable than we then feared.

When the Commission later tabled its proposal, in the form of the papers that European Standing Committee B had before it last week, it reflected British thinking to a much greater extent than we expected. In particular, it preserved the key principle of political judgment by Ministers being applied before any fines would be imposed on any member state that had joined EMU. In itself, the Commission proposal that we now have will and can settle nothing. It provides a basis for further negotiation and eventual settlement at the European Council—perhaps, but not certainly, in Dublin. I would welcome the views of the House about the position that we should take in those negotiations.

The second document is from the European Monetary Institute, which comprises all the central bank governors of member states and is sometimes regarded as a precursor to a European central bank. It is not a Commission document or a Council document. Nor does it have any legal effect. It is advice on policy sent to the Council of Ministers in confidence.

I was not able to communicate that document officially because of its declared confidential nature. However, in order to ensure that the House was well informed on its substance, I wrote on 31 October, describing the main points, to the hon. Member for Clydesdale (Mr. Hood), who is the Chairman of the Select Committee on European Legislation. That EMI paper has now been widely quoted in the press and I therefore decided to release it today. Hon. Members will be able to see for themselves that my summary of 31 October sent to the Chairman of the Select Committee was accurate.

The document gives opinions and advice on how, in the opinion of central bank governors, a so-called mark 2 exchange rate mechanism for member states outside an economic and monetary union might operate in practice and how the monetary stability of the whole Union might be safeguarded in future. The EMI document makes it quite clear that membership and even co-operation on exchange rate matters will remain voluntary. The conclusions of the Florence Council, repeated by the EMI in its document, stated of any exchange rate mechanism that "Membership would be voluntary."

The EMI document also says:

"Such closer co-operation would be concluded on a voluntary basis at the initiative of the individual non-Euro area Member State."

Article 109m of the Maastricht treaty already states that exchange rate policy is

"a matter of common interest."

That is of course sensible policy, as wild exchange rate fluctuations would be disruptive to trade in the single market. Actually, that provision about exchange rate policy being a matter of common interest goes back to the treaty of Rome.

At Monday's meeting of ECOFIN, I do not expect and I never have expected any items of EMU legislation to come up for formal adoption. At ECOFIN, we will however seek in good faith to reach a broad measure of political agreement as we were mandated to do by the Florence summit. I will maintain the scrutiny reserve to any political agreement that may be reached. The results of discussion at ECOFIN will be available to inform the European debate in this House before the Dublin summit. That meeting in Dublin is the earliest occasion on which any binding decision could be requested.

There are two possible futures for this country. First, at some stage in the future, we might move to the third stage of EMU and adopt a single currency. As the Government have always made clear, there could be advantages for this country in such a move—*[Interruption.]* Those who are interested will take the feeling of the voices. If we ever move to the third stage of EMU, the associated legislation on the details of EMU must be sensible and effective and suit British interests. That is why it is so important to maintain our ability to participate in and contribute to the negotiations now. They would represent part of the legislative base on which any future British Government might enter EMU. They are part of the detail to be settled before we form our views on the way in which we should exercise our option. We must never repeat the mistake of abdicating from European negotiation so that the structures are designed to meet only the interests of other member states.

Secondly, we might always remain outside a single currency. [HON. MEMBERS: "Hear, hear."] Under those circumstances, we will ensure that we retain, as now, complete control of domestic economic policy and that we are not made subject to any new, binding legal obligations that go beyond non-binding recommendations of the kind to which we have already been subject, under the treaty and in practice, for the past four years. That is the approach that I have been adopting throughout all the negotiations. Whether we are in or out, my concern is and will remain to respect the position and traditions of this Parliament and our independent nation state.

Mr. Gordon Brown (Dunfermline, East): The muted cheers when the Chancellor mentioned the case for a single currency and the jeers from the Conservative Benches when he mentioned the case against a single currency showed exactly why the Conservatives never wanted a debate. The Chancellor's problem is that every time he tells us what is on the Finance Ministers' agenda for next Monday—the euro, the stability pact, the budget and exchange rates and exchange rate co-operation—he demonstrates precisely why all parties represented on the Select Committee on European Legislation and hon. Members of all parties in the House were absolutely right to unite to demand a full debate on those matters before the meeting. They are still right to do so. The purpose of the Government's statement today is that the House should hear the views of the Chancellor, but surely the whole purpose of a debate is that the Chancellor should hear the views of the House.

The test of the Chancellor's main assertion today—that nothing of substance will be decided on 2 December—is not in the repetition of that assertion, but in the precision of the specific answers that he gives. How does he square his claim that nothing of substance can be decided with the fact that in his letter on 31 October to the Chairman

of the Select Committee on European Legislation, he said that political agreement is likely on 2 December, and with the fact that the documents that he gave to the Select Committee state that the Government will participate in political decisions on them at the ECOFIN Council on 2 December? Why did the Leader of the House say that scrutiny would have to be completed by the end of November, because that would be in time for the House's views to be taken into account in any decisions at the 2 December meeting? Surely the main point of the Chancellor's letter of Friday is that, with or without a security reserve—*[Interruption.]* Conservative Members should listen. The Chancellor's letter of Friday said that on 2 December we might reach a broad measure of political agreement.

The Chancellor has confirmed that papers on exchange rates will be discussed at the meeting next Monday. Will he confirm that—in addition to what he says about the proposals in those papers—there is now a proposal in the European Monetary Institute document that the exchange rates of all the outs will be monitored and assessed, and a further proposal that, where convergence is achieved, countries can be expected to enter ERM mark 2? If, as the Chancellor admitted in his letter of Friday, a broad measure of political agreement might be reached on those issues next Monday, surely that is a matter on which we should hear the Government's position, on which the opinions of Members of this House should be heard and on which we should see the paper that is now before the European Ministers?

If, as the Chancellor confirmed today, the meeting next Monday will discuss both stability plans for the ins and convergence plans for the outs, and as stability plans are, as everybody knows, important even to the countries that remain out; if there is a set of proposals for every one of those inside currency union that the deficit should never be higher than 3 per cent., that it should never be more than 1 per cent. over the cycle and that it should never be considered exceptional unless there is a specified reduction in national income in any one year; and if, as the Chancellor says in his letter, a broad measure of political agreement is likely on 2 December—including on the subject of fines for the ins—surely we should know as a matter of fact what is finally being proposed and whether the Chancellor considers the rules to be too rigid or inflexible. Surely the House should be allowed to give its views on the matter, too.

The Chancellor says that the convergence plan does not include fines—which is right—but also says that it is a requirement only for information and for nothing more, but surely he must explain the proposals that are before his meeting next Monday. As I understand them—I hope that he will confirm this—Britain would be compelled to submit a convergence plan, which the Treasury accepts may yet have to include forecasts on interest rates and unemployment. Britain would then be assessed and judged on the credibility of its economic position and on whether it was meeting the criteria. Britain might then be urged to take corrective action, and given a specified time to do so. The Chancellor must surely explain the fear expressed by the Treasury that those plans go way beyond the provision of information and involve what it calls pre-commitments to respond to changes in the deficit.

The Chancellor says that no agreements have yet been made. Perhaps he will explain why the informal meeting of Finance Ministers in September agreed that there was a broad level of consensus that convergence programmes should be made obligatory and that their contents should be developed along the same lines as for stability programmes. The Chancellor should explain why one thing is being said in Brussels and another back here in Britain.

Try as the Chancellor might to downplay 2 September and to say that nothing of substance is being decided, he cannot do so. Is it not the case that there is only one reason for denying us the debate that the House and the country want—internal Tory party management? On that and on the other issues, the national interest should come first.

Mr. Clarke: On the final point, I can assure the right hon. Gentleman that the policy that I am pursuing is the declared policy of the Government. As I tried to explain, I am pursuing it in a way that I am perfectly happy to debate. It is important to us all and I am happy to make it clear.

On the decisions that will be taken next Monday at ECOFIN, I anticipate that the most likely outcome will be a report to go ahead to the summit in Dublin on where we are in the discussions on all those things. It is possible that we shall seek to reach political agreement on that and other things. I made it clear a few moments ago that, until we have finished the scrutiny procedure here, I shall put in a parliamentary reserve—something that frequently happens in the Council.

The right hon. Gentleman referred to the way in which I described the matter to the Scrutiny Committee in my letter of 21 October, when I said:

"the Government will be participating in the formal completion of the process at ECOFIN on 2 December and the European Council on 13 and 14 December."

After the conclusions at Florence, no member state is assuming that ECOFIN will determine the final shape of those things or legislate—there are to be no legislative proposals. ECOFIN is meant to be trying to reach political agreement to go on to Dublin, and I shall enter a parliamentary reserve to that.

Mr. Dennis Skinner (Bolsover): Hoodwinked.

Mr. Clarke: No. Let me quote again from the letter to the Chairman of the Scrutiny Committee. I said that the letter,

"by providing you with advanced warning, will help to ensure that your Committee is fully able to feed in its views on these proposals in time for the Government to participate in political decisions on them at the ECOFIN Council meeting on 2 December and the European Council on 13 and 14 December".

I went on to say:

"I attach great importance to the role of Parliament in scrutinising European business".

That is why I sent the letter and why we still have plenty of time before any of the matters are resolved in the meetings.

Let me say what might prevent political agreement from being reached at ECOFIN and in Dublin. Important matters, particularly in the stability pact, would affect us if we were to go into economic and monetary union at any time. It is important that the fines should not be so excessive as to make the economic crisis worse, that the process should not be automatic and that it should be

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subject to political decisions by the Council of Ministers at every stage. It is important that the timetable should not be so rapid as to ratchet up a problem to a crisis in one member state. The fines and penalties in the treaty were intended to act as a deterrent but, like all the best deterrents, they would be a deterrent that would never be imposed because they would put pressure on a member state to get back within the excessive deficit.

That is the position that is being taken, and the process will not be concluded next Monday—it was always highly unlikely that it would be concluded next Monday and I am not even sure that it will be concluded at Dublin. I shall put in a parliamentary reserve on those matters until the House is satisfied and its scrutiny process finished. *[Interruption.]* I have always been clear about that. I have never had the slightest intention of going to any Council of Ministers without the parliamentary scrutiny process being completed.

The right hon. Gentleman also referred to the European Monetary Institute document. That document has no legal effect, and the right hon. Gentleman does not do a service to sensible debate by misquoting or by distorting quotations. It is an inescapable fact that he ought to accept that the EMI is proceeding on the only sensible and true basis: that a country joins ERM mark 2 only if its Parliament decides to. The Prime Minister and I have repeatedly made it clear that we have no intention of proceeding to ERM mark 2.

It is not true that convergence plans can lead to the conclusions that the right hon. Gentleman said they could lead to; they can lead only to non-binding recommendations. It is true that we are contemplating the idea of it being compulsory to submit such plans, but this country has been submitting them for three or four years, they have been approved every year in Parliament, and we have never had back a recommendation that did not endorse our policy; so there is no great threat posed there.

Other member states that might get themselves into fiscal problems have had a habit in the past of submitting inadequate plans and submitting them late, so there are some attractions, if one wants stability in the single market, to getting the conversion programmes sorted out. However, I agree with the right hon. Gentleman about matters such as forecasts of interest and exchange rates, and I do not think that they will survive.

Finally, the right hon. Member for Dunfermline, East talked about the need for a debate. I have made it absolutely clear that we will have a debate. [HON. MEMBERS: "When?"] I welcome a debate; I enjoy the debate. The right hon. Gentleman says that he is looking forward to an interesting debate between me and my Back Benchers; I think that he will have some fun with some of his, if we ever get to a debate, not least because I am not the slightest bit aware of his position on any of those matters at any stage.

My right hon. Friend the Leader of the House will in due course announce the terms of the debate—perhaps a longer debate—that we hope to have; it will certainly be held before the Dublin summit, on a motion for the Adjournment.

Mr. Tom King (Bridgwater): Will my right hon. and learned Friend confirm that, since before the European Community was even thought of, this country has had the closest interest in the performance of the economies in Europe, and that it would be grossly irresponsible on his part and on the Government's if we did not recognise that it is absolutely vital, given that the euro and monetary union will be introduced among our most important trading partners, to ensure that they are set up on a basis that works? Will he again confirm that we shall ensure that our independence and our right to decide about our own economy, as long as we so choose, are properly preserved?

Mr. Clarke: I agree with my right hon. Friend; he makes an extremely important point. The continental markets are our most important markets, and our well-being is linked to theirs, with the result that when Germany and France are successful, we are successful, and when they get into economic difficulties, we slow down. It is therefore extremely important that in our single market we participate in discussions on a euro zone, even if only others will be in it; instability and failure in that part of the market have a knock-on effect on us.

I confirm entirely what my right hon. Friend said in his final point: I am not engaged in secret or evasive negotiations; I answer parliamentary questions every time I come back from ECOFIN; I submit piles of documents to the Scrutiny Committee, and huge mountains of them fly out and get overtaken the whole time; I am quite open about what I am negotiating for; and I negotiate in line with the policy of Her Majesty's Government—no more and no less.

I am determined to ensure that, unless we go into the euro zone, we shall retain complete control, as now, over our national economic policy, and that if we go in, we shall not be sucked into a system that goes beyond what is envisaged in the treaty and imposes unacceptable restraints on our independence as a nation state.

Mr. Malcolm Bruce (Gordon): Does the Chancellor accept that it is welcomed on the Liberal Democrat Benches when he declares that, regardless of whether Britain joins monetary union, if it goes ahead, it is in our interest to ensure that it is a success? Will he nevertheless acknowledge that the House has to some extent exercised a scrutiny reserve on him and his Government, in that it is difficult to believe, given that the ECOFIN discussions are to go forward as proposals to the summit, that ECOFIN has no substantial influence on the shape of the possible proposals?

Will the Chancellor give the lie to the suggestion made by one or two of his Government colleagues that the discussions do not matter, because monetary union will affect only the member states that join it, given that his and the Government's position is that the United Kingdom may well be a founder member of monetary union?

Those who are opposed to our membership of monetary union should realise that the terms and conditions regulating how members of EMU operate are bound to be the basis of how they conduct themselves in relation to states that remain outside. Either way, the conditions are vital to our national interest.

Mr. Clarke: I agree with the hon. Gentleman. Under the treaty, we have a right at any time in the foreseeable

future to exercise an option to go into economic and monetary union. That means that we are now negotiating the legislation that will apply—would apply—whenever the United Kingdom exercises that option, under whatever Government. Therefore, it is extremely important that we make a positive contribution to that. We must avoid the mistakes of the past. We would not have the common agricultural policy that we now have if a former generation of politicians had not taken the utterly bizarre view that it would never affect the United Kingdom, so they pretended that it was not going to happen and left it to be set up on a basis that no one in the House thinks is any longer satisfactory.

For the reasons that I have given my right hon. Friend the Member for Bridgwater (Mr. King), it is equally important that, if we stay out, the euro zone is a stable element in the middle of our European Union and single market, and there are not destabilising consequences from it. I shall seek to ensure that as well.

As I made clear, I give descriptions to the Scrutiny Committee of documents that, strictly speaking, perhaps I should not be giving. I go beyond what is absolutely necessary for scrutiny sometimes. What I ask is that, while I submit myself to scrutiny, one cannot keep ringing up from ECOFIN at every stage of the negotiations to try to keep Parliament covered. One must understand how we negotiate. I would rather that other member states did not know at every stage exactly what I was pushing for, exactly what I was going to withdraw, what I really meant, what was a try-on and what I was actually trying to secure. A process of permanent parliamentary debate, permanent parliamentary scrutiny and occasional parliamentary hysteria is not always in the national interest.

Mr. Norman Lamont (Kingston upon Thames): May I thank my right hon. and learned Friend for his statement? As someone who helped to negotiate the opt-out at Maastricht in addition to the Prime Minister, might I say to my right hon. and learned Friend that I agree with his interpretation? I believe that he is correct to say that fines would not apply to us provided that we did not join the single currency. I agree with him that the monitoring of our economy by the European Commission will not in any way interfere with the ability of the British Government to conduct our own economic policy.

To that extent, our opt-out remains intact, but my right hon. and learned Friend has made it clear this afternoon, and on many other occasions, that he would quite like to join the single currency. If that happened, the fines and the scrutiny would apply to us. The House is entitled to debate the level of the fines and the flexibility and the inflexibility of the system. That has not been debated adequately so far, until this afternoon. If it had been, this needless row would have been avoided.

Mr. Clarke: My right hon. Friend did a very good job, as he did on many other things, in his negotiations on the opt-out at Maastricht. I have never had the slightest trouble with the provisions of the treaty as we now have them. The treaty always envisaged that at some stage we would move to detailed regulation making of the kind that we are now engaged on. The treaty always envisaged, and we accepted it in our negotiations, that for the ins there would a system of deposits and fines. The detail of that still has to be negotiated. I entirely accept that that is something that the House should scrutinise and consider.

As I said in my statement, I welcome the views of the House. I revealed, as the documents that I sent to the Commissioners revealed to everyone, that I have been arguing throughout that the fine should not be excessive. We do not want bovine spongiform encephalopathy crisis-type financial obligations falling on a country that is already struggling to cope with an excessive deficit. I have argued that, as one goes down that path, the procedures should be reasonable and flexible, and at all times should be under the political control of the Council of Ministers.

I suspect that my right hon. Friend and the bulk of my right hon. and hon. Friends would agree with me on those points. I am—or was—making good progress on those matters in the Council, and I was also making good progress in the Commission—perhaps it has influenced matters. When I wrote to the Commission, I thought that something closer to the more rigid, automatic procedures of other member states would emerge, but what emerged was nearer to our procedures. It was still not perfect and I welcome the House's scrutiny of those procedures.

Mr. Peter Shore (Bethnal Green and Stepney): The Chancellor has certainly not reassured me with his statement. His statement this afternoon that he would put a reserve on any detailed agreement reached does not go far enough. He has reaffirmed today what he said in his letter on Friday: the purpose of the meeting on 2 December is to reach an agreement. He has reaffirmed that he will seek to reach a political agreement on 2 December and that that will form a report to go to the European Council 13 days later, or whenever it is. The fact that on 2 December the Chancellor will reach a political agreement on the report's general shape raises the question of what is being agreed—what is being agreed is the idea of a stability pact.

Is the right hon. and learned Gentleman really saying that he, as Chancellor of the Exchequer, is prepared in future—we all know that he wants to join the single currency—to have the Budget judgment made for him in Brussels rather than here in London? Is he prepared—like a rate-capped local authority—to have fines imposed on him because he has dared to exceed the limit of the 3 per cent. ceiling on gross domestic product? I find that shameful.

The Chancellor mentioned the EMI report and tried to describe how it came about—I accept that. Is it true that that report contains a recommendation that in future Britain should force the pound sterling to shadow the euro, and that arrangements will be put in train to bring that about? If that is so, we shall find ourselves without the advantages that we would otherwise enjoy were our currency not absorbed into the euro.

Mr. Clarke: Any political agreement will be subject to parliamentary scrutiny reserve until we have satisfactorily completed parliamentary scrutiny. The political agreement that is likely to be reached is on a report that will set out member states' differing positions. What I expect now is what I expected before. We shall proceed and seek to resolve—indeed, we have a mandate to do so—as many of the difficulties as possible, but not to resolve them finally—we never intended to do that.

The next step will be for ECOFIN to do the best that it can to resolve the disagreements and forward them to Dublin, where they might or might not be agreed—all that

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is subject to scrutiny reserve. It is true that the stability pact is being contemplated—in particular, members that are in may find themselves subject to fines and penalties. It has always been true that the Maastricht treaty contemplated that those in economic and monetary union would be subject to deterrent penalties, to ensure that they all continued to follow the convergence criteria once they had joined. I am in favour of that, and most people looking at economic and monetary union think it sensible.

It is no good aspirant member states hitting a target in the relevant year—particularly if they fiddle it—and then assuming that they can satisfactorily proceed with economic and monetary union, without keeping within those convergence criteria. The treaty as drafted by my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) always contemplated pressures to ensure that members stayed within the convergence criteria. I agree with the Germans on the principle and I also agree that they should not fudge the convergence criteria. My position is that I would expect myself to be against this country joining economic and monetary union if the criteria were fudged, or if there were not adequate guarantees that we would stay convergent after we had joined, because the whole thing would set up intolerable pressures and this country would be much better out of any such arrangement if it went ahead.

Finally, there is no question in the EMI document of shadowing the euro or any other currency. Sterling is now a floating currency and I have no intention of shadowing any currency as long as it remains floating, because it would be futile and damaging to do so.

The right hon. Gentleman's other points might be clarified by a little internal debate in the Labour party—it gets fairly bewildering, seen from Conservative Benches.

Mr. John Butterfill (Bournemouth, West): As it seems likely that the pound will not join the euro in the first wave, at the very least, can my right hon. and learned Friend share his thoughts with us and give us an unequivocal assurance on whether he is likely, at ECOFIN or subsequently at Dublin, to be asked to agree to anything that could impose penalties on our economic behaviour in the future? Can he confirm that the maintenance of the convergence criteria—in other words, keeping inflation down and restricting public spending to a reasonable proportion of gross domestic product—is desirable in itself and is likely to continue for as long as the Conservative party remains in government?

Mr. Clarke: On the first point, I can confirm that, if we do not join stage 3, article 103 does not allow any fines or penalties to be imposed upon us—under article 104, those fines and penalties fall only on those that have joined stage 3. The British opt-out, as negotiated by my right hon. Friend the Prime Minister, preserves our indemnity from those fines and penalties.

On the convergence criteria, such as the excessive deficit procedure, which we have been following for two or three years, I agree strongly with my hon. Friend that we on the Conservative Benches do not think that it is good economic policy to run a deficit above 3 per cent. of gross domestic product. We do not think that it is in this country's interests to have a debt:GDP ratio of above 60 per cent. We intend to be a low-inflation economy. We believe that complying with those convergence programmes—if we do, which is a matter for us—is a sign of economic health, whether anyone is thinking of a single currency or not.

Mr. Tony Benn (Chesterfield): Is the Chancellor aware that the real issue is a slightly different one? If the stability pact is agreed, it will come into force only if Britain joins a single currency; but it pre-empts a decision of a future Government and a future Chancellor, refreshed by the mandate of the electorate, when the decision comes to be made. By agreeing in principle what are called fines, but which are really the taxation of this country by the European authorities, he is transferring in advance the power to tax this country from the Treasury, which he heads and which can be removed, to people who are not accountable to Parliament. That is the issue.

If the Chancellor really thinks that he can present this as only a little detail, he misses the whole point. If he thinks that a single currency guarantees unity, he should remember that the dinar did not guarantee the unity of Yugoslavia, the dollar did not prevent the American civil war and the rouble did not prevent the break-up of the Soviet Union. He must be living in a dream world, motivated solely by the idea that a single currency is a guarantee of peace and unity, which it is not.

Mr. Clarke: On the first point, the penalties and disciplines imposed on those that go into economic and monetary union are in the Maastricht treaty under article 104. The right hon. Gentleman voted against the Maastricht treaty and I quite understand that. All I can tell him today is that the negotiations in which I am involved add nothing by way of fines and penalties beyond what is contemplated in the Maastricht treaty, which this House discussed two or three years ago.

The Maastricht treaty paves the way for the regulations, in the same way as our social security legislation in this House eventually paves the way for regulations on the practical implementation of what has been agreed. The large issue of principle that the right hon. Gentleman raises is important, but the House has already looked at it once and we have bound ourselves by treaty. All I can tell him is that the process in which I am currently engaged and which is now being scrutinised adds nothing to that, in the sense that it is all based on the Maastricht treaty, which has been through the House.

I agree with the right hon. Gentleman on his second point; I do not believe that currency unions guarantee political union and so on. I do not believe that that is the best argument for currency union; it is not the reason why I believe that we should keep our option open one way or the other. It could be an extremely misguided way of trying to pursue political union. There are many other ways in which peace, harmony and the correct defence of genuinely common interests among countries should be pursued.

Economic and monetary union is essentially an issue concerning how the single market will operate, how we shall preserve stability in future, whether it is desirable to seek to go into a single currency to preserve the most stable conditions and what the political or other price will be if one does that.

The next big question cannot be settled until we have finished negotiating all those details—and I am not running away from the House having a debate or a discussion about that and contributing to that very important issue.

Mr. John Redwood (Wokingham): On Thursday, in the House, the Prime Minister said that the regulations would not apply to the United Kingdom unless we were joining the single currency. Will the Chancellor ensure that such words are written clearly on the face of each regulation, so that there can be no more legal doubt? Our record before the European Court of Justice is very disappointing, and there are different legal views about the current loose wording.

Mr. Clarke: I explained that I believe that what the Prime Minister said was the correct statement of the position, but obviously I undertake to my right hon. Friend that I shall respond to all the anxiety that has been expressed at the weekend and in the House today about whether we can be absolutely sure that that is the case. The Commission proposals that we have before ECOFIN were in any event put forward only for the Council of Ministers to negotiate on that basis.

It is often not understood in this country that the Commission does not decide such things. In that specific area, the Commissioners are the servants of the Council of Ministers, and they act as such. We asked the Commission to try to take things forward by producing some draft regulations, and then I sent briefing to our Commissioners and so on to try to ensure that what they came forward with was rather nearer to my position than I feared it might otherwise be. We then intended to carry on negotiating to get the text right.

In the light of all the fears that have been expressed, I assure my right hon. Friend that I shall seek to come back with the best possible text that puts, as he says, absolutely beyond doubt what I already believe to be genuinely the case, but I agree that it must be seen to be copper-bottomed, or as copper-bottomed as we can get it.

Mr. Alfred Morris (Manchester, Wythenshawe): The Chancellor said it was his purpose this afternoon to clear up all the misconceptions. Was not one of the main misconceptions that of the Prime Minister in claiming last Thursday—and repeatedly—that there had already been full parliamentary scrutiny in European Standing Committee B?

Mr. Clarke: There was scrutiny in European Standing Committee B, and I can say only that when one—

Mrs. Ann Taylor (Dewsbury) *indicated dissent.*

Mr. Clarke: Well, there was scrutiny. I regard myself as a parliamentarian as least as much as I am a Minister, but we all know that, if things are reserved to a Committee, it is up to the hon. Members to decide how they use the time on that Committee. I was not there, but I gather that a very good time was had by all; some process of scrutiny was carried forward at the time. It has not been completed. We know that it has not been completed because a motion has yet to be carried.

With the greatest respect, in my opinion, we do not need all these wrangles about parliamentary procedure; what we want is a debate, which the Government are undertaking to give. My right hon. Friend the Leader of the House will in due course make a business statement about the form of that debate, to which the Government are committed.

Sir Terence Higgins (Worthing): May I welcome my right hon. and learned Friend's statement? Does he agree that, if the Government were now to rule out membership of EMU in the next Parliament, it is likely that he would find that he was largely excluded from the discussions or that the real decisions would take place elsewhere? Is it not very important that he should take full part in those discussions, not least in emphasising that, if other members of the Union fiddle the convergence figures, as is clearly the case in France, and probably Belgium and Spain, a rush towards a core currency will end in disaster and its disintegration, and the whole process will be set back for a generation?

Mr. Clarke: I could say that I agree entirely with every point that my right hon. Friend has made. At times, I find myself trying to win points that are not the first points of preference of other member states. My ability to win those points is greatly reduced if the other member states all take the view that it is academic for us in any event because we shall not be members, and that gives others greater influence. I happen to think that, in the national interest, it is wrong to exercise our option anyway because it is too soon to determine which way the national interest will lie.

Some of my right hon. and hon. Friends—not my right hon. Friend the Member for Worthing (Sir T. Higgins)—are irreconcilably opposed to our ever joining at any stage. Nevertheless, they cannot guarantee that, in 10 years' time, this House, which is sovereign, will not decide under some Government or other to go in. I want British influence to be the maximum in those negotiations, because they will result in the legislation, whether that option is exercised sooner or later.

I very much agreed with my right hon. Friend's last point. When deciding whether countries are convergent and ready to join economic and monetary union, the Commission makes a report on whether, in its opinion, sufficient member states satisfy the convergence criteria. The European Council—that is, the Heads of Government—then decides, by qualified majority vote country by country, whether a particular country meets the conditions for membership. In my opinion, it should take that decision not on fudged attempts to meet the criteria but after a genuine wide look at whether that country can take on the constraints of economic and monetary union and continue to comply with convergence. It must look at reality, not patent accounting devices, when and if that decision is taken.

I certainly agree with my right hon. Friend. I have said this before and have probably not repeated it for a bit: convergence is more important than the timetable from the point of view of every member state in the Union. I am firmly on that side of the argument.

Mr. Giles Radice (North Durham): Does the Chancellor agree that, whether or not Britain joins EMU—I share the Chancellor's position on that

[Mr. Giles Radice]

question—it is in Britain's interest for there to be a strong euro, which requires sensible rules, including a stability pact between members?

Mr. Clarke: I agree entirely. It is important to have a proper process of parliamentary scrutiny but we must conclude it satisfactorily, because, for all the reasons that we have been exploring, there is an overriding national interest in getting it right. However, as any negotiator would say, the process of scrutiny must not totally confine the negotiator's ability to say or do anything in the course of discussions. I like to think that I sometimes come away with a good deal from negotiations, but I shall not come away with the best deal if the House insists on imposing a total constraint on any movement whatever from the position that I take.

Mr. William Cash (Stafford): Does my right hon. and learned Friend accept that, given the economic policy laid down in article 102 of the treaty, we are bound to be affected by the proposals, even if we are out? Does he further accept that, if the countries that are in are fined, our taxpayers, who are net contributors, will end up paying into the European coffers one way or another? Does he therefore accept that we must go to the European Council meeting and veto the regulations unless the Council is prepared to guarantee that we shall not be affected by them? For the reasons that I have given, we need a crystal clear exclusion from the regulations.

Mr. Clarke: I am extremely reluctant to contemplate vetoing one of the regulations requiring unanimity. Again, it is all subject to parliamentary scrutiny. It is extremely important to sort out now the regulation which I would describe as the legal base of the euro, which provides for continuity of contracts—those contracts already in existence, which are denominated either in ecu or in currencies that might go into the euro. There is a great deal of commercial interest in the City of London to get that matter resolved as quickly as possible, and to have legal certainty governing existing contracts and the legal rules applying to every member of the Union. I was among those who pressed for retaining unanimity and, under the relevant article—number 235, I think—for requiring unanimity to apply to all member states, and I keep pressing for a decision to be taken as quickly as possible. Subject to what my hon. Friend might say to me afterwards, that is the firm view of interested parties in the City of London.

With regard to my hon. Friend's earlier reference to an article, the regulation is under article 103, which cannot lead to fines and penalties, but can lead only to non-binding recommendations.

My memory is failing: I have forgotten my hon. Friend's third point.

Mr. Cash: Will my right hon. and learned Friend veto the regulations unless we get an explicit guarantee that we shall be excluded from them?

Mr. Clarke: I shall certainly veto or vote in every way to confirm the policy that I have described. That is what I continue to do. We must address what is actually being proposed, not what we fancy is being proposed or might be proposed, although of course we must guard ourselves against future risk. Those risks can be satisfactorily answered.

Mr. Alan Williams (Swansea, West): I accept that it has all along been the Chancellor's intention to protect the procedures of this House. Does that not make even more inept the action last Thursday of the Prime Minister and, more sadly, of the Leader of the House, in ruling out immediately the possibility of a forthwith motion? Secondly, as the Chancellor has said repeatedly today that he wants the opinion of the House, and as he knows full well that even in a two-day debate, at most 10 per cent. of the House will have a chance to participate, does he not recognise that the only way to get that opinion is in the Division Lobbies, with individual votes on the individual components in the package?

Mr. Clarke: The matter of a forthwith motion will be addressed in due course by my right hon. Friend the Leader of the House in a business statement. I accept that the motion must be taken at some stage to complete the process of parliamentary scrutiny, but as the right hon. Gentleman knows—he has been in the House longer than I have—we are arguing about a take note motion. If the House decides that it does not want to take note of documents, the outside world, away from the hothouse of Westminster, will find that slightly bewildering.

My right hon. Friends the Prime Minister and the Leader of the House are anxious to give the House a proper opportunity for debate. The difficulty with a debate, as the right hon. Gentleman said, is that there is a limit to the number of Members who can take part. That is why the House has the Scrutiny Committee, which allows everyone to go—*[Interruption.]* I admit that it is a new process, so I have not participated in one. I am told that the scrutiny process involves the Minister attending, and being subjected to repeated and lengthy questioning in depth on the technical details of the regulations.

We shall then move to a debate. My right hon. Friend the Prime Minister made it clear that we must have a debate before Dublin. We always have a debate before we go to a European Council. I have already said that the business managers are contemplating whether it would be possible to make room for an extended debate.

Mr. David Hunt (Wirral, West): Will my right hon. and learned Friend accept my congratulations on having put the record straight this afternoon in a clear, concise and comprehensive statement? Will he confirm that nothing has been done, is being done or will be done that will fetter the right of the United Kingdom, under the opt-out so successfully negotiated by our right hon. Friends the Prime Minister and the former Chancellor, to make our own decision in our own time about whether to join economic and monetary union and the single currency? Finally, will he ensure that, until he has received a satisfactory explanation of what went wrong, no further confidential papers will go to Commissioner Kinnock's office?

Mr. Clarke: I can confirm the first part of the question. The Maastricht opt-out remains completely untouched by what we are considering. It will remain untouched and I have no doubt that the House will debate it many times hereafter.

On the latter point, I have no means of knowing where the document came from, as it was sent to both Commissioners. I had to take the decision whether to send it to one British Commissioner—Sir Leon Brittan—or to both, including Neil Kinnock. I decided that the national interest required me to send the document to both Commissioners and their chefs de cabinet, personal and in confidence. I have no idea how it has reached the outside world. The fact that the right hon. Member for Dunfermline, East revealed it and was waving it about, makes me think that Sir Leon Brittan is probably in the clear. I shall certainly consider what briefing I put forward to anyone in Brussels in the near future.

Mr. Denzil Davies (Llanelli): The Chancellor told us that he loves debates, but he seems to be shy of votes. Will he give an absolute assurance that, before Her Majesty's Government sign a binding agreement on the stability pact, the details of that pact will be brought to the House and hon. Members will have a chance to vote on it specifically and, if necessary, approve or reject it?

Mr. Clarke: The form and nature of debate is not for me—[HON. MEMBERS: "Yes."] It is not. This is not a business statement and it is no part of my duties to give such a statement. I look forward to debate and we must have a proper debate. No doubt, many hon. Members have views about the form of that debate, all of which will be listened to by the business managers. After some process of consultation, my right hon. Friend the Leader of the House will make a proper statement in due course.

Several hon. Members *rose—*

Madam Speaker: Order. This statement has now been running for an hour and only 12 Back-Bench Members have been called, largely because questions are much too long, too many questions are being put and the answers are equally long. I need now brisk questions and answers.

Mr. David Heathcoat-Amory (Wells): This unnecessary row could have been resolved much earlier by the granting of a full debate about an issue that the Prime Minister has described as the most important decision facing the country.

Does my right hon. and learned Friend the Chancellor agree that some of the draft or proposed regulations are intended to apply to countries that do not join a single European currency? If that is the case, will he undertake not to agree to any further strengthening or widening of this country's obligations if we do not join a single European currency? Will he maintain that position if and when the House resolves to take note of the regulations?

Mr. Clarke: I hear what my right hon. Friend says about debate. We always intend to have a full debate, and we always do, before we go to the European Council. Given the current position—it is quite plain that nothing will be settled at ECOFIN; I do not think that anything legislative was ever going to come from it—we must now consider the proper form of debate before the Dublin summit, which is the next place where agreement might be reached.

Some regulations certainly apply to non-members of EMU—things such as the excessive deficit procedure have applied for two or three years; in so far as they have changed, they will apply to us. What will not apply to us are the fines and penalties and those parts of the stability pact, because they apply only to members of stage 3. I signify to my right hon. Friend that I will not enter into more obligations binding to this country of any kind, unless and until we complete the process of parliamentary scrutiny.

Mr. Nigel Spearing (Newham, South): If the Chancellor is enthusiastic about both scrutiny and debate, why have he and the Leader of the House, who foreshadowed such a debate in his letter, not allowed it to take place this week? When will they table the requisite motion under Standing Order No. 102(9)? Why might that not occur this week? Will the one-day debate on a motion for the Adjournment, which the right hon. Gentleman has promised, take place after possible political agreement has been reached? Is that not shutting the stable door moments after the horse has bolted? How can an Adjournment debate, without a proper amendable motion, be regarded as, first, proper scrutiny; secondly, proper debate; and, thirdly, an expression of the views of the House on the merits of the documents?

Mr. Clarke: My right hon. Friend the Leader of the House is listening to the various views expressed about a debate and the form that it will take, and he will make a statement in due course. My Budget and the debate that follows it will take up a substantial amount of parliamentary time this week. I have made it clear that, until we have completed the scrutiny process, any political agreement that I enter into in ECOFIN will be hedged with the parliamentary scrutiny reserve, which means that it is non-binding and subject to the approval of Parliament.

Mr. Tim Renton (Mid–Sussex): I congratulate my right hon. and learned Friend on his lucid statement.

Is not the real reason for the passion that has led to this mini-debate the fact that hon. Members on both sides of the House are beginning to learn that, whether or not we are in EMU, we shall have to learn to live with it, and it is that knowledge that is making a number of hon. Members wish to have an urgent debate on the Floor of the House? Is not the crude fact that, as 60 per cent. of our manufactured exports now go to our European trading partners, any failure in European markets would be very bad news for British manufacturers? Against that background, is it not in Britain's interest to see that the financial rules governing a stability pact are as tough as possible?

Mr. Clarke: I agree with my right hon. Friend. It would be a great folly for us to seek to detach this country, for some reason, from the process of discussion of this kind inside the European Union when we are so dependent on the major countries of the Union for our exports, as my right hon. Friend describes. He gave one analysis as to why we are having those misunderstandings, and he is right. Another reason, of course, is that there is so much detail in the regulations. They are about as exciting a read as the social security regulations that flow through the House, and they give plenty of opportunity for people to take little bits out of them and get wildly excited that something new is happening.

[Mr. Clarke]

That process is not helped by Her Majesty's press, which does that all the time—*[Interruption.]* I have been brought to the House today by weekend newspaper reports written by journalists who—*[Interruption.]* I do not mind coming to the House at any time. I have come to the House because of reports that appear in the newspapers, which have been written by people who appear to have copies of those documents, who produce front-page stories that do not bear the faintest resemblance to the leaked documents that they allegedly have. That rather confuses debate as far as the public, and sometimes the House, are concerned.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): Will the Chancellor answer the question that was put to him earlier? If he and the Government are to agree to a stability pact, will he seek the approval of the House before doing so?

Mr. Clarke: I shall go through the scrutiny procedure—*[Interruption.]* I am not in control—[HON. MEMBERS: Oh!"] I know that I am. I know that we have not finished the scrutiny procedures. I have repeatedly said that, and I have said that I will keep a reserve until we have finished the scrutiny procedures. The form by which we go through that is not a matter for me, and my right hon. Friend the Leader of the House will make a statement about that in due course.

Mr. Quentin Davies (Stamford and Spalding): Does not the whole of this saga demonstrate in the most graphic and dramatic fashion how enormously important it is, in the interest of the country, that we continue to exercise a full measure of leverage on events? Is it not the case that, had my right hon. and learned Friend and the Prime Minister given in to the rather hasty pressures to which they were being subjected a few months ago—to throw away our option—there would not be the slightest point in the statement this afternoon or any scrutiny debate because we would not in practical terms have the slightest influence on the decisions, vital though they will be for our country, whether or not we decide to join monetary union?

Mr. Clarke: I agree. I would have thought that every hon. Member on both sides of the House, whether he or she regards himself or herself as Europhile or Europhobe or anywhere in the spectrum between, would agree that it is not in this country's interest to detach British Ministers from the process of discussion and negotiation inside the European Union. Whatever future one sees for this country inside the EU, it is absolutely important that we keep our influence, and it is particularly important that we keep our options open on such vital matters when all the key details have yet to be settled.

Mr. Dennis Skinner (Bolsover): Does the Chancellor of the Exchequer not realise that he has been dragged to the Dispatch Box—the phrase that he almost used—in a humiliating fashion a day before the Budget partly because of the Government's failure to see what was happening when the three proposals were put to the Committee upstairs? Anybody who went up there that Wednesday morning would have known exactly what was likely to happen. The Government have had half a dozen different positions in the past three or four days, so do not blame the press. Most of all, since Maastricht, the vast majority of the people outside—electors—are against the single European currency, and that is being reflected in the House. Why? Because they had a taste of it. On 16 September 1992, the Tory Government, the Prime Minister and the previous Chancellor of the Exchequer lost £10 billion in an afternoon because of the exchange rate mechanism, and they never went near a betting shop.

Mr. Clarke: I decided to come to the Dispatch Box when I realised that the debate was spiralling off who knows where. The matter was reported in ever more extravagant ways outside the House. I am happy to come to the House, and prefer to do so, to answer all points. I am told that the hon. Gentleman passed through the Standing Committee for a few moments. I look forward to seeing him try to catch your eye in the debate, Madam Speaker. It seems to me that he has not had the slightest change of opinion on this or any other subject for the past 25 years, and it is always welcome to hear his views again.

Sir Peter Hordern (Horsham): Is it not a delusion to suppose that any future British Government will have the freedom to run a substantial budget deficit without incurring high interest rates? Is it not, therefore, all the more important that we play a part in shaping the rules that will govern the powerful European currency that is certain to emerge?

Mr. Clarke: My right hon. Friend is right. Nowadays, any major country that pursues irresponsible deficit or fiscal policies is rapidly punished by the markets and by reality. The problem that arises from economic and monetary union is that everyone is punished if one country goes off the rails and runs irresponsible policies. The treaty wisely provides deterrent penalties to keep any Government who fail to correct that problem back on track, otherwise all members of the economic and monetary union will suffer.

Mr. Kevin McNamara (Kingston upon Hull, North): Is the Chancellor of the Exchequer aware that those of us who favour a single currency, and would like this country to join on the first wave, are nevertheless worried about two important matters? First, reports on the criteria for convergence give us to believe that there will be a loose organisation for the first tranche, which could be an enormous disaster for the economic basis of the European Community. Secondly, many hon. Members believe that the matters that went before the Scrutiny Committee should be decided on the Floor of the House, as the Scrutiny Committee itself resolved. The three issues could be debated and put to the vote on the Floor of the House so that, if the vote were in favour, the Chancellor could go to the summit with the support of the House, and would not have to come back to tales of treachery and treason and a hysteria that he and his colleagues have whipped up.

Mr. Clarke: I agree with the hon. Gentleman on the first point. It is highly desirable for the member states that go into economic and monetary union not to do so on such a loose basis that their economies are not genuinely convergent. I am in favour of a strict interpretation of the convergence criteria.

On the hon. Gentleman's second point, the many views that have been put forward in this exchange of questions and answers will be considered by my right hon. Friend the Leader of the House when he makes his statement.

Mr. Robert Jackson (Wantage): Does my right hon. and learned Friend agree that, in a single market, Britain would have a right to be concerned if one of our partners were pursuing a policy of gaining competitive advantage by devaluations? By the same token, would it not be legitimate for our partners to have an interest in limiting the scope for competitive devaluations?

Mr. Clarke: It would be an absolute disaster for the single market if individual member states decided that they would gain a trading advantage by competitive devaluation. I do not think that they would get a lasting advantage, but if a member state tried that, it would cause considerable disruption to trade. That is why the treaty of Rome, to which we have been subject for more than 20 years, regards exchange rates as a matter of common concern.

Mr. Bruce Grocott (The Wrekin): It really will not do for the Chancellor to say that the form of a debate is nothing whatsoever to do with him, and that it is a matter for the Leader of the House, when he has already announced that the debate will be on a motion for the Adjournment. Given his reputation for fluency, will he explain in simple language—not just for us, but for anyone who may be listening or viewing—exactly how a motion that this House do now adjourn relates to a decision on the Government's competence in the handling these matters?

Mr. Clarke: I am the bringer of news. I am not saying that it has nothing to do with me. I have the advantage of frequently being able to give my views to the Leader of the House, as does everyone else. It is the responsibility of the Leader of the House, in due course, to give the Government's decision on the timing and nature of the debate. I suppose that the hon. Gentleman makes a valid point against me, given that I have expressed surprise at the anxiety about this "take note" motion. A motion may not make anyone much wiser. Adjournment debates also have difficulties, but the House often debates matters of great importance on the Adjournment. It is a sensible way of allowing the House to express its views on a range of issues that will be raised at the Dublin summit, without binding negotiators hand and foot with a series of detailed resolutions before they ever get there. No other Head of Government goes to a European Council with a great list of instructions prepared in advance by Parliament, because that would weaken his negotiating position.

Mr. Barry Legg (Milton Keynes, South–West): My right hon. and learned Friend has expressed his respect for the House of Commons. He has also given us an insight into the profound nature of the regulations that we are considering. Some would say that the regulations are more profound and that their implications are deeper than anything that he may introduce in his Budget this week. In the light of that, will he confirm that scrutiny of the regulations will now take place by means of a full debate on the Floor of the House of Commons?

Mr. Clarke: I agree with my hon. Friend that the regulations are extremely detailed. As I said, on Friday I decided to give a precis of the enormous explanatory memorandum that I had already sent to the Committee. I could not do so in fewer than four pages, which are now circulating in the House. I agree that those matters deserve close scrutiny. We have begun that process in the Committee, and I am sure that my hon. Friend's views on how the House should handle the regulations will be taken on board. We cannot spend months on each and every particular. We must have a policy. We have a policy, which I adhere to strictly in all my activities at ECOFIN, and which I hope I have set out with some clarity in the statement and the answers that I have given today.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): If the Chancellor of the Exchequer has such faith in the sovereignty of the House of Commons, will he tell us in simple terms why he is frightened of giving individual Members of Parliament the right to debate a matter that will affect our economic and political future for untold generations? The debate should not arise from an Adjournment motion—which the right hon. and learned Gentleman knows perfectly well the Government can ignore—but on a motion, the wording of which has been agreed and on which individual hon. Members can record their views.

Mr. Clarke: Nobody in the Government is frightened of a debate. We have said constantly that the debate must take place before the Dublin summit. Debates always take place before European summits. Nothing of a binding nature is ever agreed if it has not passed parliamentary scrutiny. The hon. Lady must await the statement by my right hon. Friend the Leader of the House about the form that the debate will take.

Mr. Ray Whitney (Wycombe): Does my right hon. and learned Friend share my concern that those who are hostile to the EMU convergence criteria, and who seem to believe that the definition of sovereignty may include a right perpetually to devalue the pound sterling, show a failure to understand the success of the British economy, which has been achieved under the Government?

Mr. Clarke: I agree. The idea that, in today's world, it is our sovereign right to keep devaluing and to run excessive deficits, and that we can do so without suffering tremendous economic punishment from the markets, is a myth. The convergence criteria conform to what any British Conservative regards as a sound approach to macro-economic policy. Unless and until we join EMU, I follow what I regard as the best economic policy for this country. It is chance that that happens to coincide with the Maastricht criteria. It is not wholly chance: the coincidence is partly because my right hon. Friend the Prime Minister and my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) played a part in negotiating those convergence criteria.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): As, in a burst of Freudian frankness, the Chancellor has admitted that he is not in control of the issue, and as the Prime Minister obviously is not either, will the Chancellor tell us who is?

Mr. Clarke: For the avoidance of doubt, let me say that I had not heard whatever caused the uproar when I replied.

[Mr. Clarke]

What I am charged with is the conduct of negotiations in ECOFIN, and I have set out with the greatest clarity—I hope—the way in which I pursue those. I have also made it clear that I am always ready to debate those matters in the House and to be scrutinised by the House, but the form of the debate must first follow our parliamentary procedures. It cannot be off the peg and purpose designed; it must be discussed in the usual way, and in due course will be announced by my right hon. Friend the Leader of the House.

Sir Timothy Sainsbury (Hove): Is it not clear that the right hon. Member for Dunfermline, East (Mr. Brown) is not very familiar with the use of parliamentary scrutiny reserves? Can my right hon. and learned Friend confirm that such reserves are frequently used in European Union affairs—not just by this country, but by other countries that have proper methods of parliamentary scrutiny—and that it is therefore not beyond the bounds of possibility that other member states might wish to enter parliamentary scrutiny reserves after ECOFIN?

Mr. Clarke: I have been attending European Councils for many years. Given his experience, my right hon. Friend will know as well as I do that they come up quite often, and that it is not at all unusual for a Minister to enter a parliamentary scrutiny reserve. It passes very quickly in the proceedings, because no one ever argues with it. It is understood by all the other Ministers, and is taken to mean that that Minister cannot commit his Government unless and until he has gone through the parliamentary process. I have encountered that over and over again; I have done it myself sometimes, and heard it done at other times. The Danes often do it, because they have particular parliamentary procedures. If anything, they tend to do it more often than we do, but all member states do it quite frequently.

Several hon. Members *rose—*

Madam Speaker: Order. I must call questions on this statement to a halt now, as we have another statement to come.

Household Projections

4.51 pm

The Secretary of State for the Environment (Mr. John Gummer): I am today publishing a Green Paper called "Household Growth: Where Shall We Live?" I am also publishing a summary version, which is available free. Copies of the documents are in both Libraries. A copy of the Green Paper is available from the Vote Office, and I am also sending a copy of the summary version to all hon. Members in England.

My Department has also published today an independent research report entitled "Urbanisation in England: Projections 1991-2016". It converts household projections into implied take-up of land for new housing and related urban uses, and shows the effect that that might have at county level. Copies of this document are also available in the Libraries.

There are few more important long-term issues facing this country than the likely growth in households over the next 20 years. The latest projections, published by my Department last year, indicate that there could be up to 4.4 million more households in England over a 25-year period running from 1991 to 2016. That is almost 1 million more than the figures for which we are currently planning. This raises significant issues, not only for us, but for our children and even our children's children.

How we provide for the new homes that will be needed is something for all of us—the whole community—to consider. Our success or failure in so doing will affect the quality of our lives, the appearance of our towns and countryside, our patterns of employment and transport, and so on: in short, the sort of country that we wish to hand on to succeeding generations. It will inevitably have implications not only for the housing and planning policies for which my Department is responsible, but for many policies across the whole of Government. This is not, however, a matter for Government alone.

The purpose of the Green Paper is to stimulate and contribute to a wide-ranging public debate—a debate on the alternative options open to us of how to respond to the challenge of accommodating the new homes we shall need. It is especially important in this case, because the Government do not and cannot pretend to have all the solutions; nor can they control or influence all the many and complex causes that contribute to household growth. Many of the causes are beyond the influence of any Government to alter fundamentally, if at all.

In its report last year on housing need, the Environment Select Committee—chaired by the hon. Member for Denton and Reddish (Mr. Bennett)—recommended that we explore the causes of household formation. The paper does that.

The growth in population explains part of the household growth, but it is not the only explanation. Indeed, for much of this century, growth in households has consistently outpaced the growth in population. There are three main reasons. First, improved living standards and better health mean that people are living longer, and often on their own. Secondly, people are better off than ever before, and can afford to set up separate households more easily. Thirdly, changes in social behaviour and attitudes, especially towards marriage and the family, lead to a smaller proportion of households consisting of married couples with children.

Some of those changes are eminently desirable; others are harmful and damaging, and to be regretted. In all cases, however, the forces behind them are powerful. In many of these areas, other bodies are potentially more influential than Government. Churches, businesses, the entertainment industry, the arts, the media, schools—all exert influences in many of these fields which far outweigh any that Government can bring to bear. It is therefore absolutely right that we have a wide debate, involving the whole country, on whether anything can be done to influence the rate of household formation, so that it grows more slowly than it has in recent years.

That is right and proper, and, as I have said, reflects a recommendation from the Select Committee. However, it would be foolish for us to pretend that any of the trends can be easily reversed or modified. We must assume—it is only prudent to assume—that this growth will come about. Indeed, all the household projections produced by my Department over the last 10 years have consistently underestimated the actual household growth that has subsequently occurred.

As I have said, the amount of development for which we need to plan will have far-reaching consequences for the future shape, appearance and operation of our towns and countryside. At some point, all of us are likely to be touched by this issue—whether we live in a town or village that will need to expand, whether we have children growing up who will be seeking a first home of their own, or whether we live in the centre of the city which will need to accommodate new and different types of dwelling for the growing population that we foresee. That is why the debate must be for all of us. The Government want this to be a genuine debate. It will be a debate in which all the options for accommodating the growth will be open for discussion.

There is only one premise on which the debate should be based. My first priority is to use the growth in households to help to regenerate our existing towns and cities. For centuries, towns and cities have been the engines of civilisation, and, despite new ways of communicating, learning and doing business, they seem likely to remain so. It is therefore right and proper that we should seek to enhance them and their vitality by providing new homes within the existing urban fabric with facilities and services that are readily available.

With the right commitment to standards of environmental quality and the provision of homes, jobs and services, urban regeneration can offer a highly a sustainable option for future settlements. I therefore wish to see as much as possible of this new development going into our existing towns and cities, so that they can be revitalised and our countryside can be protected.

The production of this number of houses on green-field sites, concentrated in the most pressured areas, is simply not sustainable, and the Government are not prepared to plan to meet the pressures in that way. We have already set ourselves a target to build half all new housing on re-used land. I would be especially interested in people's views on whether we should set a target of 60 per cent.—indeed, whether even more might be possible. In saying that, I accept that we must strive to do everything possible to make all our towns more attractive places in which to live and work.

Let no one delude himself that these issues can be avoided, or do not need to be addressed. Anyone in government would much prefer not to have to face what are very clear and real pressures; substantial growth, however, will happen, and will need to be accommodated.

But even accommodating more housing in our towns and cities, as we can and must, means that some development on green-field sites will still be needed. That is unavoidable. The question is, which is the most appropriate way in which to do it? The options include extending our existing towns and cities, as we did in Northampton, Peterborough, Swindon, Newbury and Thetford. That allows people to have access to a "ready-made" town or city, with all the facilities that that offers. In some areas, that may mean building on to small towns. That will be a sensitive issue. That is why we need to discuss with people whether that would be the best option for them and for their areas.

Other options could include new villages or even new towns. Again, whether that is an appropriate option will depend on local circumstances. I am not advocating new settlements, or ruling them out. I simply want to explore what is possible and what people want—*[Interruption.]* Labour Members should learn that we want the people with whom and in whose towns and villages other people will live to make the decisions themselves. I am interested in the outbreak of hilarity once one talks about consulting the people—an interesting attitude of the Labour party.

There is also the issue of expanding villages. We are already committed to ensuring that villages remain viable and that we meet local people's needs. Even if that option is taken up, however, it will not make a major contribution to the total. We must also be concerned about avoiding too much development in the countryside, and ensuring that new development is sustainable. Above all, whatever we choose, we must ensure that we create sustainable patterns of development, that we use the growth to regenerate our cities, and that we maintain our policy of urban containment.

The Government have already helped to put in place measures that will help to accommodate the necessary development, much of it in our urban areas. We have already set one target—50 per cent.—for the proportion of new housing to be built on previously used land, and, as I said earlier, I am now seeking people's views on a higher, aspirational target of 60 per cent. or even more. We have revised and updated our planning guidance to reflect the principles of sustainable development and changing patterns in the marketplace.

I have launched the quality initiative to ensure that the standard of all development is raised to the level of the best, so that new development enhances rather than detracts from its surroundings. We have produced our air quality strategy to cut pollution and to make our air cleaner. My right hon. Friend the Secretary of State for Transport has published his transport Green Paper, which deals with serious transport issues in our cities, and proposes measures for improvements.

We are encouraging the regeneration of our city centres through city challenge, more mixed-use development and revised planning policies. We have launched our "greening the city" initiative to make our towns more pleasant places in which to live. We are encouraging more conversions of houses and offices to flats, and greater flexibility in the use of standards where that is sensible and safe.

[Mr. John Gummer]

None the less, other options will need to be explored as well, and that is what this debate will be about. In the next few months, my Department will organise a series of seminars in the regions to obtain local people's views on the impacts that household growth might have on their areas. My colleagues and I will be meeting different groups to assess their views. I hope that every hon. Member will contribute to the debate, and will encourage their constituents to do so. On the outcome of the debate depends the future of our towns and countryside and of the environment that we hand on to succeeding generations.

The only intolerable position in the debate is to hope that the problem will go away, and not face up to the real issues. I hope that all parties in the House can come together on the matter to seek an answer that will satisfy not only our generation, but succeeding ones.

Mr. Frank Dobson (Holborn and St. Pancras): Does the Secretary of State accept that his statement and document are long on pious concern, which sits uncomfortably with the fact that the Conservative Government, who have claimed for 17 years to be the party of rural England, have encouraged out-of-town development, whether it be housing, super-stores, warehousing or leisure centres? He commends the idea that local people should make decisions themselves, but was not much of that out-of-town development pushed through by Ministers, who overrode the decisions of local councils?

Does the Secretary of State accept that we welcome the recognition that something has gone wrong, but deplore the fact that he does not seem to have decided to do anything about it? Does he not realise that the problem of people leaving cities is not just a planning and housing matter? It is necessary to deal with the reasons why people leave cities—usually to seek a better quality of life.

Does the Secretary of State not accept that the years of failure by the Government to do anything about the problems of air pollution, rising crime, schools and hospital services in urban areas, other than to close those hospitals, have made things worse? Will he confirm that, last year, the Budget reduced the funds available for hospitals, schools and police in urban areas? What will happen in tomorrow's Budget? *[Laughter.]* It is no good the Secretary of State mouthing pieties today and allowing the Chancellor of the Exchequer to kick the bottom out of his pieties in the Budget tomorrow.

The Secretary of State will, I am sure, accept that we have long advocated more building on brown-field sites and more people coming back to live in flats above shops. Will he confirm that Tory central office arranged for Tory candidates to denounce us for advocating that? Does he not accept that there are limits on building in already built-up areas, that it costs more per house, that, with higher densities, maintenance costs are higher, and that problems can arise for householders if buildings have been erected on polluted land—for instance, on what were formerly landfill sites? Will he contemplate changes in the law to protect householders who acquire homes on brown-field sites?

Does the Secretary of State accept that not all open land in urban areas can be built on, that many green-field sites in urban areas are precious, and that more are needed to provide playing fields and sports grounds for existing town dwellers to keep up the quality of life, which may stop them moving out of the area? He says that not all sites are ripe for development, but does he accept that people are unlikely to accept his promises when 5,000 playing fields have been sold under the Government and 2,600 more are threatened with sell-off?

Does the Secretary of State recall that, on the "Today" programme this morning, he said that he would provide more money for urban areas when that is not true, and that tomorrow's Budget is likely to reduce the amount of money that goes to social housing? According to the Government's present plans, 1.8 million houses will be built on green-field sites. The Secretary of State aspires to just 40 per cent. of the new houses that are needed being built on green-field sites. That would mean that he aspires to building 1.5 million houses on green-field sites, concentrated particularly in the south-west, eastern and south-east regions. This is not the end of building in rural areas as we know it.

We welcome a debate, but the Secretary of State should remember the here and now. He wants to hit the target of a further 3.7 million houses by 2016, but is he not obliged to accept that he is building only 137,000 a year, at which rate, by 2016 we would be 1 million short of his announced target? Does not that expose his document for what it is—fine words, pious objectives and pious aspiration—but, when it comes to something practical, the Government are nowhere to be seen?

Mr. Gummer: I will stick to the here and now. I had hoped that we would be able to have a common view on this, but, as the hon. Gentleman decided that we are going to have a party political debate, I will remind him why Britain's cities have driven people out. It is because they have had Labour councils, which have made it more and more difficult for people to live in them. There has been greater crime in cities, because the Labour party has voted solidly against any measure against crime. It is soft on crime, and not hard on the criminal.

The Labour party says that we have done nothing about air pollution, but it has improved every year because of our policies, which are the most advanced in Europe. Within 10 years, we will have overtaken any country. Of course the Labour party does not know what happens in the rest of Europe, and clearly it does not know what happens in Britain, given that last series of questions.

The Labour party voted against everything that has raised education standards in schools. It was against league tables and any improvement in the school system. It was against city technical colleges and everything that has changed the face of education for the better in our cities. How the hon. Gentleman dares to make such party political points, I do not know. They might be all right for speeches in Camden, where the people have forgotten how much Camden borough council has contributed to the desolation of that area of London.

Since we are talking about contributions to cities, what about Lambeth's contribution to the improvement of life in the city? What about Islington, where the education is so bad that the Leader of the Opposition sends his child outside the borough? What happens in Southwark, where one of the Labour party Front-Bench spokespersons finds the education so bad that she sends her child outside the borough, but not even to a school in the state system?

The Labour party has nothing to say on this matter. It is largely responsible for the condition of our cities; it has damaged the cities, while the Government have had to come to the rescue to change things.

Mr. Nick Raynsford (Greenwich): Which party controls Greenwich council?

Mr. Gummer: The hon. Gentleman dares to ask from his seat who represents Greenwich. I shall tell him about the London borough of Greenwich that he dares to speak about. It has done nothing to attract people. All it has done is make it more and more difficult for people to live there comfortably and happily.

I shall now deal with one or two of the sensible suggestions made by the hon. Member for Holborn and St. Pancras. On open land, I have committed myself to protecting playing fields in the planning system throughout the country. I will tell the hon. Gentleman who my biggest enemies are in trying to do that—Labour councils, which have been trying to build on playing fields. One after another, they come forward with their schemes for building on playing fields and ask me, "Can we please build just here—not next door, just here, no more, but this one?" I can tell the hon. Gentleman that I turn them down.

I have been one of the foremost supporters of parks, through "Greening of the Cities", and so on. I am also pleased that, for the first time, large sums of money are going into the regeneration of our parks, not least from the lottery and the national heritage memorial fund. The hon. Member for Holborn and St. Pancras suggested that I am not building houses. Governments do not build houses; houses are built by the private sector and housing associations.

I turn to the question of money going into the city centres. Due to the capital challenge programme and environmental policies generally, we have brought in vast sums of money from the private sector that the Labour party could not begin to tap, and never wanted to. It pretends that such money does not go to city centres. The regeneration of the country will depend on partnership between Government, business, local government and voluntary organisations. That is what we are promoting.

We want a debate that goes far above and beyond the kind of petty comments that the hon. Member for Holborn and St. Pancras made up on the train from Nottingham. *[Laughter.]* He was going to make such comments no matter what I said in my statement. Even if I had mentioned figures of 70 or 80 per cent., he would have said the same. He should get on with the discussion, and leave the silly comments to the Liberal Democrats. They are the ones who have a different policy from one constituency to the next. He should leave them to lower the debate, and raise his sights.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael Morris): Order. Can we now have some short, sharp questions, and succinct answers?

Mr. Tim Yeo (South Suffolk): Does my right hon. Friend agree that converting almost 7,000 hectares of rural land for urban use every year is unsustainable? In view of that, is he aware that there will be strong support for the idea of increasing the target for the percentage of new houses built on recycled land? Will he therefore consider supporting that target—not only through the planning system, by having a strong presumption in planning guidance against permission for development on a green-field site unless the developer can show that all the possibilities for development on brown-field sites have been exhausted, but possibly through the use of a market instrument such as a levy on any development on green-field sites?

Mr. Gummer: My hon. Friend will be pleased to see in the document that we have suggested that we might use the same kind of sequential judgment as that used for out-of-town shopping. We start by asking why the development cannot be built in the city centre, and, if it cannot, we ask whether there is a moderately close position. Only then can green-field sites be considered.

That is one of the propositions, and I hope that my hon. Friend will add his support to it if he feels that that is right. He is absolutely correct to say that it is unsustainable to believe that we can meet the requirements of the kind of life style that we have largely decided for ourselves merely by spreading houses across the countryside. That would not be right, either for our own generation or for future generations.

Mr. David Rendel (Newbury): I was delighted to hear the hon. Member for South Suffolk (Mr. Yeo) support a green-field development tax, which sounds like a Liberal Democrat policy. Perhaps we shall see another Member crossing the Floor.

Although much of the Secretary of State's statement was, sadly, just a list of things on which he wants to consult, there was one very definite proposal that I—and I am sure my party—welcome: the move towards more of the housing requirement being put into urban areas than has previously been proposed. In making that proposal, he should answer one or two further questions. What, for example, is he going to do with the housing partnership fund? Will that continue to be funded? It has, of course, been one of the main ways in which empty housing has been brought back into use in urban areas up until now.

Despite saying that he wanted to encourage the conversion of houses and offices into flats, has the Secretary of State provided any incentives for doing so? Will he provide any in future? Will all this mean that the efforts to force housing on the shire counties through their structure plans will be changed? Will he give some further advice to the shire counties—those that have produced structure plans and those that are in the process of doing so—on how much housing should be in more urban areas as opposed to green-field sites?

Mr. Gummer: This is a continuation of policy. We used to get about 38 per cent. of new housing on brown-field sites. That figure is now nearer 50 per cent., and I want to increase it to 60 per cent. and beyond. We are talking about percentages. Does the hon. Gentleman not understand the difference between percentages and absolute figures? The policy has been going on for the past 15 years. As usual, he does not know his figures.

I want to answer the questions asked by the hon. Member for Newbury (Mr. Rendel), but I would be much happier to do so if I did not know what is going to happen.

[Mr. Gummer]

I shall tell him what will happen. Liberals in the country will say that the idea is very good, but Liberal Democrats in the towns will say that they do not want the houses. We know exactly what the Liberals will say; it is always like that.

I challenged a Liberal Democrat councillor in his own area on the issue when he tried to say that they wanted fewer houses. I said to him, "If you promise in your surgeries to tell every young couple who comes to you for a house that they cannot have one because you, the Liberal Democrat councillor, have stopped the building of houses, I will think about your proposal." Of course, he said, "Oh, no, I won't do that." What he meant was that he blamed the Government either way. That is Liberal policy, and we know that that is what it will be.

Of course I shall go on helping the policies to improve the use of empty homes, create more opportunities for conversion and ensure that people use their homes more effectively to let and the like. When he reads the document, the hon. Member for Newbury will find that most of those things are there covered.

Mr. David Howell (Guildford): My right hon. Friend's proposal for a fresh debate is extremely welcome, although he will not get much help from the Labour party. Does he accept that there is widespread concern about the household projections and the way in which they are formulated, and that there is even more concern about the huge figures for housing plans that are proposed in various shire county structures, including Surrey?

Does he accept that such figures seem to assume and accommodate certain social trends, which we, as responsible Members of Parliament, may not wish to accommodate, and may want to alter in future? They seem to assume and accommodate large migration, particularly to the south and the south-east, of the kind that may not be in the interest of the north, the south or the nation.

Will my right hon. Friend consider that again before he is quite so definite about having to accept down to the last 100,000, or whatever, those enormous household projections? Will he very much endorse what he hinted at earlier—that, where planning authorities have brown land and want to build on it, they will be given powers to do so, so that the momentum of developers to go straight on to agricultural land is checked?

Mr. Gummer: My right hon. Friend and I have a similar attitude to the family and the concerns that he has raised. He will find in the document a very clear statement that, if we find such figures intolerable, we will have to look again at the way in which life style is operated and whether we are prepared to accept such an environmental result. That is a real issue. The problems are very clear.

Of course, the figures may be wrong, since, as I have said, we have always been wrong in recent years—but always due to underestimating. That is the problem. As a responsible Minister, I have to look at the sort of numbers that will be demanded. Even if we were able to change the mores of society, so that there were fewer divorces and so that divorced people married again, the numbers of homes that would be needed would still have a significant impact on the country. We will need to discuss the issues and decide whether the figures should be left exactly as they are; or whether, as I fear, they will be greater, or, as my hon. Friend and I hope, less. I hope that encouraging local authorities to use their planning powers will be one of the consensus views that will come from the document before us.

Mr. Andrew F. Bennett (Denton and Reddish): I welcome the Secretary of State's commitment to a debate. One of the keys to the number of houses we will need to build in the future is how well we look after the existing housing stock. Is he satisfied that the Government are spending sufficient money modernising the existing stock? The Secretary of State hinted that he wants new building of high-rise flats and deck-access flats. If so, is he satisfied that local authorities and housing associations have sufficient resources to spend on the communal areas of existing flats to ensure that we do not lose them from the stock and therefore need more new dwellings built?

Mr. Gummer: I hope that the hon. Gentleman does not think that I am advocating the building of high-rise and deck-access flats. I mentioned mixed development and modern—and older—approaches to the subject, rather than the mistakes that we have made since the war. It is much better to have greater density than large areas of unused land. The density in many of our cities is measured not by the real density but by the fact that large areas of former factories and the like are not occupied. We must take seriously the change that has taken place and the need to reinforce our city centres.

I am happy to agree with the hon. Gentleman that we need to improve our housing stock. Most improvement in housing stock is done by the private sector—by people in their own homes—and the Government's successful economic policy is most likely to aid that improvement. Large-scale voluntary transfers will ensure that much of the older housing owned by local authorities is improved by releasing the money that is tied up in them. If certain local authorities, especially Labour authorities, had not held rents down or been unable to keep them up, we would have had very better quality. I hope that the hon. Gentleman will encourage people to take account of the benefits of large-scale voluntary transfers.

Dame Elaine Kellett-Bowman (Lancaster): Does my right hon. Friend accept that 50 per cent. in the inner cities is not enough, and that the figure should be nearer 70 per cent. to save our rural areas? Does he also accept that we should not join villages into mini-conurbations, as Lancashire county council seems determined to do to Garstang and Catterall?

Mr. Gummer: I understand my hon. Friend's cogent views. I also represent a rural constituency, so I understand the issues. I remind her that there are many ways to increase the number of people who can be accommodated in towns and cities without resorting to high-rise flats. For example, terraced houses with gardens can provide just as sensible an answer in terms of space as many of the high rises we have had in the past, as the Hulme redevelopment has shown. The answer is better, but sensible, housing for our urban areas.

Mrs. Anne Campbell (Cambridge): Will the Secretary of State clarify his current policy on small amounts of infilling in urban areas? Will he explain why his

Department has recently written to Cambridge city council objecting to some aspects of its local plan, especially those that refer to small inbuilt developments, not on parks or playing fields, but on the sort of brown-field sites mentioned in the report today?

Mr. Gummer: I am sure that the hon. Lady would not expect me to go with her on a trip around Cambridge today, although I know the city well. The city council has a bad record for planning, and the city has been damaged by the refusal of the council to adopt a sensible transport policy. That is the city council that gave away green bicycles, found they were stolen and wondered why. That is the city council with some of the worst car-parking arrangements in the United Kingdom. Some of the car parks are looked after so badly that they have a smell that can be recognised down the street. So I would not be surprised if it got wrong the issue raised by the hon. Lady as well.

Mr. Geoffrey Clifton–Brown (Cirencester and Tewkesbury): Does my right hon. Friend agree that we would not need such a large number of houses if all the voids were utilised? Will he therefore carefully consider the nine out of 10 worst local authorities, which happen to be Labour, and ensure that they use their housing stock efficiently?

Mr. Gummer: Until the hon. Member for Holborn and St. Pancras (Mr. Dobson) asked his question, I had hoped that today we would proceed on the basis that much of the report was common ground, such as the suggestion that we should use all the accommodation we now have as efficiently as possible. That means that local councils, if they own houses, should seek large-scale voluntary transfers that would considerably improve the efficient use of the accommodation.

I hope that local councils that own accommodation will ensure that the changeover takes place quickly. I should like to see more private owners able to let accommodation in their homes. There are many actions that we can take; I agree with my hon. Friend that it is most important that we do not waste the accommodation we have, because that is environmentally unacceptable.

Mr. Neil Gerrard (Walthamstow): The Secretary of State has said several times that his Department has underestimated the population projections for some years. Since those projections become the starting point for regional planning guidance for housing provision, is not the implication that the number of houses that need to be built has also been grossly underestimated? Even the Government accept that some houses will be built as social housing, mainly by housing associations, so can we expect that the Budget this week will provide more money to put right the backlog that the Secretary of State has just admitted?

Mr. Gummer: The hon. Gentleman is talking about two different sets of figures. We have clear figures on the need for housing for those in special need. Indeed, I am sure he will agree that the success of the housing action trust in his constituency has been remarkable. Although he was opposed to it to start with, I believe that he is now in favour of it, because it has been so successful. Much can be done, and is being done, in supported housing. We must get all hands to the pump, and one way to do that is for the hon. Member to encourage his local council to use the large-scale voluntary transfer mechanism, as is happening in many local councils, to ensure that we release large funds to improve housing and to reduce debt.

Sir Irvine Patnick (Sheffield, Hallam). I welcome my right hon. Friend's Green Paper. He has not said much about green belts or about the tricks that local authorities such as Sheffield play when they try to bring land and sites out of the green belt into production. I trust that he will examine that aspect closely, because a huge tract of green belt land was prevented from going into development only by the action of one of his colleagues.

Mr. Gummer: I am glad that my hon. Friend agrees that my Department and one of my fellow Ministers stopped that happening, and Sheffield city council should not have sought to do it. I have committed myself again to being the strongest supporter of the green belt of any Secretary of State in recent times, and I shall continue to be that. The green belt is part of the protection of sustainable development. We cannot continue to destroy the areas that are especially important for the rest and relaxation of the people who live in cities. It is not acceptable.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I shall try not to upset the Secretary of State, although he is awfully sensitive today. I do not know what has come over him. He said that he wants a national debate involving the whole country. He did not say anything about Scotland, yet the problems arise equally in Scotland. How much has the Scottish Office been involved so far in this issue, and will there be a parallel debate in that part of the United Kingdom?

Mr. Gummer: No one could be more enthusiastic than I about the United Kingdom and the desire of the whole of the United Kingdom to work together. The hon. Gentleman's support for a policy that would divide the United Kingdom and break it up does not give him much ground for what he has just said. I happen to be the Secretary of State for the Environment for England, so I am seeking to encourage discussion in the areas for which I am responsible and to which the figures refer.

It is proper for the Secretaries of State for Scotland, Wales and Northern Ireland to deal with those issues as they feel necessary. They have different problems with different pressures, which is one reason why we have a Secretary of State for each area.

Mr. Keith Mans (Wyre): Does my right hon. Friend agree that, in determining how much accommodation we will need in the future, we should take into account not only extra households but the number of places in care homes for the elderly? Does he further agree that one way of ensuring that development takes place in urban areas and not on green-field sites is to encourage local authorities to write policies to ensure that into their local plans? If that were done, councils deciding on planning applications would have a good reason for refusing one for a green-field site, because the development would not be inside an urban area. In addition, writing such a policy into the plans would make it less likely that a decision to refuse an application would be overturned on appeal.

Mr. Gummer: I agree with my hon. Friend's last remarks, and we ought to look more carefully at the

[Mr. Gummer]

wisdom of always assuming that older people should live apart from their families. That is an area in which other European countries have a lot to teach us.

Mr. Paul Flynn (Newport, West): What priority has the Secretary of State given to the need to make the new homes energy-efficient? Will he examine the supreme qualities of new, modernised and galvanised steel frames and steel cladding? When he discovers their advantages in terms of durability and energy efficiency, will he promote their use—particularly the steel frames that are manufactured in Newport, Gwent?

Mr. Gummer: Energy efficiency is particularly important to the existing housing stock, as new houses will be built according to the tougher legislation that is now in place. The House will have noticed that the previous two Labour speakers—the first from Scotland and the second from Wales—would not have the status to question the English Secretary of State were Labour's policies on devolution to be followed.

Mr. Mark Robinson (Somerton and Frome): My right hon. Friend's statement will be welcomed throughout Somerset, where there is great concern at the pressure that new houses may bring to the countryside. He has placed strong emphasis on brown-field sites. Will he make sure that counties with a shortage of brown-field sites, such as Somerset, are not told by their Liberal Democrat local authorities that, because of that shortage, they must build in the green countryside and villages, whose very character may be threatened?

Mr. Gummer: I agree, and the Liberal Democrats in Somerset wasted no time in saying that it would have to build on green-field sites. I suggest that the council should spend more time trying to find answers, as my hon. Friend suggests. The reason why the council made its announcement was straightforwardly party political. It wanted to frighten people, and to claim that the Government were threatening them. We heard that from the Liberal Democrats—as we always do.

Mr. Roy Thomason (Bromsgrove): I welcome my right hon. Friend's statement, and its particular emphasis on urban development. Will he confirm that he will not introduce a contaminated land regime, which would mitigate against his targets for urban development and his particular emphasis on brown-field sites?

In considering his green-field site policy, will he take account of the considerable concerns raised in areas around major conurbations where there is the possibility of the green belt being infringed? Does he agree that the green belt should be protected, and should not be allowed to be infringed by the development of transport connections arising from housing developments which spiral out from the conurbations and damage green belt areas?

Mr. Gummer: I shall certainly continue to protect the green belt areas. One of the problems with the phrase "contaminated land" is that it covers everything from land that is merely second-hand to land that has been deeply contaminated by a previous use, such as a gas station. It is a mistake to use those words in the generality, as we must clean up sites to the standard necessary for their purpose. In some cases—I hope, in more and more cases—that will be housing.

Mr. Peter Luff (Worcester): I thank my right hon. Friend for his statement and for encouraging a debate on the subject. Does he understand that the people of Worcester will be alarmed by the new and higher figures for household formation rates that he has provided to the House?

First, can I urge my right hon. Friend to collaborate with his Government colleagues and with other organisations to find a way to create a downward impact on household formation rates, which I do not believe the House should accept as a given? Secondly, can I urge him to set a target of two thirds for the building of new houses in urban areas and brown-field sites? Thirdly, will he encourage the county councils which are setting arbitrary divisions in terms of the areas where development should go—I am thinking particularly of Worcestershire—to introduce policies that enable new housing developments to be spread evenly across county council areas and not concentrated in sensitive areas?

Mr. Gummer: First, my hon. Friend and I would disagree fundamentally about some of the reasons why we need more homes. It is sad that one in two marriages are now breaking up, as opposed to one in five. That is not something that the Government can easily reverse, but most of us ought to be concerned about the instability that it creates.

There are many reasons for the change in the figures, such as young people who are setting up home earlier, and older people who are living longer in their own homes. We must accept a number of things whether we like them or not, and it is as well to try to decide on how we will deal with them, while hoping that, by other actions—not only in this House, but by the Churches and outside organisations—we can do something about the sad destruction of the family, which is the centre of our society.

We must look more carefully at where county councils put houses, and how we target house building within our big cities and smaller towns. In addition, we must try to get some councils to stop using this subject as a party political weapon.

Mr. David Lidington (Aylesbury): Does my right hon. Friend accept that responsible local authorities, such as Buckinghamshire, already feel that they are under enormous pressure from existing housing forecasts? Although I acknowledge that there are limits to the influence that the Government can have on the rate of housing formation, may I urge him to explore with his Cabinet colleagues whether there are other policy changes—for example, to the social security and tax system—that could help reinforce the family, and so mitigate the impact of the forecasts published today?

Mr. Gummer: My hon. Friend will find that these issues are raised in the consultative document, and he can be sure that my Cabinet colleagues and others will be considering these matters. This is a matter for a public debate and concerns difficult issues—not least the

questions of the family, family formation, the stability of the family and the way in which we intend to live. But we cannot start the discussion until we understand that, if we take on a particular life style, that has a direct environmental effect. If we do not want that effect, we must look at our life style, and it is no use pretending that the problem will go away. We must accept that this is a result of the way in which we have decided to live. If we do not want that result, we must live differently.

Mr. Michael Stern (Bristol, North–West): I welcome the Green Paper's emphasis on local decisions on local housing matters. Does my right hon. Friend agree that it is important to encourage planning authorities not to take decisions in other areas that are inimical to housing development? I am thinking in particular of the decision that my right hon. Friend took—quite rightly—to bar an airport at Filton in my constituency, which would have stultified a considerable amount of housing development in an area where it is locally desired.

Mr. Gummer: We have to take such decisions, but so do local councils. If Bristol city council had followed a more progressive policy over Cribb's Causeway and its in-town development, it could have created a more lively centre for Bristol. However, the council has failed for years to rejuvenate its city centre.

Dr. Ian Twinn (Edmonton): Will my right hon. Friend accept my congratulations on grasping the problem of the gap between how people want to live and how people do not want others to live near them? Does he recognise that those of us who represent urban areas will be concerned by any increase in density in our areas? Does he accept that, in planning for an increase in households, there is a need to take into account that what may be a brown-field or under-used site to some hon. Members is a breathing space for those of us who live in urban areas? We do not want more and more town cramming—there must be a balance throughout the country.

Mr. Gummer: My hon. Friend must accept that we have tried to make sure that we have in place the policies to ensure that the greening and the improvement of our cities takes place, and cities must be prepared to look again at the way in which they develop. We must remember that about 80 per cent. of the units required will be for one-person families. Therefore, the nature of the housing and of the building, for example, the mixed development, will be different from the traditional family housing that we have discussed in the past.

Many of those people would prefer to live in the centre of the city because they want to be near all the amenities. If one is on one's own, it is more difficult to manage a suburban or a rural existence if one works in the centre of town. We are trying to put that sort of development together. We do not want to be caught in a situation in which all hon. Members representing the countryside say, "We can't have them here," and those who represent towns say that we cannot have them there either.

Somehow, the nation must make up its mind about how it will meet the demands, some of which are ineluctable. Some, we cannot solve without facing up to them. Others we could change, if we changed our pattern of life. I want a nation that is prepared to face up to the fact that, if it lives like that, that will be the result. If it does not want that result, it has to change the way it lives.

Points of Order

5.40 pm

Dame Elaine Kellett–Bowman (Lancaster): On a point of order, Madam Speaker. With the greatest respect, hon. Members get only 10 minutes every four weeks to question the Chairman of the Select Committee on Finance and Services. Today, regrettably, we had only three. I wanted to point out to him how much many hon. Members intensely dislike the renovation of the Tea Room—it is total chaos and a gross waste of taxpayers' money. Unfortunately, I shall not be able to raise that matter—well, I might, as you have allowed me to speak, but I will not receive a reply.

Madam Speaker: I do not call supplementary questions to fill the time available. I call a supplementary when I feel that the substantive question has not been fully explored. I believe that it was in that case. I called an Opposition Member and a Member from the Government side, and the Chairman of the Finance and Services Committee gave a full reply. I am sure that the hon. Lady will have an opportunity on some future occasion to underline what she has just said.

Mr. Norman Hogg (Cumbernauld and Kilsyth): On a point of order, Madam Speaker. You will recall that you appointed the hon. Member for Staffordshire, Moorlands (Sir D. Knox) and myself to serve as joint Chairmen on the Standing Committee considering the Firearms (Amendment) Bill. Yesterday, the newspaper *Scotland on Sunday* carried an article about my role, and said:

"Norman Hogg 'Stormin' was last seen hiding behind a piece of arcane Commons protocol. Unfortunately the children of Dunblane had no such protection".

He

"claims that as Chair of the Committee dealing with the Bill it would be bad form for him to vote. Manners maketh the man, in this case not much of one."

As you will know, Madam Speaker, it is the practice of the Chairmen's Panel to take no part in the proceedings of a Bill on the Floor of the House after being advised of their appointment as Chairmen. It is a convention of the House, and it is designed to reinforce the impartiality of the Chair in applying our Standing Orders. Along with the hon. Member for Moorlands I sought to do exactly that.

I took time to explain to those Dunblane parents whom I met my function and responsibilities in the passage of the measure. I regret that the accredited journalists of *Scotland on Sunday* in this House did not explain the position to their editor—far from being arcane, it is well known. I should be grateful if you would confirm that I acted in accordance with practice, precedent and convention, and thus properly discharged my duties and responsibilities to the House.

Madam Speaker: I certainly confirm most strongly that the hon. Gentleman acted entirely properly in not voting on the Second Reading of the Firearms (Amendment) Bill. As he said, he acted in accordance with the rules of the Chairmen's Panel and the conventions of the House, which exist to create the conditions that allow Chairmen of Standing Committees to apply our Standing Orders property and impartially.

[Madam Speaker]

I believe that he is deserving of a public apology from the editor concerned, and I hope that one will come his way before long.

Sir Donald Thompson (Calder Valley): On a point of order, Madam Speaker. I have a constituent who is in some distress. He is 28 years old. He has written to every hon. Member. On Saturday morning, his mother brought a sheaf of letters to my advice surgery, which were remarkable in their kindness. May I thank the whole House, and those right hon. and hon. Members on both sides?

Madam Speaker: I can give no response to that point of order, but I am grateful to the hon. Members who acted in that way.

EMU (Documents)

5.46 pm

Mr. Nigel Spearing (Newham, South): I beg to ask leave to move the Adjournment of the House under Standing Order No. 20 for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the content and scope of documents concerning economic and monetary union to be discussed at the Economic and Finance Council of the European Community on 2 December."

The urgency is that scrutiny procedures have not been completed, although the meeting is to be held on Monday next. There is a clear possibility of political agreement being reached at that meeting, as we have heard. Indeed, the Leader of the House said in a letter that he expected a motion to be tabled today relating to the merits, under Standing Order 102(9).

As you know, Madam Speaker, that motion has not been tabled, nor has a date been given when it will be. Instead, the Chancellor of the Exchequer has promised an Adjournment debate some time after 2 December—it may be related to another meeting of the Heads of Government on 13 December. That debate will be on an Adjournment motion, however. There will be no immediate possibility of tabling an amendment and reaching a decision on it, unless the motion is linked with a motion tabled under Standing Order 102(9), on which such a decision could be reached.

Parliamentary procedure has effectively been circumvented, therefore, although within the Standing Orders. We need some form of focused debate before 2 December when that political decision can be taken. Despite the unanimous request of the Select Committee on European Legislation, backed by 150 Members of Parliament representing all points of view, we have failed to have that debate. I therefore hope that you will accept this motion, so that some debate can take place this week before those decisions are taken and a political agreement reached.

Madam Speaker: I have listened with care to the hon. Gentleman, and I have to give my decision without giving any reasons. I am afraid that I do not consider that the matter is appropriate for discussion under Standing Order No. 20, and I cannot submit the application to the House.

BILLS PRESENTED

Representation of the People (Amendment)

Mr. Paul Flynn, supported by Mr. Tony Banks, Dr. Norman A. Godman, Mr. David Hanson, Mr. Nick Ainger, Mr. David Winnick, Mr. Andrew Mackinlay, Mr. George Foulkes and Ms Diane Abbott, presented a Bill to impose national spending limits on political parties at parliamentary general elections: And the same was read the First time; and ordered to be read a Second time upon Friday 17 January 1997 and to be printed [Bill 39].

Human Tissue (Amendment)

Mr. John Marshall, supported by Mr. Jacques Arnold, Mr. Robert G. Hughes, Mr. Bob Dunn, Mr. Harry Greenway and Mr. Michael Alison, presented a Bill to require a person lawfully in possession of the body of a

deceased person to authorise the donation of the body or any specified part of the body for therapeutic or medical purposes if the deceased person had requested such a donation: And the same was read the First time; and ordered to be read a Second time upon Friday 7 February 1997 and to be printed [Bill 40].

RESIDENTIAL HOMES

Mr. David Congdon presented a Bill to prevent local authorities from being both a provider and a purchaser of residential care by requiring them to dispose of residential homes for the elderly and other homes to the private and voluntary sector; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 28 February 1997 and to be printed [Bill 41].

PARKING PENALTY CHARGE

Mr. Piers Merchant presented a Bill to amend section 66 and schedule 6 of the Road Traffic Act 1991 in order to add to the grounds on which representations may be made to a London authority concerning a Parking Penalty Charge Notice: And the same was read the First time; and ordered to be read a Second time upon Friday 14 February 1997 and to be printed [Bill 42].

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 101(4) (Standing Committees on Delegated Legislation),

SOCIAL SECURITY REGULATIONS

That the Social Fund Cold Weather Payments (General) Amendment Regulations 1996 (S.I., 1996, No. 2544), the Social Security Benefit (Computation of Earnings) Regulations 1996 (S.I., 1996, No. 2745), the Social Security (Invalid Care Allowance) Amendment Regulations 1996 (S.I., 1996, No.2744), the Allocation of Housing Regulations 1996 (S.I., 1996, No. 2753), the Homelessness Regulations 1996 (S.I., 1996, No. 2754), and the Statement of Changes in Immigration Rules (HC 31) be referred to a Standing Committee on Delegated Legislation.—*[Mr. Anthony Coombs.]*

Question agreed to.

Orders of the Day

Social Security Administration (Fraud) Bill

[Relevant documents: The Minutes of Evidence taken before the Social Security Committee on 26th June 1996 concerning Benefit Fraud (HC 528-i of Session 1995–96) and on 30th October 1996 concerning Child Benefit Fraud (HC 56-i of Session 1996–97.]

Order for Second Reading read.

5.47 pm

The Secretary of State for Social Security (Mr. Peter Lilley): I beg to move, That the Bill be now read a Second time.

Social security costs every working person in this country £15 every working day. Despite our continuing success in getting people back to work, there are still strong upward pressures on that burden as people, happily, live longer and we give more generous help to disabled people.

If we are to meet our obligations to those in genuine need, which the Government are determined to do, we have to curb fraud and abuse. That has been my top priority since I began to reform the social security system. We have been developing the most comprehensive and effective programme of measures to combat social security fraud to be put in place anywhere in the world and it has been increasingly successful. Last year, about £1.4 billion of fraud was identified and stopped.

As we have carried forward our strategy, we have found areas where our existing legal powers are inadequate. The Bill will give us the further powers that we need to tackle fraud even more effectively. There are three main areas where additional powers are needed.

Mr. Dafydd Wigley (Caernarfon): I want to raise a general point. Everyone recognises the need to limit and eradicate fraud, but does the Secretary of State accept that many people who should be beneficiaries of social security feel that they are being defrauded of their genuine entitlement? A report in yesterday's newspapers in Wales said that £206 million a year was being lost to those who are genuinely entitled. Will the right hon. Gentleman use the resources from savings on fraud to help those who need the money to claim it, and confirm that the Bill's long title allows that issue to be addressed at later stages?

Mr. Lilley: I do not understand the hon. Gentleman's point about people being defrauded of benefit. If he means that people who are entitled to it are not claiming benefit, I can tell him that we endeavour to make information about people's rights and entitlements widely available, to help them to take up that benefit. I am sure that he does that in his constituency. It is unhelpful to confuse that problem with fraud and abuse.

The first area in which we found that we needed extra powers was in galvanising and reinforcing the efforts of local authorities to tackle housing benefit fraud. Until a few years ago, most local authorities put little or no effort into tackling such fraud; the amount that they detected was pretty derisory.

[Mr. Lilley]

In 1993, I introduced incentives and penalties to encourage local authorities to root out benefit fraud. I remind the House that when I did so, Opposition Front Benchers opposed us and the hon. Member for Manchester, Withington (Mr. Bradley) said:

"The recovery targets . . . are unrealistically high."—[*Official Report*, 16 July 1993; Vol. 228, c. 1254.]

In fact, the incentives and penalties persuaded local authorities to double savings in 1994-95 and to increase them further subsequently. Performance, however, remains too patchy and inadequate, and the study carried out jointly with local authorities shows that £1 billion of undetected fraud remains in addition to that which is detected and stopped.

I therefore propose to establish a fraud inspectorate. The Bill will give it powers to examine the performance of local authorities and to inspect my Department's fraud operations. It will give me the power to direct a local authority to improve in a given time scale its performance in tackling fraud, and to penalise any authority in the—I hope—unlikely event that it fails to comply with my directions.

Some local authorities are already responding positively to the challenge that I have given them, and the Bill will reinforce their ability to tackle fraud; it will give them powers of entry to local businesses, including landlords' business premises, similar to the powers that the Benefits Agency already has to enter and obtain documentary evidence useful in the detection of fraud.

The Bill will give local authorities clear powers to exchange information with each other—for example, relating to possible cross-boundary housing benefit fraud—and with the Department of Social Security. I will be able to allow them direct access to my departmental databases. To ensure that the confidentiality of data is fully maintained, the Bill will extend to local authority staff the penalties for unauthorised disclosure of such information.

I also intend to introduce proposals for new regulations under existing powers to suspend payment of benefit when there is reason to doubt the validity of a claim. That is extremely important, as it will enable local authorities to require a resident suspected of having moved away to prove that he still lives at the address for which he is claiming.

The Bill will also improve local authorities' ability to recover overpayments to landlords. For example, if a landlord has been receiving housing benefit directly for a tenant long after the tenant has left his property, the local authority will be able to withhold cash from other direct housing benefit payments being made to the landlord, and that will not affect the tenure of other tenants in the property.

Mr. Bernard Jenkin (Colchester, North): Will my right hon. Friend clarify that point? One of the problems that confronted the Select Committee on Social Security during our inquiry into housing benefit fraud was that there seemed to be more of an obligation on housing authorities or the Department to pay housing benefit than to withhold it in cases of doubt. Is the onus now on the claimant to prove the bona fides of his claim rather than on the local authority or the Department to prove that the claim is fraudulent before payment can be withheld?

Mr. Lilley: Yes, we are responding to the problem in existing law. If a local authority, having granted a claim, subsequently had reason to suspect that it may be fraudulent, it did not have the power to demand further information; now, it will be given the power to suspend the claim and require the claimant to produce the relevant information before it is renewed. That will be particularly appropriate when, for example, we suspect that the claimant has moved away, but there are no powers of entry, the landlord obstructs entry or it is difficult to prove whether the tenant is still there; the Bill will require the tenant to prove that he is still there and needs continued payment before the claim can be renewed. That will be a powerful new ability.

The Bill will enable authorities to stop postal redirection, making it far harder for individuals to establish claims in a number of different properties and have the benefit posted on to them. Those are all concrete, practical and powerful measures to reinforce action against fraud carried out by tenants and landlords—or, as is often the case, both in collusion.

I read in the newspapers today that the Opposition propose three measures to stop housing benefit fraud. The first is to give

"local authorities the power to refuse to pay directly to private landlords".

They already have that power. The only circumstances in which they must pay the rent direct are if the tenant is eight weeks or more in arrears or if payments direct to a landlord for rent arrears are being made from the tenant's income support or jobseeker's allowance entitlement. I take it that Labour does not want to make evictions more likely by allowing arrears to build up even faster. That proposal therefore amounts to nothing.

The second proposal is

"the right to obtain proof from landlords about"

their ownership of

"properties for which they claim direct payment".

Local authorities do not need such a power. They have a duty to satisfy themselves that a rent liability exists before they award benefit to the claimant.

The third proposal is

"the right to provide details of payments to landlords directly to the Inland Revenue to ensure that income tax is paid".

The Inland Revenue can—and does when necessary—make that a duty, not a right, requiring local authorities to give it such information about direct payments to landlords. It neither wants nor needs additional powers in that sphere.

In short, Labour's proposals are insubstantial; they would add nothing to local authorities' existing powers, and nothing to fraud savings. They are another bogus part of Labour's fraudulent attempt to conjure up savings from fraud to finance its £30 billion spending pledges.

The second area where we have found our legal powers to be deficient is in the ability to cross-check data held by different Departments. Part of our anti-fraud strategy has been to cross-check information held on different databases in the DSS. For example, we hold information

about whether people are working on the national insurance record system and information about those claiming unemployment benefits on the income support computers. We have information about the children in households claiming income support and we will also have records about them on the child benefit computer.

Although there was no legal obstacle to cross-checking those internal records, it used to be technically almost impossible to get different computers to speak to each other and compare data. We now have access to one of the most powerful data-matching tools to identify suspicious inconsistencies, and we have been using it to increasing effect. It is sensible to extend data-matching to relevant data held by other Government Departments.

Mrs. Anne Campbell (Cambridge): What has the Department done about the European Union data directive, which appears to prohibit the use for unrelated purposes of data that have been collected for a specific purpose, and could make illegal the cross-checking to which the Secretary of State refers?

Mr. Lilley: Common law prohibited us from using data collected for one purpose for another purpose unless there was statutory authority to do so or an overriding public good. The law hitherto has interpreted as overriding public good a specific suspicion that an individual may be committing a fraud. We can ask the Inland Revenue whether someone is paying income tax, discover some inconsistency and use it to bring a charge, but we cannot do a straight data-match by cross-checking two files. The Bill proposes to give us the statutory authority to do so. That power will conform with the European convention on human rights, the Data Protection Act 1988 and the law. The Bill will empower us to cross-check data with the Inland Revenue, Customs and Excise and other databases, notably on immigration, emigration, passports or prisoners.

If we want to extend data-matching powers further, we shall have to lay an affirmative order before the House. I believe that the new powers will act as a strong measure to identify and stop fraud. They will also deter fraud by making people aware that they cannot tell inconsistent stories to public authorities.

Earlier this month, the hon. Member for Fife, Central (Mr. McLeish) wrote to me suggesting that the Bill should be used to promote take-up of income-related benefits by pensioners—an issue raised in the past by the hon. Member for Birkenhead (Mr. Field). It is not clear exactly how the Opposition envisage that the cross-checking exercises used to identify fraud could also be used to promote take-up of income support among pensioners. *[Interruption.]* I tuned in to "Woman's Hour" the other day, as I do from time to time because it is a valuable programme, and I heard the hon. Member for Peckham (Ms Harman) explain that she intended to use the powers in the Bill to identify who was not receiving income support but appeared to be entitled to it.

There are a number of problems with that proposal. First, such cross-checking would almost certainly be contrary to the European convention on human rights—at least according to legal advice that I have received—because it would be affected by the right to privacy, which restricts interference in a public authority unless the Department is pursuing a crime or some similar offence. That may be an odd consequence of the European convention, but it has quite a lot of odd consequences.

Mr. Frank Field (Birkenhead): Being pro-European is also an odd position for the right hon. Gentleman.

Mr. Lilley: It is not unusual for me to point out problems that arise from those international derogations of the sovereignty of the House.

The practical problems with the Opposition's proposal are in any case overwhelming. Data from the Inland Revenue and other sources would certainly enable us to identify some people—but not all of them—who are not entitled to income support because they have sufficient income. If we were to contact everyone whom we did not positively know is not entitled to income support, it would require us to send out massive notifications inviting a massive number of people to make claims for income support. That would incur great cost, it would be badly targeted, it would offer poor value for money, and it would raise false expectations among many people that they might be entitled to benefit.

Ms Harriet Harman (Peckham): A million people.

Mr. Lilley: No, many millions. Only a small proportion of pensioners are taxpayers, but many of them are not entitled to income support. We are talking about a multiple of those who are currently entitled but who are not claiming. They would receive notification from the Government that they should make a claim, but subsequently they would be disappointed and would probably take action against us as a result. The Opposition's proposal is a wholly impractical idea and outside the scope of the Bill.

The third major area where there are inadequate powers, which we propose to address in the Bill, is our ability to review, prosecute and penalise fraudulent claims. I propose a programme of measures using some powers in the Bill and some existing powers to improve the situation. First, the majority of awards for disability living allowance are made for life. Existing legislation can be read to suggest that only a claimant may subsequently seek a review of his entitlement. That was not the intention of the legislation, but that is its effect. I propose to put beyond doubt the Department's ability to require a review of any suspect case. We already withhold benefit from people who make a claim but refuse to attend medical examination. I therefore propose similarly to withhold benefit from people who refuse to attend the medical examination needed to investigate doubt about an existing award.

Secondly, as I mentioned in response to my hon. Friend the Member for Colchester, North (Mr. Jenkin), I intend to introduce proposals for new regulations under existing powers to suspend payment of housing benefit where there is reason to doubt the validity of the claim.

Thirdly, the Bill will introduce for the first time in social security legislation an offence designed specifically to fit serious social security fraud with a penalty to match. Social security frauds are often long running. Typically, the fraud involves someone making a false statement to claim benefit and continuing to receive payments over a long period. Currently, those frauds are prosecuted on the

[Mr. Lilley]

basis of a declaration made at the time of a payment. A long-running fraud, however, sometimes involves hundreds of fraudulently obtained payments, each of which needs to be charged as a separate offence. That makes the fraud unwieldy for the courts, which have ruled that a few specimen offences cannot be used to reflect the full scale of the fraud. Fraudulent payments made direct to bank or building society accounts do not even involve a specific declaration for each payment, and so cannot be prosecuted in that way.

Under the Bill, we are creating a new offence of dishonestly making statements or failing to report a change of circumstance with a view to obtaining benefit. The offence will focus on the deception itself, taking account of the consequential payments. It is intended to catch the fraudster who continues to collect a succession of payments having made a false statement or having continually failed to report a change in circumstances. The court will be able to take account of all payments fraudulently received and a penalty of up to seven years in prison, or a fine—or both—will be available.

Mr. Nigel Evans (Ribble Valley): When the measures that my right hon. Friend has described are enacted, they will save millions of pounds. For each pound saved, another pound will be available for those who really need it. When people are convicted of such crimes, will he ensure that such cases are given as much publicity as possible so that they deter others from going down that path of fraud?

Mr. Lilley: I certainly want that. My Department already tries to ensure maximum publicity in local and regional newspapers for successful prosecutions. The Bill will provide us with material for press releases, which I believe act as a powerful deterrent—impossible though it is to measure that directly.

Dr. Norman A. Godman (Greenock and Port Glasgow): In the light of the penalties to which the right hon. Gentleman has just referred, does he anticipate such cases being heard in the sheriff court or the High Court in Scotland?

Mr. Lilley: I am reliably informed that they would be heard in the High Court in Scotland.

The fourth of the series of measures introduced in the Bill is that those who are required by regulations to report changes of circumstance but do not do so without reasonable excuse—that includes landlords who receive direct payments—will face up to three months' imprisonment. To do that, I am extending the existing provision about false representation to include failure to report a change of circumstances without reasonable excuse.

Fifthly, I propose to require that anyone making a benefit claim should provide his national insurance number and evidence to show that he is the person to whom the number refers. Failing that, that person should provide sufficient evidence to allow his national insurance number to be reliably traced or for a new national insurance number to be securely issued.

Mr. Frank Field *rose—*

Mr. Lilley: I shall certainly give way to the hon. Gentleman, who I anticipated might want to say something about national insurance.

Mr. Field: Then I hope that the right hon. Gentleman has the answer ready.

Given the Government's doubt about the security of the national insurance number system, what moves is the Secretary of State taking to assure the House that the scheme will become secure once again?

Mr. Lilley: There is considerably less doubt about the system's security than has sometimes been suggested by those who loftily say that there are 20 million fraudulent numbers, when there are simply 20 million dead people whose numbers are tagged and whose information is kept as their widows or dependants may be entitled to benefit under the national insurance system. There is no chance of our failing to note a claim from a dead person because our suspicions would be aroused.

The measures that we are taking to eliminate the remaining insecurities in the system have, I believe, been reported to the Select Committee. We have a thorough and comprehensive programme to try to ensure security from end to end of the pipeline and in the use of national insurance numbers. As a result of the measures, any false statement made to obtain a national insurance number will be an offence, which will help us to penalise those who are trying to break into the system.

Mr. Field: I had not realised that what the Department had submitted to the Select Committee was an answer to that question. I understood from reading it that the Department was taking certain measures, which were welcome, but they do not add up to securing the national insurance number system. While I do not believe that all the numbers held on dead people are being fraudulently used, during the 1980s the Government gave many numbers to bogus asylum applications. What steps has the right hon. Gentleman taken to check not the claims of those whom we know to be dead, but the significant number of national insurance numbers, which is greater than one would expect, given the number of people in work and the number of people who have died?

Mr. Lilley: I still disagree with the hon. Gentleman about whether there is a discrepancy between the number of numbers issued and the number that one would expect, given the number of those in work, retired or with other means of access to the system. As I recall, the main problem involving access to benefits and the false identities of asylum seekers was that benefits could be obtained using a letter, which did not require a national insurance number and which was issued by the Home Office without a photograph or fingerprint. We remedied that problem and required claimants to make their claim at a named post office and for a shorter duration than previously. As a result, we broadly eliminated that problem. I shall confirm to the hon. Gentleman in writing

whether that measure led to the issue of a large number of false national insurance numbers, but I do not think that it did.

Mr. Field: The Secretary of State has explained that he stopped the fraud that was occurring. I have been asking what measures he has taken to check on the numbers that were issued before the processes, such as putting fingerprints on forms, that the right hon. Gentleman explained to the House were in place.

Mr. Lilley: I am saying that we may have stopped a fraud that did not involve the multiplication of national insurance numbers. There is no evidence of a macro nature to show that a huge number is involved—it would have to be huge to show up in the discrepancy between the number of people we know to be at work and the numbers issued.

People have undoubtedly been breaking the system. A far more serious problem than creating bogus numbers involves people hijacking existing numbers before the other person realises that claims have been made on his number while he has been happily in work and paying into the national insurance system. The evidence that we submitted to the Committee contained measures to stop that abuse.

We have already increased to 20 per cent. the maximum deduction from current benefit that can be made to recover previous fraudulent overpayments, and that increase will form part of the programme. It is wrong that fraudsters should be treated in the same way as other people who owe us money. We shall therefore have the power to deduct up to 20 per cent. of their basic benefit while seeking repayment if they have a continuing entitlement to benefit. We shall also give priority to recovering money from fraudsters, backed up by civil proceedings where necessary.

I intend to pilot a scheme of formal cautions. We can do that under our existing powers—we shall, for example, caution people who have committed a minor transgression for the first time and are prepared to admit it. Someone cautioned once will know that he is liable to be treated more severely the next time and he will have to pay back the money that he owes.

Perhaps the most important of this series of measures is the one that will enable us to offer civil penalties as an alternative to court proceedings. Some people regard fraud as a comparatively low-risk option. Unless we prosecute, the worst that can happen is that the benefit that has been overpaid will be recovered. We shall continue to take the worst offenders to court and to demand more rapid repayment from others. The new offence that we have proposed will help us to pin penalties on the worst offenders. For intermediate cases, we shall offer the option of paying a settlement of 30 per cent. of the money owed on top of recovery of the money fraudulently taken and still not repaid. If people refuse, we shall send their papers for prosecution.

Mr. Michael Stern (Bristol, North–West): I should be grateful if my right hon. Friend could clear up a matter of confusion. According to the notes on clauses, the 30 per cent. penalty appears to be mitigable. I have read the clause and I cannot find a provision that allows for such mitigation. Are we talking about a mitigable penalty?

Mr. Lilley: My hon. Friend has a greater knowledge of the jargon of the trade and I am sure that he will be able to explore the matter fully in Committee if he is able to become a member of it. I suspect that my hon. Friend the Under–Secretary of State for Social Security, who is far better versed in such legal technicalities, will be able to reply later—and cover up my ignorance.

I wish to remind the House about the Opposition's position on fraud.

Mr. Frank Field: What does that have to do with the Bill?

Mr. Lilley: It is extremely relevant to the Bill as we have a choice between the Government's proposals and the attitude adopted by the Opposition, who have opposed almost everything that I have done in this sphere.

When I first made tackling fraud a priority, the Opposition even denied that it was important. The hon. Member for Withington said that there was a

"danger of overstating the amount of fraud in the system."

When I produced studies for the first time quantifying fraud, Labour's Front-Bench spokesman said that

"even £1 billion is not a large amount."

Where the Opposition were responsible for controlling fraud in the Labour-controlled local authorities, they demonstrated a complete lack of interest in tackling it. When I introduced rewards and penalties to galvanise Labour authorities to do something about fraud, the Labour party in Parliament condemned those measures and belittled the problem. The Labour Front-Bench spokesman said that

"the recovery targets set for local authorities are unrealistically high".—[*Official Report*, 16 July 1993; Vol. 228, c. 1254-55.]

But the targets subsequently led to a doubling of savings from fraud. When I announced plans for a benefit payment card, the right hon. Member for Glasgow, Garscadden (Mr. Dewar) attacked it as a waste of money. When I introduced a beat-a-cheat scheme, the Opposition immediately condemned it.

The Opposition have opposed every major legislative measure to close loopholes. They attacked the habitual residence test designed to prevent benefit tourists from milking our benefits; they opposed penalties on new age travellers and others who refused even to apply for jobs; and they voted against measures to stop benefits for bogus asylum seekers. As the hon. Member for Sheffield, Brightside (Mr. Blunkett) rightly said:

"Labour has been linked to freeloaders for too long".

After denying that fraud was serious and after opposing measures to stop it, the Opposition are now getting into the business of fraud themselves. Their claims about the savings to be made from housing benefit fraud are fraudulent. The Labour party claims that it can conjure up £1 billion of extra fraud savings to finance its spending plans. The savings are a fraud, but the spending proposals are real, so it is the taxpayers who would pay.

Mr. Alan Howarth (Stratford–on–Avon): Will the right hon. Gentleman give way?

Mr. Lilley: In a moment.

[Mr. Lilley]

The Opposition base their claims on purely anecdotal evidence that the amount of fraud may be £1 billion higher than is suggested by Government figures.

Mr. Henry McLeish (Fife, Central): The evidence comes from the Select Committee.

Mr. Lilley: I will give way if the hon. Gentleman would care to give the evidence on which the Select Committee allegedly based that claim. In fact, it did not make a claim but only remarked on it.

Mr. McLeish: The point is that the Select Committee's evidence has been dismissed as an anecdote. If the Secretary of State is going to make a sweeping attack on a major Committee of the House, it is important that he gives the evidence that proves that the claim is truly bogus, to use his words.

Mr. Lilley: I ask the hon. Gentleman to tell me what evidence the remark—

Mr. McLeish: It was evidence in the Select Committee.

Mr. Lilley: There was no evidence in the Select Committee, so I cannot dismiss it. Opposition Members base their case on a remark. The Committee interviewed a person from the London fraud officers group who, on subsequent inquiry from me, said that no survey had been carried out to back up his remark—unlike our survey, which was carried out with the help and co-operation of 56 local authorities and therefore has a scientific basis and should not lightly be dismissed.

Mr. Alan Howarth: The Secretary of State accuses the Labour party of being less than rigorous in its assessment of expenditure and in its figures relating to fraud, but can he deny that he has accepted reductions in his budget as Secretary of State for Social Security on the assumption that he will be able to recoup those resources from expenditure savings arising from the successful pursuit of fraud? Is not that lacking in rigour? Is he not giving himself the benefit of a very large doubt and counting his chickens before they are hatched?

Mr. Lilley: The hon. Gentleman is absolutely wrong. As I have reported to the House, I have secured increased resources to pursue fraud and those funds are ring-fenced. They will be devoted to tackling fraud and will secure considerable savings for the taxpayer.

The Opposition claims that much extra fraud is being committed by landlords. The Labour party document, "Recovering the missing millions", claims that Labour could achieve £310 million net additional savings from its proposals to crack down on landlord fraud in the housing benefit survey. Yet our survey—confirmed by the very organisation on which many of the misrepresentations are based—suggests that landlord fraud amounts to between £150 million and £200 million. How can Labour possibly save an extra £310 million on top of the savings already made?

Opposition Members propose unworkable measures to reduce fraud. They say that they will carry out 4 million more visits to claimants and estimate that that would yield savings of more than £544 million. Yet the local authority methods that are cited assume home visits at a rate of 50 a day per visiting officer, which would imply a mere eight minutes between visits from end to end. It is absolutely nonsensical to suggest that officers could carry out serious investigations into fraud with only eight minutes between ringing one doorbell and ringing the next.

Mr. Frank Field: Will the hon. Gentleman give way on that point?

Mr. Lilley: I have given way to the hon. Gentleman three or four times already. I would have happily given way had he proposed to answer on behalf of the hon. Member for Fife, Central (Mr. McLeish) in respect of the evidence for the £2 billion figure that we know does not exist.

Mr. Field: I shall happily answer on that point as well.

Mr. Lilley: Then I shall give way.

Mr. Field: It is interesting that, when people appearing before the Committee support a Government hunch or a Government prejudice, they are cited as giving evidence; but when they give us their estimate of fraud, the Government dismiss it. The Government should be more careful about such selectivity.

Mr. Lilley: I have no vested interest in any particular estimate of housing benefit fraud. The only matter in which I have a vested interest is getting the figure as right as possible. That is why I carried out a scientific study, with the help of 56 local authorities, which investigated a representative sample of many hundreds of claims and produced a specific figure. That method is better than bar room suggestions that the real figure might be double the Government's suggested figure.

The Labour party has also suggested that the mythical extra savings could be used to cover its spending programmes. In last week's rebuttal document, Labour claimed that five measures—jobseekers plus; the jobs, employment and training, or JET scheme; budgeting loans for the low paid; income support disregards for the wives of working men; and a higher disregard in jobseeker's allowance—will be financed from the savings in the benefit bill from combating fraud. Labour will not be able to achieve such savings and the proposed measures are pitiful, ineffective and based on unsubstantiated claims as to the amount. Labour's policies, as it now admits, imply extra spending of £136 million a year. Even *The Guardian* admitted:

"There is no money left in anti-fraud measures, so Labour will have to stump up some cash here."

By contrast with Labour's repeated and semi-fraudulent proposals, our policies are practical, effective and realistic. Our experience shows that our measures work and the Bill will reinforce our powers to make the battle against fraud more effective. It will boost the efforts of Labour and other local authorities, give us greater scope for data-matching across the range of financial information available to Government and improve the penalties available to penalise those who are identified as defrauding the system. I commend the Bill to the House.

6.25 pm

Ms Harriet Harman (Peckham): No matter where fraud on the public purse is committed and no matter by whom it is committed, it must be stamped out. Taxpayers are already reeling from 22 Tory tax increases. They are paying more and more of their hard-earned money in Tory taxes, yet millions of precious pounds are being wasted on fraud. The welfare state must, at all times, remain vigilant in the battle against fraud. Fraud not only costs money and wastes resources, but saps public support for the social security system and the welfare state.

The welfare state maintains its popular support because people want to be protected against the risks of unemployment, illness or disability. They value the knowledge that there will be support for them when they need it, but they do not want a welfare state that is exploited by fraudsters and hits their pocket through taxes. Every pound wasted on fraud wastes taxpayers' money, wastes money that could go to those in need, and wastes public support for the welfare state. It is for those three reasons that Labour is committed to cracking down on all fraud, whether by individuals or by organised fraudsters.

Despite the Government's tough talk on fraud, we know that the Tories have failed on fraud. We know that because we can see their record. At this point, I want to say to the Secretary of State that he should be more cautious before belittling the work of the Select Committee on Social Security, because, were it not for its work in listening to the people on the ground who see the mounting fraud, I doubt that the House would be debating this Bill, proposed by this Secretary of State, today. We should have a bit more humility from the right hon. Gentleman.

Mr. Lilley: Far from belittling the efforts of the Select Committee on Social Security, I bask in its praise, which has been fulsome. According to the Chairman, his original proposals were toned down somewhat because they were over-effusive in praising my efforts. I demand that Opposition Members cease to misrepresent a document that referred to a chance statement by one witness, as if it provided proof that there is £2 billion of housing benefit fraud, whereas the only established and available survey suggests that there is about £1 billion. I do not mind whether there is £1 billion or £2 billion—what I dislike is the suggestion that there is a mysterious £1 billion that can be conjured up, purloined and used to justify £1 billion of extra spending by the Labour party.

Ms Harman: The Secretary of State says that he pays tribute to the work of the Select Committee on Social Security; it is a pity that he has not adopted its proposals for the full extent of powers that are needed to crack down on fraud. It is all very well to praise the Committee's work; the Bill falls short of the Committee's recommendations for action.

Of course we use estimates when we speak about fraud—people who commit fraud do not declare it—but the Select Committee said on page vi, paragraph 6 of its 1995-96 report on housing benefit fraud:

"It is possible that the true total is £2 billion, perhaps even greater".

The Government were warned year after year about the increasing scale of the problem, but they failed to take tough action, especially on organised landlord fraud. They failed to do so because—

Mr. Bernard Jenkin: The hon. Lady quoted from the Select Committee report; I am a member of that Select Committee. She read out the passage starting, "It is possible". I was happy to put that £2 billion in to highlight the anxiety of some of our witnesses, but I am convinced that the Government survey data are by far the most accurate record that we can lay our hands on of the true amount of fraud. What does she believe that the fraud figure is?

Ms Harman: The hon. Gentleman has sought to back off from a statement in a report to which he put his name:

"It is possible that the true total is £2 billion".

However, bearing in mind the fact that we agree that, over the years, billions of pounds have been wasted through being defrauded from the public purse, perhaps the House should move on to consider the actions that should be taken to solve the problem.

It is my contention that the Government have failed to take action because they are complacent about the undermining of support for the welfare state, they are not vigilant on behalf of the welfare state and they are soft on private landlord cheats. Their dogmatic view that everything in the private sector is good whereas everything in the public sector must be bad means that they have shrunk away from acting against private landlord cheats who rip off the system.

The Social Security Committee estimated that as much as £1 of every £5 spent on housing benefit is wasted on fraud. The Local Authority Investigation Officers Group, to which I pay tribute for its work in drawing attention to the scale of fraud and its proposals for tackling it, told the Select Committee that housing benefit fraud could be even greater.

The Association of London Government estimates that at least £40 million is wasted on housing benefit fraud in London alone, and that much of that fraud is committed by landlords cheating the system, alone or in collusion with tenants.

A case highlighted in evidence to the Select Committee was that of a landlord in London to whom 165 housing benefit claims were paid directly. When the claims were checked, it was discovered that 56 of the claimants did not exist—phantom tenancies. The landlord was ripping off the taxpayer to the tune of no less than £5,000 a week. He was caught, but no doubt many landlords committing similar frauds are as yet undetected. In another case, when the properties of eight managing agents in Greenwich were investigated, 88 of 292 properties were found to be empty.

That is why we need the visiting officers knocking on the door. It does not take long to discover that premises do not exist or are deserted. It is a scandal that landlord cheats have ripped off the taxpayer and that the Government have failed to take action until now, when—after 17 years of Tory government—they are introducing the Bill five months before the general election.

Housing benefit fraud is serious because spending on housing benefit accounts for a large part of the social security budget. Under the Secretary of State for Social

[Ms Harman]

Security and his Tory predecessors, there has been a huge increase in the amount spent on housing benefit. The housing benefit budget has soared since 1979, when it was £2.2 billion, to about £11.2 billion a year. Spending on housing benefit has increased dramatically because of the huge increases in housing benefit paid to claimants in the private sector. As an increasing number of people have claimed housing benefit and the cost to the taxpayer has soared, fraud has grown.

The Bill seeks to punish those who make false claims on taxpayers' money. We could not agree more; but among the biggest false claims being made today are those of the Conservatives that they are tough on fraud. I shall set out our view of their record, chronologically and based on fact.

In the early 1980s, local authorities took action. They began appointing fraud inspectors to tackle what they believed to be the problem of housing benefit fraud. Did the Government listen to their anxieties or back up their action? No, they did not—and that was the early 1980s. In 1992, the London Boroughs Fraud Investigators Group urged the Government to set up a London-wide body to tackle the serious problem of organised landlord fraud. It asked the Department of Social Security for help. In the report that it sent to the Department as long ago as 1992, it said:

"Organised Housing Benefit fraud is a large, financially significant problem. It is more lucrative than Income Support fraud. Its perpetrators are mostly landlords or managing agents. The DSS does not investigate organised Housing Benefit fraud . . . we have a serious problem that the London Local Authorities need to tackle."

It also proposed—in 1992—

"a specialist team investigating organised Housing Benefit fraud is what is needed."

Did the Government listen or take action? No, they did not.

It was not until May 1996, four years and many billions of pounds later, that the Government set up a pilot project. In fact, much of the action that the Tories have taken in the past 17 years has hindered rather than helped the fight against fraud. They cut visits to check on fraud from 6.6 million a year under the last Labour Government to only 500,000 a year. They penalised local authorities that took action on fraud. Not only were those local authorities obliged to pay, without subsidy, for fraud investigating officers, but when those officers detected fraud, they were subject to a financial penalty from the DSS. The Tories penalised local authorities that took action on fraud in the public interest until, finally, they were pushed to change the rules in 1993.

The Tories have been complacent about the problem of organised landlord fraud. Not until May 1996, when the Social Security Committee once again brought the problem to their attention, did they prepare the Bill. While fat cat landlords have lined their pockets with taxpayers' hard-earned money, the Secretary of State has stood idly by year after year, until now. That is the background against which the Bill is introduced.

We support the proposal in the Bill to cross-match central and local government data to tackle fraud. We support it—indeed, we proposed it in our document, "Recovering the missing millions".

We support the proposal to require the Post Office to disclose or prevent the redirection of post, to tackle fraud. We support that measure—indeed, we proposed it.

Mr. Bernard Jenkin: Will the hon. Lady give way?

Ms Harman: In due course.

We support the proposal to create a fraud inspectorate—indeed, we proposed it. We supported it in "Recovering the missing millions", our policy document published this year. We supported it before the Bill was drafted. We are simply letting the Government know that we support their adoption of those proposals, which are widely supported by the Social Security Committee and the Audit Commission. We support tough penalties for those who make false claims to defraud the public purse. Innocent claimants should have nothing to fear, while guilty fraudsters will be rooted out.

Mr. Jenkin: Will the hon. Lady give way?

Ms Harman: I shall give way to the hon. Gentleman again, although I fear that it might be a mistake.

Mr. Jenkin: I suffer the hon. Lady's rebuke with due humility, but I am extremely grateful to her for giving way. She admonished the Secretary of State for following in the wake of the Select Committee on Social Security. Will she be honest enough to admit that she has taken many of her policy initiatives from that Committee? They did not go from her to the hon. Member for Birkenhead (Mr. Field); I rather fancy that they went in the opposite direction.

Ms Harman: The hon. Gentleman has it completely wrong; I admonished the Secretary of State not for failing to adopt the Select Committee's recommendations but for sneering at its recommendations and the evidence that it placed before the House, and for failing fully to take on board the sensible recommendations that it made.

The Bill must do more. In Committee, we shall press the Government to take far tougher measures to deal with organised landlord fraud. There should be a new offence to deal with landlords who make multiple false claims to rip off the taxpayer. Despite the massive scale of the problem that has emerged in recent years, no such offence exists and those who prosecute on that issue must go between the Theft Act 1978, false accounting and other bits of legislation in order to found their case. There should be a specific new offence to deal not with those who simply fail to notify or who make an individual claim, but with organised landlord fraudsters.

We must do even more. We propose giving local authorities the power to refuse to pay direct to private landlords in all but exceptional circumstances. The Select Committee and the Audit Commission recommended that action, but it is not in the Bill. The Secretary of State, who is not responsible for prosecuting in that area, says that local authorities already have that power, but the Select Committee, the Audit Commission and those investigating and prosecuting fraud say that they do not. We propose that the power should be specifically in the Bill.

We propose giving local authorities the right to obtain proof from landlords about properties for which they claim direct payment of housing benefit. The Select

Committee and the Audit Commission recommended that action, but it is not in the Bill. We propose giving local authorities the power to require landlords to give notification of other properties for which they receive direct payments of housing benefit. The Select Committee and the Audit Commission recommended that tough action, but it is not in the Bill.

We also propose that local authorities automatically provide details of payments that they make to landlords directly to the Inland Revenue, to ensure that landlords pay income tax. Again, the Select Committee and the Audit Commission recommended that tough action, but where is it? It is not in the Bill.

The Secretary of State has, in the past—I concede that he did so less today—tried to draw attention away from the Government's failure to take action on fraud by blaming Labour-controlled local authorities. He has failed to tackle fraud, so he makes local councils his scapegoat. Neither the Social Security Committee nor the Audit Commission shares his assertion that Labour-controlled councils are soft on fraud. If that is the Secretary of State's view, he will never solve the problem of fraud, but will simply continue to play party political games while the public purse is defrauded. The Select Committee and the Audit Commission say that it is not the party in power in local government but the system that has been deficient.

What this country needs now is a partnership between local government and national Government, to work together genuinely to tackle fraud. I hope that that is the spirit in which the Government will approach the Bill in Committee.

Mr. Nigel Evans: The hon. Lady talks about playing politics with this issue. Is not the Labour party trying to play politics with social security fraud? By the action that they have taken since 1992, the Government have tripled the savings from more than £500 million to nearly £1.5 billion. The hon. Lady tries to argue that the savings from fraud can be much greater, so that the Labour party can go into the next election pretending that some of its extensive spending plans can be met from money saved on fraud, instead of from putting up taxes, which is exactly what it will do.

Ms Harman: It ill behoves a member of the party whose Government have promised to cut taxes and who have put up taxes 22 times to accuse us of planning to put up taxes. My case is that evidence of fraud emerged at local level. Councils responsible for administering the housing benefit system identified the problem and were concerned about it. They told the Department of Social Security about the problem and were told, "There is no problem." They went to the Social Security Committee, had a keen hearing and presented these proposals. That is the true story.

Mr. Lilley: The hon. Lady was not a Front-Bench spokesman on fraud at the time, but when we made proposals to encourage local authorities to take much more aggressive action to cut down on fraud, her predecessors told us that we were in danger of exaggerating the amount of fraud, that £1 billion was a small sum, that the measures that we were taking were excessive and onerous, and that local authorities could not meet them.

Had we accepted that advice, we would have left the problem untackled. Happily, we ignored it and we have succeeded in provoking and galvanising local authorities into more than doubling their fraud savings in a single year, and subsequently increasing them significantly. They will do so more as a result of the measures that we are introducing today. We have ignored the Labour party's continual refusal to take the fraud issue seriously.

Ms Harman: The Secretary of State says that he has provoked and galvanised local authorities into action to tackle fraud. It is quite the other way round: local authority investigators have provoked and galvanised the Government to take action on fraud.

As well as helping to catch benefit fraudsters, the proposals in the Bill to cross-match Government data provide the House with an opportunity to help some of the poorest people in Britain: pensioners. Government figures published last week show that there has been a dramatic increase in the number of very poor pensioners—those entitled to income support but who do not claim it. The figure has risen from 700,000 to 955,000. Nearly 1 million pensioners now lose out on money that they desperately need. Government figures show that they lose an average of £14 a week—more than £700 a year—which is equivalent to almost 25 per cent. of the basic state pension.

I freely admit that I was on "Woman's Hour" because 800,000 of those pensioners are women who live on their own and have no state earnings-related pension scheme, no occupational pension, no savings, no nothing. It is a scandal that pensioners who spent a lifetime at work or caring for their family are among the poorest people in Britain today. It is particularly worrying as winter approaches and pensioners throughout the country must choose between heating and eating. The problem is urgent and is made worse by the Government imposing VAT on gas and electricity.

Why are 1 million pensioners—among the poorest people in Britain—failing to claim the £700 a year in income support to which they are entitled? The Secretary of State has a simple answer. He says that they do not claim it because they do not want or need it. They make the choice, and decide that they do not want the £700.

We wrote to ask the Secretary of State whether the cross-matching of data under the Bill could be used not only to tackle fraud, but to help to get the income entitlement to the poorest pensioners. We asked him to include such a measure in the Bill. He rejected our proposal and stated in a letter of 22 November:

> "In considering the question of take-up of benefits, I think it is necessary to remember that the claiming of benefit is, of course, a matter of personal choice and there will always be those who choose not to make a claim."

Are 1 million pensioners choosing not to make a claim—not to have that £700? It is unacceptable for the Secretary of State to adopt that attitude.

The truth is different. The message to pensioners from the Government has been clear: "If you claim benefits, you are a scrounger; if you are a pensioner, you are a burden." So 1 million pensioners do not claim their entitlement. We know that pensioners feel the stigma of means testing most sharply of all.

[Ms Harman]

Despite the European convention, the Bill uses the cross-matching of Government-held data to catch benefit fraud. Why cannot the Bill use the cross-matching of data to give the poorest people their entitlement?

The Minister for Social Security and Disabled People (Mr. Alistair Burt): Before the hon. Lady leaves the topic of poorer pensioners, will she explain how her proposal for a pension to be drawn at the age of 60 at some £20 a week less for life will help in dealing with poorer pensioners?

Ms Harman: Is the Minister referring to our proposals for a flexible decade of retirement?

Mr. Burt *indicated assent.*

Ms Harman: With your leave, Mr. Deputy Speaker, I will digress to comment on the flexible decade of retirement, but I will return to the cross-matching of Government and local authority data to get help to the 1 million poorest pensioners. That was a valiant attempt by the Minister, but I fear that it will be an own goal, not a diversionary tactic.

People are retiring at different ages. The pattern of employment is changing and people are retiring across a decade. There used to be a fixed pattern of work—men would leave school, get a job, work full time for their entire working life, retire at 65 and get their state pension. Many people now have occupational pension schemes, which enable them to retire earlier. We argue that there should not be a one-size-fits-all welfare state. Flexibility in the state pension system could help people to exercise more choice in their lives. If that can be done at no cost to the public purse, why not do it?

We have said that those who draw their pension five years earlier than the pivotal date will draw it at a lower rate, but if they have occupational pensions, savings or other income to ensure that they do not fall back on the state at a later date, why should they not make that choice? Hon. Members on the Government Benches are making a mistake by setting their face against greater flexibility in the social security system to meet the changing patterns of people's lives.

The Government have proposed data matching to deal with fraud. Why do they refuse to accept data matching for benefit take-up? The Secretary of State for Social Security hid behind Europe's skirts. He failed to say whether he thought that it was a good idea; he merely said that Europe would not wear it. I make two points in response to that.

First, what is the Secretary of State's view? Does he think that that is a good idea and worth doing? Secondly, it is clear that article 8 of the European convention on human rights does not stand in the way of the cross-matching of data. Just as article 8 allows an exemption under the law for the purposes of national security and public safety, it allows exceptions by law for other purposes. I do not believe that the matching of information held by the Government for the purpose of getting income to the poorest people would be found to be in breach of the European convention on human rights.

I say that with a great deal of experience of litigating in front of the European Court of Human Rights on the convention. I know how the court works. The notion that our proposal would fall foul of the European convention is absurd and cowardly. The Government will not say simply that they do not want to pay those people their money, so they will not help them get it.

The Parliamentary Under-Secretary of State for Social Security (Mr. Oliver Heald): It is clear from article 8(2) that the prevention of disorder or crime, which is the category into which benefit fraud would fall, is one of the exceptions. Which exception is the hon. Lady relying on for her scheme?

Ms Harman: Various exemptions are relevant: the protection of health, or the protection of the rights and freedoms of others. The Minister makes a bogus assertion. The Government are lurking behind the European convention and legal advice, while 1 million pensioners suffer extreme poverty and hardship. I hope that the Government will think again and support our proposals to help us to deliver their entitlement to 1 million pensioners who have given Britain so much for so long.

This week the Secretary of State has been engaged in pre-Budget briefings.

Mr. Lilley: Not so.

Ms Harman: I am glad to give the Secretary of State the opportunity to deny the reports about him in *The Guardian*, which states that he will help the Chancellor to pay for tax cuts by cutting £1 billion in fraud from the benefits bill. The article continues: "Mr. Lilley is confident". I give him the opportunity to say at the Dispatch Box that he is not confident and that he is not going to save £1 billion.

Mr. Lilley: Last year I saved £1.5 billion. I deplore *The Guardian*, whose article I have not read and with whose reporter I have not spoken, if it suggests that we shall save less in future.

Ms Harman: The assertion in *The Guardian*, which has been denied, is that in addition to the £1.8 billion that it is claimed will be saved, an extra £1 billion—a third as much again—will be saved this year. However, the Secretary of State has denied it. He does not think that he can save £1 billion by cutting housing benefit fraud to help the Chancellor with his tax cuts. I am glad that those were not proud boasts behind closed doors—the Secretary of State said nothing of the sort.

It is clear that the Government will not save an extra £1 billion on housing benefit fraud, because they refuse to take the tough measures required to crack down on organised landlord cheats. Despite the Bill's shortcomings, we shall work in Committee to toughen the measures in it in order to end the scandal of a multi-billion pound fraud by private landlords—a fraud on the taxpayers and on the welfare state.

6.59 pm

Mr. David Faber (Westbury): Thank you, Mr. Deputy Speaker. I am grateful to be called to speak so early in the debate. I listened carefully to the speech by the hon.

Member for Peckham (Ms Harman). I have had the same dubious pleasure during health debates in the past year and the record seems to have got stuck. She and the hon. Member for Fife, Central (Mr. McLeish) continually pray in aid the work of the Social Security Committee, which is ironic at best and disgraceful at worst. I have served on the Committee for four years and have been instrumental in helping to compile reports on benefit fraud. I have done so because I feel strongly about that issue and out of respect for the Committee Chairman, the hon. Member for Birkenhead (Mr. Field), to whose work I pay tribute. It is outrageous for the hon. Lady to twist the Committee's findings, to quote it selectively and to pay no heed to its many conclusions that form part of the legislation.

The hon. Lady accused my right hon. Friend of belittling the Committee's work. I have listened to my right hon. Friend giving evidence before the Committee for many hours and I am thankful that the hon. Lady will never have the opportunity to appear before us in that capacity. The truth is that the Committee set up its inquiry in spite of the Labour party, not because of it. I am sorry to embarrass the hon. Member for Birkenhead again, but I refer to his remarks during the Committee on 7 February this year when he said:

"when we announced as a Committee that we were doing an inquiry into benefit fraud, one of my colleagues sidled up and said, 'Typical! Another right-wing strategy from you.' It never struck me that being against fraud was actually a right-wing stance."

That is the Labour party's view on benefit fraud.

We last debated the issue in March this year on a Government motion and I am delighted that we have the opportunity to discuss it again today in the context of this legislation which takes us further forward. The Committee has continued its investigations and has moved from housing benefit fraud to child benefit fraud. The Government have taken many welcome steps since the last debate. I welcome particularly the on-going benefit reviews which gauge the extent of benefit fraud. Income support and unemployment benefit fraud were tackled first, followed by retirement pensions, housing benefit and invalid carers allowance. I am sure that it is only a matter of time before the review moves on to child benefit fraud.

Since the debate, the Government have moved forward in two key areas. The contract was announced for the introduction of a payment card and I ask my hon. Friend the Member for North Hertfordshire (Mr. Heald) to allay in his winding-up speech several concerns expressed about that card. It was suggested in the newspapers recently that the chip in some cards could be tampered with, affecting their security. I seek his assurance that such technology will not be used in the payment card.

The Department of Social Security memo to the Committee says that the card will "virtually eliminate" all instrument of payment fraud. However, we remain somewhat concerned that, if the card is fraudulently obtained initially, that may legitimise other types of fraud. I seek my hon. Friend's assurance that there will be strict verification and reverification procedures upon the issuing of cards. Nevertheless, potential savings of £150 million per year for a £200 million investment are welcomed warmly.

The Government's other obvious advance in recent weeks and months is our extension of the free benefit fraud hotline nationwide. That is a very worthwhile and welcome move. The hotline has been successful at a local level—during the March debate we heard that pilot project savings were running at about £800,000 per £20,000 of expenditure. We now know that the national hotline has also proved a success and I understand that it has received 105,000 calls to date, running at 5,000 per week. I am interested to know whether the cost-benefit analysis still applies in terms of comparing the cost of running the hotline with the fraudulent benefit savings made.

Earlier this month, my hon. Friend unveiled the world's biggest social security data-checking operation in Manchester. Local authorities and Post Office employees have better incentives to tackle fraud, identity checks have improved and the number of home visits has greatly increased. Most welcome of all is the establishment of a joint project by the Benefits Agency and the Contributions Agency to crack down on national insurance number fraud. I hope that my right hon. Friend and my hon. Friend will examine carefully the Committee's concerns and recommendations as articulated earlier by the hon. Member for Birkenhead.

As we have heard already in the debate, fraudulent benefit savings have increased from £717 million in 1994-95 to £1.44 billion in 1995-96 and they are expected to rise again to £1.8 billion in 1996-97. I echo the remarks of my hon. Friend the Member for Colchester, North (Mr. Jenkin) in his intervention on the hon. Member for Peckham: she should not read too much into the information provided by the fraud investigators group. It has done some excellent work—a member is one of our specialist advisers and he knows a great deal about the issue—but it has provided no hard evidence to contradict the Government's figures about the extent of social security fraud. The on-going process of benefit reviews is providing more hard and fast data every week and every month.

Clauses 1 to 4 deal with the supply of information to those who are fighting the battle against fraud. In the Select Committee's third report, we specifically recommend that the Government should investigate whether serious social security fraud could be added to the list of categories where confidential information from Inland Revenue may be passed to the DSS. I welcome especially the Bill's proposals to allow the DSS to cross-check data with that held by the Inland Revenue and by Customs and Excise. That will make it easier for DSS agencies to investigate benefit fraud, but it is important that the flow of information be maintained to local authorities as well.

I refer my right hon. Friend to clause 1. Will local authorities be deemed to be a body

"supplied to, or . . . a person providing services to, the Secretary of State"?

If that clause applies to local authorities, there will be some problems passing information from the DSS to the local authorities who need it.

Mr. Heald: Perhaps I can assist my hon. Friend. Clause 3, which deals with authorities administering housing benefit or council tax benefit, enables the Secretary of State or the Northern Ireland Department to pass information to local authorities, which would include the data to which my hon. Friend refers.

Mr. Faber: I thank my hon. Friend. That clarifies the situation, which is not explained in clauses 1 and 2. It is vital that information is passed to local authorities as they may need it most.

[Mr. Faber]

Another of the Select Committee's key recommendations was that local authorities should have access to the DSS central index computer which deals with national insurance numbers. I think that I understood my right hon. Friend as saying that the Government will accept that recommendation. It was accepted in the Government's response to the Committee's report, subject to certain strict criteria. Such criteria must be strict and the system must be policed sensibly and with great care, but local authorities need such information in the fight against fraud.

I welcome the Bill's recognition of the role of local authorities in combating fraud. We have heard much in this and in previous debates about some local authorities' reluctance to pursue fraudsters in the past because of ideological opposition. I think that we have moved from that argument and the Bill presents an opportunity to understand the rewards for local authorities and the penalties for those that do not perform well.

Mr. Bernard Jenkin: Does my hon. Friend agree that, while some local authorities—notably those in the London area—produced strong evidence that they required extra powers and that the local government culture needed to change, the vast majority of local authorities tended to say, "That sort of thing does not happen here"? The Committee and my right hon. Friend the Secretary of State have succeeded in changing the culture so that every local authority is aware of the potential for benefit fraud—however leafy the suburb.

Mr. Faber: I agree with my hon. Friend—and particularly with the relevance of his last comment. In the course of our investigations, it was interesting to learn how many local authorities—sometimes those in our area or in neighbouring areas—did not accept that fraud occurred in their jurisdictions. If nothing else, the Committee's report helps to highlight that fact. I join my hon. Friend in paying tribute to the representatives of the London authorities who appeared before the Committee: they understand the nature of the problem and they have decided to tackle it on a grand scale. I hope that some of their experiences and some of the measures in the Bill will give local authorities throughout the country the chance to pursue that. I hope that the Bill will open up a new area of co-operation between the DSS and local authorities.

As my hon. Friend said, the performance of local authorities is still extremely variable and needs to be improved. Some £1 billion of fraudulent claims—or 25 per cent. of all benefit fraud—is attributable to housing benefit or council tax benefit fraud, and therefore my right hon. Friend's creation of the benefits fraud inspectorate is especially welcome. Its role will be to help and improve the performance of the worst-performing councils and to advise on best practice. It will have a powerful role to play in the fight against fraud. I reiterate that it is vital that the inspectorate is set up in liaison with local authorities and that it is given powers to consider all the bodies involved in the fight against fraud, including the DSS and the various agencies within it, which already have an excellent record of combating fraud.

It is good news for local authorities that the Bill will give them the same powers as the Benefits Agency to enter business premises, including those of landlords, to inspect documents. We heard about that during my right hon. Friend's speech. There seems to be an anomaly in clause 10 in that if a private sector landlord works from both business and residential premises, inspectors will not be allowed to enter the residential premises. Many people, in all walks of life, take business home with them. On page 16, the Bill says:

"a private dwelling-house is not liable to inspection under this section unless an inspector has reasonable grounds for believing that a trade or business is being carried on from the dwelling-house and that the trade or business is not also being carried on from premises other than a dwelling-house."

Many hon. Members take work home, and many of us work from home. If inspectors do not have the power to enter residential premises and business premises, fraudsters will simply take the relevant papers home with them and they will be lost. I should be grateful if my right hon. Friend would consider that potential loophole.

The Select Committee also recommends that the base line subsidy figures for local authorities should reflect the authorities' failure in combating fraud. I welcome the proposals in clause 9 to strengthen my right hon. Friend's powers to adjust housing benefit and council tax benefit subsidy. If an authority fails to reach the standards that he has directed them to attain, he may deduct some subsidy. Similarly, he may add to the subsidy of successfully performing authorities. That proposal is at the heart of improving the performance of poor authorities and rewarding good local authorities. I must tell the hon. Member for Peckham that it is a welcome response to one of the Select Committee's recommendations.

Another Select Committee recommendation, on the prosecution of fraudsters, has been included in the Bill. I refer to the proposed legislation covering impersonation and the sanctions and penalties that are available. I welcome the introduction of a new offence of dishonestly reporting or failing to report a change of circumstances, which will trap those who give false information or conceal information to get benefits. Quite rightly, they will be liable to a term in prison of up to seven years. The existing offence of obtaining benefit by false representation will be extended and it will become an offence for somebody to fail to report a change of circumstances, or to get somebody else to do so on their behalf.

Clause 13 provides for payment of a financial penalty, which makes a sensible civil alternative to prosecution. Where such cases are proved, the claimant will pay a penalty, as my right hon. Friend told us, at 30 per cent. of the overpayment.

I warmly welcome the proposals in clauses 18 and 19—again, they were recommended by the Select Committee—relating to the redirection of post. In future, local authorities will be able to ensure that post marked "do not redirect" will not be sent on. Similarly, the Post Office will be required to provide any information as needed relating to the redirection of benefit payment post. That proposal will greatly help the Benefits Agency and local authorities to trace and catch multiple applicants, and should prevent fraudsters from making claims from different addresses and then having the money sent on to them.

Perhaps the Select Committee's main disappointment will be the lack of specific measures in the Bill to combat organised landlord fraud, about which we heard a great

deal during the debate. However, I acknowledge that plans for the fraud inspectorate are wide reaching and that it can pursue specific proposals to fight landlord fraud in conjunction, I hope, with local authorities. I hope that the inspectorate will have a wide enough brief to take on the issue of landlord fraud.

My right hon. and learned Friend the Chancellor of the Exchequer will present his Budget tomorrow. Whatever is contained in it, there is no doubt that social security fraud has reached a high level of public awareness and understanding, and that applies to hon. Members on both sides of the House. Nothing outrages the honest citizen or taxpayer more than the thought that he or she is being ripped off. We now know that the figures involved are considerable and we have to tackle the problem.

The hon. Member for Peckham was churlish in the extreme in her earlier remarks. The Bill is a natural progression of the Government's battle so far against social security fraud. I welcome the fact that my right hon. Friend has listened to what the Social Security Select Committee had to say, and I warmly support the Bill.

7.15 pm

Mr. Frank Field (Birkenhead): As always in these debates, it is a pleasure to follow the hon. Member for Westbury (Mr. Faber). He was careful in the way in which he examined the Bill and he highlighted the aspects in which the Select Committee may have played some part, which I might have forgotten to do, so I am grateful to him. I shall address other issues.

The difference in the Secretary of State's speech today was noticeable, and it had two parts. He is very much at home with the subject, and in presenting an anti-fraud Bill, which, we are told, has considerable political popularity. I was struck at the somewhat down-key tone in which he presented the Bill. That became even more marked when he presented Labour's proposals. The whole debate changed gear. His tail was up and an interest became apparent that was not there when he was explaining the Bill to the House. I was puzzled by that.

Mr. Bernard Jenkin: The hon. Gentleman has often encouraged local authorities and others and, indeed, the Government, to come forward and celebrate the fact that they are discovering and uncovering fraud. Is it not crucial that we should not be ashamed of the fact that we find that things are not as well run as we had thought, because that shame inhibits the very process that we want these organisations to carry out?

Mr. Field: I could not agree more. For example, when my hon. Friend the Member for Vauxhall (Miss Hoey) reports to the House how effective Lambeth is becoming in tackling fraud, I deplore the jeering of Conservative Members, because she is admitting that we need honesty in the debate. We might exchange figures for the total of fraud, but the awful truth is that we do not know. As the Government introduce more measures, more gains are chalked out for taxpayers. We are certainly not in the stage that economists talk about—decreasing returns.

I shall present to the House what I consider to be the reasons for fraud, as we need different approaches to tackle the main groups that undertake fraud, and in so doing I know that the argument that I shall make will be crude, because a multiplicity of individuals are doing all sorts of things for different reasons. There are three themes among those who commit fraud. If taxpayers think that people adjusting their circumstances so that they can claim benefit fraudulently, not just behaving as rational economic men and women, is something new, they are wrong; that has been done since the creation of the welfare state. Lloyd George introduced means-tested pensions for the over-70s, in 1909-10, and we know, from looking at the censuses of 1901 and 1911, that the number who claimed to be over 70 rose by 84 per cent. People seeing an opportunity for fraud is not new. Politicians have underestimated the ingenuity of the human character in making the most of what is on offer. Fraud by individuals is not new.

However, certain fraud committed by individuals is new. That is partly due to the fact that welfare is increasingly means tested. Once people are claiming means-tested help, it is difficult for them to disengage themselves successfully by their own efforts. The Government are guilty of not knowing their history: the Victorians and Edwardians insisted that people should be prevented, at all costs, from falling on the Poor Law. Once they had claimed under the Poor Law, they could not fall any lower, and it was difficult to get them off the Poor Law. We have seen that happen with claims for means-tested assistance.

The age in which we live has had an effect, partly because of Government policy, but more importantly because of changes that have occurred worldwide. Hon. Members who represent poorer constituencies—as well as those who represent richer ones—have seen what has happened to the labour market, particularly in relation to the poorest paid. The jobs that they could at one time have expected have disappeared like snow disappears as the sun hits it. Many of them have scrambled around to find a new position in the labour market which is far less advantageous than the one that they previously held.

One reason for the increase in fraud is that people have been eager to prevent their fall in living standards from occurring too swiftly. They have sometimes claimed benefits to which they were not entitled, and sometimes claimed benefits to which they were no longer entitled when their circumstances changed, although they had originally been entitled to them. We must bear in mind the fact that some of our constituents have lived through an industrial revolution as great and as forceful as the agricultural revolution, during which many people were freed from the countryside, and were then pushed into the towns. For some of our constituents, the changes have been as dramatic as that first great change. That has been mitigated by the fact that we now, thank goodness, have a welfare state to prevent the destitution and worse suffered by some of our ancestors.

We should not underestimate how swift the changes have been, how great the drop in living standards has been and how tempting it must be for individuals, especially those with children, to try to slow down the fall in living standards that they would otherwise experience if they did not claim help.

Mr. Stern: I do not want the hon. Gentleman to think that I disagree with everything that he has just said, but it occurs to me that he may be dealing with the wrong problem. The Bill is not really designed to combat the small-scale fraud that he has described and into which he thinks people have been led. By and large, the people

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whom we are attacking in the Bill are not those who are trying to gain little on benefits—although they may be dragged into some of the frauds that we are dealing with—but those who are trying to obtain large sums. They are the real criminals, and they would not be in the position of those whom the hon. Gentleman has just described.

Mr. Field: I am usually—although not always—pleased to give way to the hon. Gentleman, and that is so tonight, because he makes the point that there is a third group of people who are serious about committing fraud against the social security system. Given human nature, we should not be too surprised by that. The Secretary of State is responsible for the largest Government Department—it is larger than most of his colleagues' Departments put together—so it would be amazing if no serious fraud were committed. We must be ever vigilant and, sadly, continually review ways to combat fraud. We must bring measures before the House for its approval to strengthen our fight against fraud.

The Bill comes into play when we consider that third group. It was difficult to understand the Secretary of State's low-key approach in his opening remarks compared with the fun that he had attacking Labour's supposed position on countering fraud. The hon. Member for Westbury expressed disappointment that the Bill does not contain a clause that deals specifically with landlord fraud. There is a struggle over the agenda on fraud. Naturally enough, the Opposition are concerned about organised fraud, whereas Conservative Members think that individual claimants are up to no good and should be walloped. In fact, both groups are committing fraud.

It is significant that the group highlighted in the report of the Select Committee on Social Security, although it may not account for most of the benefit fraud, clearly accounts for a large part of it. It is surprising that the Bill contains no specific recommendation on landlord fraud, although it involves fewer people. We may return to that when we take the Bill through Committee.

The absence of a clause dealing directly with landlord fraud leads us to consider the Government's attempt to create a public image that shows that they are getting on top of this small-scale stuff. I questioned the Secretary of State in the House about the fraud hotline. I had been given to believe that 90 per cent. of the information provided through the hotline was not useable, because the staff were not trained and many of them were temporary. The Secretary of State had not taken seriously the fact that such information could be valuable if only he would go a little further and provide decently trained staff to undertake that task.

That is not an isolated example. I read in a press release issued last week that the hon. Member for North Hertfordshire (Mr. Heald) is the fraud Minister. We should call him the anti-fraud Minister, not the fraud Minister. In the press release, the Minister tells us about a new initiative, and uses phrases such as "new tracing service", "important new weapon", and "rapid response arrangement". Anyone would think that we were getting ready to invade the Gulf. That new initiative is about the P46.

Mr. Lilley: It is very important.

Mr. Field: I agree with the Secretary of State that it is important. Employers have to complete a P46 when people turn up for employment without a P45. The initiative with its "new tracing service", "rapid response" and "important new weapon" is to ensure that employers send the P46 to the Benefits Agency. Neither the Bill nor the press release tells us about the staff who will follow up employers who do not do so. We do not have a problem with honest employers, because they already send in those forms. The problem is with employers who collude with claimants. They often suggest to claimants that they should accept the wages being offered and draw benefit at the same time. What measures are the Government taking to ensure that the "new tracing service", the "rapid response" and the "important new weapon" will have the resources to follow up employers?

Mr. Heald: The hon. Gentleman often talks about national insurance numbers. The point about the P46 tracing service is that, if an employee has no national insurance number, a P46 form must be filled out, and will immediately go through the system to the Department of Social Security. The hon. Gentleman also mentioned collusive employers. We have collusive employer teams throughout the country, and they are working actively with all the most modern surveillance techniques to catch employers who are behaving in that way.

Mr. Field: I am grateful to the Minister, particularly for that last sentence.

We ought not to overestimate what we can do in this place by proposing Bills that we hope will become Acts, although they clearly provide important frameworks. People must then implement what we have decided should be the law.

I do not want the debate to end without our complimenting the staff who perform their duties to combat fraud—a task which, I believe, will become more difficult and dangerous. Until now, people have not been as keen on tackling fraud as they should have been, and that has influenced the way in which they regard the staff who carry out those important functions. I support those who, on behalf of taxpayers, are trying to protect the public purse—people whom, in many instances, we should re-evaluate. I hope that we will do that before we hear too many stories about the physical danger to which they are already exposed, and will be exposed increasingly. If the Bill is as successful as the House hopes that it will be, many people who are taking large sums of public money when they ought not to be doing so will no longer be doing so, and I do not expect them to allow that money to go without a struggle.

7.31 pm

Mr. Bernard Jenkin (Colchester, North): It is always a great pleasure to follow the hon. Member for Birkenhead (Mr. Field). I pay tribute to the work that he does on the Select Committee. He leads a very happy band of men and women, and inspires us all with his leadership. Although I have not had the benefit of having served on another Select Committee, I think that his is probably the best on which to serve.

We are, perhaps, blazing quite an innovative trail for a Select Committee, because we are not only scrutinising what the Executive does but playing an active part in the formation of policy—reflecting, perhaps, something of an emerging consensus among intelligent people in this

place, and leaving aside some of the more tiresome party political prejudices that often do not do hon. Members as much credit as they think.

I welcome the Bill. It is an important contribution to the debate on this subject, and reflects very well on my right hon. Friend the Secretary of State. He has worked hard to change the culture surrounding social security fraud. The data-matching provisions are a sine qua non for proper policing of our benefits system; I hope that data matching will eventually lead to the establishment of a single on-line database for all social security benefits, because so many opportunities for fraud arise from the difficulty of reconciling the different bodies of information that are contained on different computer systems and relate to different benefits.

If only it were possible, with a single record of a national insurance number, to have a complete record of all the funds going in and out under that number, we should be much nearer to avoiding, for example, the absurd situation that allows someone who is contributing to a national insurance fund on his or her own number to find out—perhaps months later—that someone else is claiming on the same number. The inclusion of data-matching provisions will go a long way towards preventing future abuse of that kind; but, until we have a single on-line database making all the information relating to all the benefits and contributions of one individual available on one screen, it is difficult to see how it can be prevented—particularly when it is possible to match data only on the basis of intervals. It was nice to think that that would be done weekly, but I imagine that monthly, quarterly or even six-monthly will sometimes be the norm.

Mr. Stern: My hon. Friend has suggested a complete rounded record of ins and outs, but, in the context of the Bill and the prevention of fraud, what he is looking for—and what we hope to achieve—are data-matching provisions. Does he not fear, however, that the system that he is describing would impinge rather more on individual liberties?

Mr. Jenkin: That may well be a price that we must pay for allowing the state to tax us heavily and provide all these benefits. I shall deal with possible solutions later, but we already allow the state to have this information about us. It seems absurd that we should not allow the various organs of the state to share and develop the information effectively in order to protect taxpayers.

I am afraid that there is no substitute for the principle that those who are doing nothing wrong have nothing to fear. I appreciate that that is not a universal defence for state intrusion, but I think that in this instance it weighs pretty heavily, given that it is taxpayers' funds that are being abused, owing to our failure to use information effectively.

I welcome the inclusion of new offences in the Bill. I hope that the law will be strong enough against the multi-landlord fraud referred to by the hon. Member for Peckham (Ms Harman) and others. I appreciate the difficulties involved in creating new offences, and the difficulty of testing them in the courts to make them effective, and I understand that it is much easier to develop existing offences to ensure that people are caught; but I hope that that provision will be developed.

I also welcome the new powers for local authorities, which will enable them to exchange information and withhold benefit. I re-emphasise the importance of allowing those who give out benefits to withhold benefits. I even question whether we should continue to talk about welfare rights, rather than about the taxpayer's right to withhold benefit when there is doubt about whether a payment should be made.

Obviously, one objective of the benefits system must be to ensure that those who deserve help receive it, but too often the burden of proof required for the claiming of a benefit has been much less than the burden of proof needed to withhold it. That is an extraordinary state of affairs, which leads to much frustration when people do provide the authorities with evidence of potential benefit fraud, and then see that neighbours who they strongly believe are defrauding the system continue to benefit from their duplicity. I also welcome the introduction of a fraud inspectorate.

The whole Bill reflects a very positive change in the culture and outlook relating to benefit fraud. It is, I think, for us Conservatives to give at least two cheers for the Opposition parties, which for a long time tended to attack Conservative attempts to deal with benefit fraud, but which have now realised that, in order to sustain the integrity of the benefits system as a whole, it is necessary to restore the feeling among ordinary people—including ordinary taxpayers—that the system is not being taken for a ride. It is a little sad that the Opposition Front-Bench team are now perhaps over-egging the pudding, but if that serves to highlight the problem in the system and to continue to help changing the culture we will live with that.

In the next few years, there will be no substitute for fresh thinking on a complete change in the welfare structure, because fraud is encouraged by that very structure and by the way in which it affects people's work incentives and their outlook as they search for a job and try to climb out of the system. There is no resisting the conclusion that no amount of policing will make this a rational system of distributing help to poorer people.

We need a major change in the state benefit culture—for several reasons, not least cost. The benefit system takes nearly one third of total Government spending—it is not just the biggest programme in central Government, but the biggest programme by miles. My right hon. Friend the Secretary of State for Social Security quoted the cost as £15 per day per working person. When ordinary people are confronted with the scale of the cost in those terms, they are appalled, and it should appal us that the burden and cost of state welfare still do not create the happier and more contented society that we must have expected, or certainly that Beveridge must have expected if he ever thought that this much money would be spent on the welfare state.

If one programme has blown the Government's taxation policy off course, it would be the regular annual increases in the social security burden—the increases are far bigger in this Department than in any other Government Department. It should have dawned on Opposition Front Benchers by now that if, God forbid, they were ever to assume office, they would be confronted with the same problems, and that all their spending promises and tax-cut fiction would be quickly burnt before their eyes as they tried to contain social security costs

That means that we must consider three ways to start bringing down the cost of social security. The first involves savings for retirement. We must improve not

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only the incentives for saving for retirement, but the spread of savings for retirement. They must go beyond just retirement. We should encourage people to save, where they can save, for other eventualities, so that they do not, as a first recourse, fall back on the taxpayer.

Secondly, out of those savings, we should encourage people to take out much more private insurance for disability and for unemployment. Those should not be regarded as avant garde, off-the-wall ideas of some mad think tank. Those are the ways in which other societies are managing their welfare systems.

We should be able to learn from them to reproduce the same benefits, because, until we can encourage and enable people to self-provide such benefits much more for themselves and for their families, we will never be able to deal with the tax and benefits trap that so undermines the labour market's efficiency and ordinary people's ability to provide for themselves and their families in a dignified way, as we would hope.

Finally, we need to change the whole culture of giving out benefit. It should not be a simple financial transaction that absolves the taxpayer and the Government of any further action. In reference to other legislation and measures that the Government have introduced, the workfare experiment is exactly the sort of active help and responsibility that should accompany financial assistance to the least well-off.

It is not good enough for ordinary taxpayers to pay tax, knowing that the Government hand it over to poor people, and to say, "That absolves us of all responsibility of any other help that we might need to give those people." It is incumbent on the system to provide active and intelligent encouragement, so that the receipt of benefit is accompanied by some compulsion on the individuals concerned to show that they are prepared eventually to help themselves.

Mr. Frank Field: It is a matter not just of what is good for taxpayers: it is proper for the people themselves. For example, many of our constituents want to join job clubs immediately to help them get back to work, but the rules prevent them from doing so until they have been unemployed for six months. We know that, with every week that goes by, it becomes more difficult to re-enter the labour market, so it is not a matter of taxpayers ganging up on claimants. This policy is in the best interests of claimants, many of whom want it advanced.

Mr. Jenkin: If the hon. Gentleman studies *Hansard*, he will find that I more or less made that point just before he intervened.

Mr. Field: The hon. Gentleman does not have to admit that, if he changes *Hansard*.

Mr. Jenkin: I am shocked that the hon. Gentleman should suggest that I should commit such a fraud on the House. I am gratified to see that he is jesting, and I accept his unreserved apology.

For all hon. Members and all taxpayers who contribute to the system, perhaps the most sobering thought is that this massive expense fails the recipients so miserably, as the hon. Member for Birkenhead has described. Instead of being the help and salvation that we want welfare to be, it remains a dead weight and a disincentive for the vast majority of people, whose good qualities we know.

7.47 pm

Ms Liz Lynne (Rochdale): We must remember that social security fraud is not a victimless crime. Someone else has to pay for it—the taxpayer—so any clampdown on benefit fraud is welcome. We must, however, have safeguards.

As we all know, fraud is a widespread criminal activity. It is estimated that, this year alone, £4 billion has gone on benefit fraud and that only £1 billion of that is detected, so, each year, £3 billion goes undetected. The Government are now tackling benefit fraud, which I welcome, but, in part, they were responsible for its increase, particularly because of the cut in home visits. In 1979-80, there were 6.5 million home visits. In 1994-95, that went down to less than half a million, so it is hardly surprising that, as home visits went down, benefit fraud went up, or that many people were fiddling the system.

Most of the specific provisions in the Bill are sensible, modest and much needed. Clause 6, for instance, gives the Audit Commission powers to help the Secretary of State for Social Security in studies to improve the administration of housing and council tax benefits. That will be of tremendous help to local authorities in particular.

Local authorities have differing rates of success in tackling housing benefit fraud. The unit for the study of white collar crime said—I would like to blow the Liberal Democrat's trumpet about it—that Liberal Democrat local authorities have the best record of tackling housing benefit crime. Perhaps that is because we have had investigators in place for a little longer than some other authorities. We have to improve on that record, even though it is extremely good at the moment.

Mr. Bernard Jenkin: I do not want to spoil the hon. Lady's fun, but in Colchester the Liberal Democrat authority was recently highlighted as having lost about £500,000 on housing benefit fraud. I know that it is now taking that very seriously, but I do not think that the Liberal Democrats have a universally unblemished record on the matter.

Ms Lynne: I am not saying that we have an unblemished record, but, according to the unit for the study of white-collar crime for the Liverpool business school at Liverpool John Moores university, we have a better record than Conservative or Labour-controlled councils. If the hon. Gentleman would like to see a copy of the report, I would be very glad to give him one. I do not believe that any local authority has an unblemished record; all local authorities could do better. All I am pointing out is that Liberal Democrats have quite a good record because of the investigators who are already in place. Of course, we have to build on that success.

One of the Bill's main aspects is the lifting of barriers between Departments so that information can be shared, which I welcome. Data-matching can be highly effective. I also believe that caution is needed to prevent the misuse of confidential information. There ought to be more liaison between Departments. I asked the Home Office not so long ago for statistics on prosecution for organised

housing benefit fraud, but it had none. Departments should take a leaf out of their own books and carry on from the Bill, to establish some real liaison and find out how many prosecutions for organised crime are occurring, particularly for housing benefit.

Another part of the Bill gives local authorities and the Department of Social Security access to the Post Office database for redirection of mail. The assistant registrar to the Data Protection Registrar expressed concern about that, saying that, unless data matching techniques were supported by skilled human intervention and adequate safeguards, there could be problems.

"It may create serious adverse consequences,"

he said.

I should like to give the House an example of the possible problems. I hope that the Minister will give a reassurance on safeguards in his winding-up speech. Say, for instance, that a husband is working in a DSS department and the wife has been the victim of domestic abuse by the husband. She moves and has her mail redirected. We need to ensure that there are safeguards to prevent the husband from being able to tap into that information for purely personal reasons and find out where his ex-wife has moved to.

I should like some reassurance from the Minister that that cannot happen, and that, if it does, there will be safeguards or rules to ensure double checking within Departments on why the person needs the information.

So many other problems could arise. People could misuse information for criminal activity. We need to ensure that Departments and people who work in them do not tap into the database to get information to sell on. I know that some Departments have been worrying about that already. When the Bill is passed, as it undoubtedly will be, we need to know that there will be safeguards against such activity.

The point made by the hon. Member for Peckham (Ms Harman) has been raised by Age Concern in particular. If data matching can be used to check fraud, why can it not also be used to ensure that people, especially pensioners, receive the entitlements that they should receive? There should be a benefit take-up campaign at the same time. More than 1 million pensioners are not getting the income support or income-related benefit to which they are entitled. If they do not receive income support, they cannot receive cold weather payments either. About £1 billion goes unclaimed. Given what is already in the Bill, the Government could act to include such a measure in its remit.

When I asked the Under-Secretary about the take-up during Social Security questions, I was very disappointed with the reply. He said:

"No other strategy would work better than what we are doing."—[*Official Report*, 12 November 1996; Vol. 285, c. 146.]

When £1 billion is not being claimed, I do not honestly believe that the strategy is really working. All parties must address the problem, and the Government must address it through a take-up campaign. I believe that measures to solve the problem can be encompassed in the Bill's remit, despite whatever European directives or the European Commission of Human Rights might say.

Mr. Heald: How does the hon. Lady think that the data matching process she suggests could identify pensioners who are entitled to income support but do not claim it?

Ms Lynne: If one is data matching, one has records of people's pension entitlements. Surely the information about the entitlement to income support of women who reach the age of 60 and men who reach 65 can be data-matched.

Mr. Heald: I am asking how we would know. Clearly we know who the pensioners are and who is entitled to a retirement pension. We also know various other classes of information, but none of them will tell us that somebody was entitled to income support.

Ms Lynne: The Minister is saying that we cannot use data matching for anything but benefit fraud. I do not understand his argument. If we can use it for detecting benefit fraud, it can surely be used to find out which pensioners are entitled to income support. I know that it will be difficult to trawl through the system, but I am sure that, with all the resources at their disposal, the Government can come up with some positive proposals.

If the Government cannot do so in order that the problem can be solved in the Bill, perhaps the Minister can come forward with some idea of what take-up campaign he will put in place. There is no point in dismissing the matter out of hand. Many pensioners are not getting the income-related benefits or the cold-weather payments to which they are entitled. I am asking the Minister whether he thinks that such a measure could be included in the Bill. If he rules it out, fine, but he must at least admit that some take-up campaign must take place.

Mr. Stern: The hon. Lady is placing far too great a reliance on data matching, and making the same mistake as the hon. Member for Peckham (Ms Harman). A typical pensioner could be receiving a state pension and a small occupational pension from a totally different source, and possibly have some savings income from the National Savings bank. No data matching system will bring that information together, because most of it is not declarable.

Ms Lynne: The hon. Gentleman says that it is not possible to data-match in the Bill as I have suggested, and that data matching will not work. Does he therefore agree with me and other hon. Members that some take-up campaign is necessary? If the objective cannot be achieved through data matching, it has to be achieved in some way. I thought that there might be a possibility of achieving it in the Bill. If the hon. Gentleman and the Minister rule it out completely, what other suggestions do they have for a take-up campaign?

Mr. Stern: I am grateful to have the opportunity to answer the hon. Lady. I agree that Governments must continually look at take-up campaigns. All I am trying to prove to her—she seems to have conceded the point—is that they are totally irrelevant to the Bill.

Ms Lynne: With respect, I have not conceded the point. I asked the Minister: since it is possible to detect benefit fraud, might it not be possible to give pensioners the benefits to which they are entitled? I still believe that it should be looked into further, and I do not rule out the

[Ms Lynne]

possibility that we could do it. Technology is moving on. If it is not possible to do it within the remit of the Bill, we must have a take-up campaign, and the Government should commit themselves to that. I would be grateful if, when the Minister winds up, he will say that the Government will initiate a take-up campaign for pensioners.

Clause 12 will extend the powers to cut off benefit for false representation and for change of circumstances. If somebody stops somebody else declaring a change in circumstances, he or she can be prosecuted. It is the right step to widen that offence, but we need a clear definition in the Bill. It is too loose and the citizens advice bureaux are worried about that. They fear that they might be threatened with prosecution if they advise somebody not to declare a change of circumstances because they feel it is not relevant. Could they be prosecuted? I would like the Minister to confirm or deny that.

Clause 14 specifically deals with overpayment for one tenant that can be recovered from the payment for another tenant. In other words, if a landlord has been overpaid because one tenant has moved on, the agency can claim that money back by not giving as much money for the next tenant. I should like some assurances from the Minister that that provision will not, in his opinion, lead to more evictions. My fear is that the landlord, if he was not getting money for a particular tenant, might decide to evict that tenant. We should have more safeguards on that situation.

I give the Bill cautious support. We will have to see how it pans out in Committee, and also when it comes back to the Floor of the House. When we go through those stages, it is vital that we ensure that genuine claimants are not penalised. I have some real fears that must be addressed during the passage of the Bill, but I repeat my cautious support.

8.1 pm

Mr. Michael Stern (Bristol, North–West): We have heard several distinguished contributions to the debate from members of the Select Committee on Social Security and I am grateful for those. I come to the debate from a slightly different perspective. The Social Security Select Committee has been considering one aspect of benefit fraud, but as a member of the Public Accounts Committee, I have considered the problem because the remit of that Committee to ensure value for money in the collection and distribution of Government revenue is most obviously breached in areas such as social security fraud. Rather than adopt a benefit-led approach to the debate, I shall concentrate on areas in which I believe that the aim of the Bill needs to be considered, either in this debate or at later stages.

Much has been said today about the data-matching provisions and the access to data, which the Bill provides in the form of additional powers for the Secretary of State for Social Security. I confess to one or two doubts in that area, not because I believe that the powers are unnecessary—they clearly are not—but because I wonder whether they are workable or go far enough. The Bill is specific about empowering the Secretary of State to obtain data from the Inland Revenue and Customs and Excise, but that would require some very powerful data-matching tools. Social security benefit data are sorted by address of claimant. Inland Revenue data, by and large, are sorted by address of employer. Therefore, within one street one would have to match the records for 20 or 30 different districts of the Inland Revenue. Customs and Excise data are sorted by point of entry. Duties are, of course, collected and paid at point of entry, but various excise data are collected by business and are not necessarily related to the individuals to whom one wishes to match the data. An extremely powerful computer system will be needed to fulfil the requirements of the Bill. I wonder whether EDS Scicon, which automatically gets all Government computer contracts these days, will be able to deliver on the promises that the Bill makes.

The Bill also does not deal with two further data matching problems. Two Government agencies—Inland Revenue and Customs and Excise—are specifically mentioned. One that I would have thought would have been particularly appropriate—the Child Support Agency—is not mentioned. I accept that any data coming from the CSA are likely to be somewhat out of date and probably inaccurate, but I would have thought that it was a potential source of data for the purposes of the Bill, both for what has been reported by one parent—whether the absent parent or the parent with care—and for what that parent has reported about the other. All hon. Members present will be aware of the day-to-day experience in our surgeries when a parent comes in to complain about the work of the CSA—it is the second most common complaint I get—and tells us as much about the parent who is not there as about the one who is. Whatever inaccuracies are involved, there must be some way to feed that data into the system. I suspect that a number of potential frauds would be uncovered as a result.

It is assumed that when data are collected, especially from the Inland Revenue and to a lesser extent from Customs and Excise, it will be linkable with the national insurance number of the claimant. I must inform my hon. Friend the Minister that that is not necessarily the case. There is a significant minority of taxpayers for whom the Inland Revenue, even now, does not possess a national insurance number. National insurance numbers given to employers are not necessarily often immediately checkable, and by the time the check has been made the employee may have moved on. I would commend for future development to my hon. Friend the Minister the system adopted for VAT numbers. Any taxpayer receiving a VAT number can, by operating a simple arithmetical check, determine whether the number is potentially genuine or false. Future national insurance numbers should be constructed on the same basis.

In an earlier intervention, I said that I would return to the question of the penalty system and the system of prosecution. I strongly congratulate my right hon. Friend the Secretary of State and my hon. Friend the Minister on importing a penalty system in mitigation of prosecution into the social security fraud prevention system. That system has worked well for Customs and Excise and for the Inland Revenue and I have no doubt that it will significantly increase the financial benefits of the detection of benefit fraud. However, I chide my hon. Friend the Minister for not having taken the system over well enough. The provisions in the Bill provide that a person who wishes to avoid prosecution will be entitled to offer to repay the overpaid benefit plus a penalty of 30 per cent. That will be a fixed penalty, but my hon. Friend

the Minister has confirmed that the wording in the notes on clauses is somewhat loose and it will not be a mitigable penalty.

In contrast, the system adopted by the Inland Revenue in cases of fraud starts with a potential penalty of 100 per cent. of the amount defrauded. However, the Revenue is then able to mitigate the penalty to take into account the degree of co-operation shown by the person accused, the seriousness of the fraud and the extent to which the disclosure of the fraud was voluntary. The result is that the Revenue makes a great deal of money by collecting penalties for fraud. Without similar powers—possibly starting with a higher penalty base—I fear that my right hon. and hon. Friends will not be as successful as the Inland Revenue in discouraging fraud. Before any Inland Revenue penalty comes into effect, the fraudulent taxpayer is obliged not only to repay the tax, but to pay interest on the tax defrauded. In itself, that sum cannot be mitigated and is often a considerable percentage of the tax defrauded—often rising as high as 100 per cent. of the tax repayable.

Customs and Excise—according to traditions which go back centuries—adopt a rather more brutal approach to the collection of fraud penalties. The first thing that happens in a case of duty or excise fraud is the confiscation of the goods, so we are talking immediately about a penalty that often can be 200 or 300 per cent. of the amount of the fraud—and that is just for starters. As I have seen in my local customs house in Avonmouth, that system encourages people to own up. However, I am not sure that the Bill's provisions will be enough to encourage a significant increase in the collection of voluntary, admitted or co-operative payments of fraud penalties.

I am particularly concerned by the alternatives offered in the Bill. If an offer of penalty is made—or, once made, is withdrawn within 28 days—the alternative facing the potentially fraudulent benefit recipient is prosecution. If he is found guilty, the penalty is a maximum of seven years—or 70 per cent. of the penalty for touching an unlicensed gun. Nevertheless, that is the penalty for someone who is found guilty. Where the Bill parts from reality is in the assumption that a significant proportion of serious fraudsters are likely to be found guilty when prosecuted for fraud in this country. Experience has shown us that that is just not the case.

The chanciest area in terms of prosecution and in terms of someone being found guilty and given a significant penalty is in fraud. Our system just does not work—although it does make sure that there is a large legal aid bill. In looking in Committee at the penalty system—which is designed to recover money for the taxpayer—I hope that a greater emphasis will be placed on providing fraudsters with the certainty of a financial penalty, rather than the odds-on chance of escaping following prosecution.

I wish to refer to an area of housing benefit fraud where the combination of the Bill and the valuable work of the Select Committee on Social Security does not necessarily lead to a just result for the taxpayer. Mention is made in the list of types of fraud that are to be tackled by the Bill of fraud involving housing benefit where the landlord is a relative of the tenant, and I wish to express a word of caution at this point. The way in which such provisions are currently operated—particularly by local authorities—results in there being almost an assumption of fraud where a landlord and tenant are related.

I have heard many cases where a person has made a perfectly legitimate arrangement with a relative for the occupation of a property which takes account of the desire of a person to help a relative, and it is that expressed desire—perhaps the charging of a lower rent—that gives rise to the suspicion of fraud. We must make sure that the public purse is protected when framing law in this area, but also that there is not an assumption that there is something basically wrong with a practice that would be regarded by people in many other countries as a normal family arrangement.

Another area where benefit fraud is suspected—as has been mentioned in the accompanying literature—is in the right-to-buy scheme where a person who is not the occupier acquires the right to buy. However, I am concerned that we sometimes use this provision in the wrong way. In my constituency, there is a house known as "The Fortress" in Trowbridge road, Southmead. It is called that because of the defences that surround it. Very often, the only time people go in or out is when they are carted off in the proverbial black Maria. Bristol city council—in a laudable effort to try to disadvantage these people financially—tried to block their right to buy, but it was unsuccessful. I believe that it used the wrong provisions, and that the provisions for the removal of assets from ill gotten gains would have been more appropriate. The point that I am trying to make is that when we are designing fraud provisions in the Bill which affect benefits and the right to buy, we must be careful that these are not applied in entirely the wrong way.

I welcome the provisions in clause 15 for the periodic Benefits Agency-directed review of benefits such as disability living allowance, disability working allowance and attendance allowance. I recollect with horror when I was first elected to the House taking up a complaint on behalf of a group of constituents about one of their neighbours who was obviously claiming one such benefit on a totally fraudulent basis. As no such power to deal with him existed at that time, it took two years for that benefit to be reviewed and then automatically removed from the individual concerned. We have needed these powers for some time, and I am delighted that they are in the Bill.

Finally, there are a number of areas in the administration of housing benefit where there is an automatic assumption on the Conservative Benches that such administration will lead to fraud if it is in the hands of local authorities. As we heard from the hon. Member for Peckham (Ms Harman), there is an automatic assumption on the Opposition Benches that such benefit is likely to lead to fraud if it is in the hands of private landlords. We must be wary of falling into such obvious traps. The longest-running case of housing benefit fraud in my constituency—currently in its second year with the Parliamentary Commissioner—involves an alleged mistake by the Benefits Agency rather than by the local authority, despite the fact that there was an initial assumption that the local authority was at fault.

We have great deal of work to do on the Bill and, if nominated to serve on the Standing Committee, I look forward to helping my hon. Friend the Minister to achieve

[Mr. Michael Stern]

what could be a significant improvement in the take-up of public funds from the correction of the frauds that we have been discussing.

8.18 pm

Mr. Alan Howarth (Stratford–on–Avon): I am glad to follow the hon. Member for Bristol, North–West (Mr. Stern), whose speech was thoughtful and expert. If we should both find ourselves serving on the Standing Committee, we might disagree on some points, but I suspect that we would also be in some agreement and I am certain that he would play a valuable part in refining the legislation.

We are all against fraud and while substantial criticisms should be made of elements of the Government's approach, I welcome much in it. In voicing some criticisms, I hope that I shall not be interpreted as seeking to undermine a proper determination on the part of the Government to eradicate fraud, using appropriate means.

It is in the nature of fraud that it is impossible to know its extent. We should not underestimate it, but we should also not overestimate it. The Department's review of income support and unemployment benefit, published last year, told us that up to 10 per cent. of income support claims were fraudulent, but that figure included cases in which there was insufficient evidence to prove that fraud had occurred. One of four categories of suspected fraud is when a change of circumstances has been reported belatedly and overpayment has resulted. It is cynical to assume that there has been an intention to defraud in every case when a change has been reported.

Similarly, in a paper on fraud associated with invalid carer's allowance, circulated to the Select Committee on Social Security, the categories of suspected and confirmed fraud were conflated to give a combined figure of 6.5 per cent. Official identification of fraud is cast into further doubt as the Department gives local authorities a financial incentive to classify housing benefit overpayments as fraudulent by offering a 95 per cent. subsidy where they detect fraud, but only 25 per cent. where overpayment is attributed to error by the claimant. While we must certainly be resolute in tracking down and dealing with real fraud, I must point out to Ministers as well as to members of the Select Committee that there is no virtue in overstating the problem—indeed, it is demoralising to do so.

In framing the Bill, Ministers appear to have assumed that all overpayments are likely to be the result of fraud. In reality, misrepresentation may be accidental and innocent in intent. The scope, not only for fraud but for innocent error, grows with the complexity of benefit rules. As the Department pointed out to the Select Committee, the scope for fraud in relation to child benefit is not large because the conditions for entitlement are simple.

With housing benefit, the situation is different. We all agree that housing benefit fraud is a major problem. Among the ways in which the Government should reduce it is by simplifying the conditions of entitlement as far as they can, which would help to reduce both fraud and error. The fact that innocent error is also a significant factor in incorrect payments is shown in another Department of Social Security research report—No. 43—which found that four fifths of housing benefit claimants with non-dependent deductions did not understand the thresholds for different levels of deduction.

The House must be concerned at the potentially arbitrary powers that the Government are asking Parliament to confer on them. Clause 13 provides for a penalty or fine of 30 per cent. of an overpayment to be levied when the Secretary of State or a local authority believes that there is a prima facie case of fraud and that there are grounds for prosecution. I do not like to see such summary powers vested in officials. It is inevitable that over-zealous or bullying officials or agents will from time to time abuse them, particularly if they are incentivised to do so.

Nor am I happy with clause 15, which allows a review to be initiated of a decision relating to attendance allowance, disability living allowance or disability working allowance, even if no new information has come to light. Fishing trips, with unannounced visits, would be permitted under that provision to investigate and interrogate disabled people.

Mr. Heald: I must question the hon. Gentleman's view of clause 13. The payment of a penalty is entirely voluntary as far as benefit claimants are concerned. If the claimant wishes to accept a penalty, he may. Otherwise, it is entirely up to the Department whether to prosecute him. The claimant is not forced to pay the penalty.

Mr. Howarth: I accept that the option is proposed in the clause, but none the less considerable pressure will be put on a claimant who finds himself so suspected to settle for that payment rather than face the prosecution processes. One has to understand that although some sophisticated and ingenious fraudsters are exploiting the system, there are also some vulnerable people who are genuinely confused and who may panic if they are confronted with the sort of choice that the Minister envisages. That needs careful thought.

However serious the problem of landlord fraud, we must think carefully before approving the power proposed in clause 14 to recover overpayments made to a landlord in respect of one tenant by deductions from the housing benefit paid in respect of another. That could lead to the harassment of tenants and to homelessness.

There is a further hazard to civil liberties, and to privacy in particular, in this legislation. I refer to the powers that would be conferred through clauses 1, 2 and 3 to enable information held about individuals by the Inland Revenue, Customs and Excise and civil servants dealing with passports, immigration, emigration, nationality, prisoners and

"any other matter which is prescribed"

to be transferred and disclosed to the DSS. Clauses 3 and 4 extend the provisions to local authorities and their contractors, who are also enabled to exchange information between them.

There is a dilemma here for all of us. On the one hand, it is in the public interest to use the resources of information technology to defeat fraud. It may, indeed, be indispensable to do so if we are to defeat certain sorts of organised social security fraud. On the other hand, it is a cardinal duty of Parliament to safeguard the liberties of the people, including the right to privacy, which, though not yet expressly safeguarded in our law, has been regarded by custom and convention as a basic right and which we should protect.

Ministers are advancing into new territory in the Bill and they are pushing their invasion boldly and far. The European convention on automatic data processing of 1981 set out the principle that data collected for one purpose should not be used for another. That was written into the Data Protection Act 1984 as the third data protection principle, which states that

"personal data held for any purpose shall not be used or disclosed in any manner incompatible with that purpose."

Now under this Bill information gathered elsewhere and for other purposes is to be available for

"preventing, detecting, investigating and prosecuting offences relating to social security and for maintaining and improving the accuracy of social security information."

The House should note that the prescribed purpose is not confined to dealing with fraud, but extends to making more comprehensive the state's dossiers of information about citizens. We should also note that it is not merely civil servants and local government officers—people we are still disposed to assume are imbued with a public service ethos that will not allow them to commit impropriety—who may receive and disclose such previously confidential information, but employees of private firms contracted by public authorities to carry out tasks for limited periods.

I am indebted to Liberty, with whom I have discussed the issue, for drawing to my attention remarks made by the Data Protection Registrar, commenting on the increased collection and transfer of information between Government Departments. She has warned of the dangers in those developments

"for the use of information out of context to the detriment of individuals; for the wide replication of errors; for unjust decisions taken about individuals simply on the basis of a 'profile' which causes them to fall into a group with certain selected characteristics; for automatic decision-making based on facts of doubtful completeness, accuracy or relevance; for the surveillance of individuals. They intensify"—

she said—

"the need to keep data secure."

Lord Browne-Wilkinson, one of our most respected Law Lords, has observed:

"If the information obtained by the police, the Inland Revenue, the social security offices, the health service and other agencies were to be gathered together in one file, the freedom of the individual would be gravely at risk. The dossier of private information is the badge of the totalitarian state."

I worry, therefore, about legislating to allow the Government or their agents to trawl through the files on each of us that are held across Departments and to collate that information. If we are to do so, we had better at least circumscribe carefully the conditions in which such activity shall be permissible.

One safeguard should be that those wanting to undertake such a search should have to establish a prima facie case for doing so, and that a court order or warrant should be obtained when such a power is to be exercised. I recognise that such requirements would inhibit wholesale data matching; but we are talking of the use of powers closely analogous to stop and search powers, which the Home Secretary, to the anxiety of many of us, is currently proposing to extend in legislation on knives—and even he stops short of wholesale licence to the police to stop and search.

A distinguishing factor in the Bill, and an additional objection, is that the citizen would not automatically know about the search into his affairs. It may also therefore be appropriate for the person who is the subject of such a search to be informed that it is to be undertaken, what its findings have been and to whom they have been passed. There should surely be provision for complaints to be heard and for redress for any citizen who is the victim of error or injustice under procedures made legal in the Bill. There should also, I would think, be powers for the Data Protection Registrar to investigate and audit those procedures.

I am naturally disposed to defer to the legal knowledge of my hon. Friend the Member for Peckham (Ms Harman) , but I am advised that it is questionable whether the proposals in the Bill are compatible with the European convention on human rights, to which Britain is a signatory and which the Labour party wants to be incorporated into our domestic law. The issue before us shows both the need for a domestic bill of rights and the difficulty of framing it so that it protects privacy but allows for adequate policing in the information technology age.

We understand that the Government's concern is not only to root out fraud but to improve standards of administration and cut out waste of public funds. In that case, they must make a serious effort to improve the accuracy of the Benefits Agency. The agency's business plan for 1995-96 shows that targets for accuracy in benefits delivery have deteriorated; in effect, targets have been set to get more cases wrong.

In 1995-96, the target for income support claims was to pay the correct amount in 87 per cent. of cases, compared with 92 per cent. in the previous year; for incapacity benefit, the target was 94 per cent., compared with 96.5 per cent. Those less demanding targets for two major benefits were not in fact met; the figures achieved were only 78.1 per cent. for income support and 90.7 per cent. for incapacity benefit. On the face of it, that is thoroughly unsatisfactory.

Inefficient administration facilitates fraud. What proportion of benefit overpayments assumed by the Department to be fraud was in fact due to administrative error by the Benefits Agency? The chief adjudication officer, in his annual report for 1995-96, said:

"I find it particularly disappointing to record again poor standards of adjudication in overpayments cases."

Last May, the Public Accounts Committee expressed its dismay at income support errors amounting to £848 million, or 5.1 per cent. It also found it unacceptable that 24,000 claimants entitled to aggregate payments of £90 million in severe disability premiums since 1988 had not received their benefit until 1994-95, some of them dying before they received arrears of as much as £12,500. Even after the errors were drawn to its attention, the Department took three years to put them right.

The Benefits Agency has cut its costs in areas such as home visits, which are a worthwhile investment, but in other areas its administrative costs remain disproportionately large. The £209 million spent on administration of the social fund is 46.3 per cent. of the outlay through the fund.

There are grounds for worry that contracting out may make the administration of benefits worse. Service standards should not be sacrificed to cost cutting. The precedent of the contracting of the Benefits Agency administration in Lancashire and Cumbria to BET, which was a shambles, is certainly disturbing. Parliament will

[Mr. Howarth]

need to scrutinise carefully the terms on which the Government propose to contract out the Benefits Agency medical service and indeed the administration of the entire Benefits Agency. Will fraud investigation itself be contracted out? If so, we shall need to be satisfied that appropriate safeguards are in place and to look closely at the basis of remuneration of fraud investigators.

The vigilance and energy directed to eliminating fraud and administrative slackness should equally be directed to improving legitimate take-up of benefit entitlements. The amount unclaimed in means-tested benefits alone has been estimated as up to £3.46 billion. We have recently learnt from a parliamentary answer that no less than 956,000 pensioners do not receive income support to which they are entitled.

Private sector housing benefit fraud has to be attacked, but let us also respond to the fact that there is a lower take-up of housing and council tax benefit among private tenants than among council tenants. Four out of 10 eligible couples were estimated not to be claiming family credit worth £270 million in 1994-95, and the figures are even worse for disability working allowance: the Department's new research report, No. 54, estimates that only one in five of those eligible were claiming it. If we are to have data matching, I hope that Ministers will consider seriously and constructively the Opposition parties' proposals to try to use it to improve take-up.

The Secretary of State should take great care to ensure that his strategy to counter fraud does not deter genuine but unconfident claimants from taking up benefit. He should balance his drive against fraud with a positive drive to improve legitimate take-up, but to judge by his decision to abolish the benefits help line at the same time as introducing the fraud hot line, he is unlikely to do so.

The Secretary of State should not allow his drive against fraud to discourage people from combining work with benefit to the extent to which they are entitled. At present, few people are recorded as using their entitlement to claim benefit while working up to 16 hours. I was informed in answer to a parliamentary question that only 4 per cent. of unemployment benefit claimants had earnings last February. The problem is that few people understand the complexities of the rules. Without the help line, they are less likely to find out the facts, and in an atmosphere of more severe policing of the benefits system they will be further discouraged.

The new regulations on the computation of earnings, operational from today even though Parliament has not yet debated or approved them—but that is a separate complaint—are yet another set of changes for claimants to grapple with, and in significant respects will discourage carers from working, yet presumably we all agree that the bridges linking welfare to work need to be well signposted, unobstructed and, indeed, made more numerous and accessible.

I support the essential purpose of the Bill to strengthen the Government's capacity to root out fraud, but I want it to be amended to protect citizens from the arbitrary exercise of power by the state and to safeguard due privacy. I want to see the campaign against fraud matched with better efforts to cut out other waste in social security administration and to ensure that people receive the benefits to which they are entitled.

The Bill is important and if the legislation is framed appropriately and implemented in the right spirit it could do much to rebuild confidence in the welfare state. If it becomes law in its present form, however, and if the emphasis on fraud drowns out balancing considerations, morale among claimants and those who serve them will fall yet further.

8.37 pm

Mr. Nigel Evans (Ribble Valley): It is appropriate that I should follow the hon. Member for Stratford-on-Avon (Mr. Howarth) on the subject of fraud: 22,892 people—his majority at the general election—in his constituency must be wondering exactly what happened.

The hon. Member for Peckham (Ms Harman) implied that we had said that anyone claiming benefit or income support was a sponger. That is not the case at all. The social security budget is about £97 billion, and fraud is estimated at about £3 billion. The vast majority of people claiming social security are not spongers; they are entitled to the money and we would be extremely pleased if there were greater take-up.

The hon. Lady mentioned pensioners. I would be delighted if more pensioners who were entitled to income support took it up, although I cannot for the life of me understand how the data-matching system to which she referred could match those who were entitled to that support if they were not already claiming it.

That does not mean that we should not look at other ways of ensuring that pensioners who are entitled to benefits get them. I do not think, however, that any greater fraud was perpetrated on pensioners than when their Christmas bonus was stopped twice by the last Labour Government, when inflation reached 27 per cent., and averaged more than 15 per cent. That inflation rate robbed a number of pensioners of half their savings. That is what I call real fraud.

We all believe that it is necessary to crack down on benefit fraud. It is an integral part of the Government's strategy to provide opportunity for all. It is the hard working classes who most support the Government's efforts. One need only visit the local pub to discover how angry the regulars feel when they read in the newspapers of someone who has been convicted of a fraud that has been allowed to go on for so long. They are delighted when such people are caught. They resent the fraudsters who rip the system off and often earn more than honest hard-working people. Such fraudsters are taking money from those who need it most, at the expense of the taxpayer and of those who should be receiving that benefit.

As I said when I intervened on the hon. Member for Peckham, the Government already have an excellent record on fraud detection. In 1995-96, we detected £1.44 billion of fraud and next year we expect to save more than £1.8 billion. We will not be complacent about even that figure and we will encourage our local authorities to achieve an even higher savings.

When I heard Labour Members say that they, too, wanted a greater crackdown on fraud, I remembered serving on the Standing Committee on the Asylum and Immigration Bill. I do not remember that the Opposition gave the sort of support that they should have offered when we cracked down on bogus asylum seekers who

come here and claim benefit. We were opposed by the Labour party when we made £200 million savings from those bogus asylum seekers.

The background to the Bill has been well researched and the measures that it aims to put in place will take the fight to the fraudsters. More than 18 months ago, the Government conducted benefit reviews—detailed surveys of representative samples of claims for the main benefits—whereby investigators identified fraudulent or erroneous claims in depth. So far, income support claims and housing benefit claims have been reviewed.

The work of Preston and Ribble Valley borough councils reveals what action has been taken as a result of those reviews. Only 15 per cent. of all benefit spending is devoted to housing benefit and council tax benefit, but those benefits account for 25 per cent. of benefit fraud. Local authorities are responsible for the delivery of both benefits. Housing benefit accounts for almost £1 billion of fraud, including about £150 million of fraud by landlords.

Ribble Valley borough council is doing extremely well in the fight against fraud. It was set a baseline saving target on weekly benefit fraud of £37,427. That target has been exceeded and weekly benefit savings of £40,999 are being achieved. It has detected 53 cases of proven fraud—10 false rent rebate claims, 20 false rental allowance claims and 23 false council tax benefit claims. That is the small number of fraudulent claims that one would expect in a mainly rural area with a total case load of 3,887, of which 773 are local authority tenants, 679 private tenants and 2,405 are council tax benefit claimants.

In Preston borough council's area, which covers part of my constituency, there were 950 proven fraud cases from a current total of 17,538 cases. In week 34 of the financial year, and given the baseline target saving of £320,245, it has reached a target saving of £900,000, or £26,470 a week, with a projected final figure of £1.4 million.

One aspect of the housing benefit review that I support is the unannounced visit of fraud officers from 52 local authorities to nearly 5,000 representative claimants. Those visits have been very successful in Preston and no doubt they have helped the authority to achieve its fraud-busting figures. I particularly welcome clause 9, which strengthens the Secretary of State's powers to adjust housing benefit subsidy and council tax benefit subsidy or add to the subsidy depending on an authority's success in preventing and detecting fraud.

The hon. Member for Birkenhead (Mr. Field) referred to Benefits Agency employees who visit people in their homes to investigate fraud. I visited the local Benefits Agency office at Preston a year ago and I was impressed by the dedication, skill and enterprise of the workers who have to detect fraud. I imagine that the dangers that they face may get worse as their case load grows. I hope that we will ensure that they not only receive the proper training that they deserve to foresee all the dangers that they may meet, but have full protection and backing from the Government to ensure that those dangers are lessened. Particular attention must be paid to the training of the women who work in the service so that they can protect themselves; perhaps they should not even turn up at some houses alone.

It is important to combat benefit fraud and control the social security budget, which stands at £97 billion. That is equivalent to £15 in tax from every working person every working day. It is a massive bill and we must ensure that everything is done to curb it without affecting those who need the money. The overall effect of the Government's social security reforms announced today will be a saving of £5 billion a year by the end of the century, and the figure is set to rise to £15 billion a year in the long term. The drive to contain benefit fraud is at the heart of that effort.

My right hon. Friend the Secretary of State has put in place an organisational structure dedicated to tackling fraud. The fraud strategy group has been established to co-ordinate anti-fraud work across the Department of Social Security and its agencies and a senior official has been appointed to develop its strategy. Dedicated local fraud teams have been established, which has stopped staff being diverted from the fight against fraud to other work. That has enabled them to build up the necessary expertise, which is crucial and right given the pressures of work that they will face. A central computer system has been piloted to cross-check multiple housing benefit claims. Initially, that system covered 24 London boroughs and I hope that it will be extended to cover the rest of the country as soon as possible.

I hope that when criminal rings of landlords and others who have made multiple housing benefit claims are caught and taken through the courts, they will be subjected to as much publicity as possible to deter others from such fraud.

I was pleased to note that during the Under-Secretary's recent visit to Preston, the 100,000th call was taken over the fraud hotline. That demonstrates the public's willingness to get involved. They know who is claiming benefit illegally and are prepared to give information. They know that it is their money in the first place and they want to ensure that the available money goes only to those in desperate need.

Since the hotline opened in August, it has been a phenomenal success, and has taken about 8,000 calls a week. I hope that that success continues. My constituents and I are fed up to the teeth with people defrauding the system at the expense of the taxpayer and to the detriment of those who desperately need the money. I hope that action is taken to ensure that the number of the fraud hotline is more widely known. It has already been shown to be a great success and I hope that it is given more publicity to ensure that it will be an even greater success.

The review estimated that income support fraud is more than £1.4 billion. In fact, 9.7 per cent. of income support claims—about 560,000—were found to be fraudulent. That figure shows that although all groups of claimants commit fraud, certain groups are more guilty than others. Private landlords have been mentioned and action must be taken against the fraud that they are perpetrating.

My local Benefits Agency office is working hard to ensure that money is saved and that fraudsters are prevented from abusing the system. I have received its information sheet on Blackburn and Accrington. From 1 April 1996 to 31 October 1996, 2,375 claims were investigated and the weekly benefit saving was £2.4 million. The instrument of payment saving was £239,000, so the total saving was well over £2.5 million. I congratulate the office on all its work. There are 860 cases that have yet to be completed. I hope that the Bill will ensure an increase in the number of cases successfully detected.

[Mr. Nigel Evans]

It is right to create an anti-fraud inspectorate to examine local authorities' performance and make recommendations to spread best practice. Some local authorities must be working much harder and using more effective mechanisms than others. A league table of local authorities showing which are more effective would enable the public to get to know which authorities are serious about detecting fraud. We can also ensure that the Secretary of State has the powers to direct local authorities that adopt a lethargic attitude to detecting fraud to take the necessary action.

It is also right to withhold the subsidy paid to local authorities for administering their benefits. It is right, too, to strengthen the Secretary of State's hand with the penalties that will be available for those who perpetrate benefit fraud: seven years' imprisonment and unlimited fines. We must ensure that such penalties attract as much publicity as possible to deter people from fraud. Benefit fraud is extremely serious. It costs the country billions of pounds and we must take the necessary action to stop it.

It has already been said that more cross-checking will ensure that people have only one national insurance number and that benefit claimants will have to show their national insurance number and a photograph, and give an address that can be confirmed and at which they can be traced. It is right that we should take such measures.

I hope that the new technology—the cards—will be fully used. I also hope that the cards will be designed so that they cannot be reproduced and so that people will not be allowed to have more than one of them; otherwise the system will be extremely expensive and a number of people will circumvent it. We must ensure that the system is as tamper-proof as possible.

We must ensure that the redirection of giros and benefits to properties is done at reasonable cost—I believe that the Bill deals with that. I hope that the Secretary of State will ensure that the Post Office will be encouraged to participate in anti-fraud measures and will do so, either for next to nothing or as part of its contribution to cutting fraud.

I welcome the Bill and all the measures that my right hon. Friend the Secretary of State will be taking, which build on the provisions that he has already announced. He has the full backing of the people of the Ribble valley, who are sick and tired of the amount of money that is being stolen from taxpayers and from those who deserve the benefits. They wish him well and I am sure that they hope that the Bill takes its place on the statute book as quickly as possible.

8.52 pm

Mrs. Anne Campbell (Cambridge): I welcome the Bill's main provisions, particularly the prevention and detection of benefit fraud and improved benefit administration. It is not just the constituents of the hon. Member for Ribble Valley (Mr. Evans) who welcome the fight against fraud—my constituents certainly do. Many of them are hard-working, honest people who are struggling to pay their way; they feel particularly bereft because of benefit fraud, which takes resources away from them. In Cambridgeshire, huge Government cuts in recent years—particularly in education and social services—have led to a deterioration in the quality of life for many of my hard-working and honest constituents.

The great majority of benefit claimants are honest. The problem is that when fraud is rampant, many honest benefit claimants are also tarred with the same brush. We hear names such as benefit scroungers or benefit spongers—as Conservative Members have called them—and it is important to remember that those names apply to a small proportion of people claiming benefit. For many benefit claimants, there are no realistic alternatives. I refer specifically to that important, and unfortunately growing, group of people—lone parents, who cannot work because they are not paid enough to cover the cost of child care. They are therefore being forced by the Government's benefit system to survive on a very low income. Many lone parents struggle to give their children the best start in life against almost impossible odds. The Labour party will help that group of people with its proposals for a minimum wage, benefit tapers, out-of-school clubs and so on, as my hon. Friend the Member for Peckham (Ms Harman) outlined so well.

Much has been said about landlord fraud by those who know of far more cases than I do. I am sure that landlord fraud is not unknown in my constituency, but I shall concentrate on the means to improve benefit administration, which must help those dependent on benefits. The long waits for claims to be processed often lead to homelessness and destitution. Many right hon. and hon. Members will be aware that many constituents visit advice surgeries to complain about slowness and inefficiency within the benefit administration system.

Two or three years ago, when the disability living allowance was introduced, the process was in such chaos that many of my constituents came to me to complain that they were living in difficult circumstances because their claims were not being processed quickly enough. We must appreciate that increased efficiency in benefit administration often improves take-up, so perhaps it is not a cheap option.

We have been sent a briefing by the National Association of Citizens Advice Bureaux, which cites a case of a man who started agency work and was paid fluctuating wages—a situation that is by no means uncommon in today's labour market and one that the current benefits system does not adequately take into account. The man claimed council tax benefit, housing benefit and family credit. Six months later, he received a letter saying that he had been overpaid benefit by about £1,000.

When the client had an interview with the officer, he was first accused of attempted fraud because he had submitted only one wage slip with his first claim. He pointed out that that was all that the housing benefit department had demanded. He was so angry that he said that there seemed to be little point in claiming benefit and, at that stage, he was invited by the officer to withdraw his claim. The client was persuaded by his citizens advice bureau to continue to pursue the claim and to request a review of the overpayment because it had not arisen from any error on his part. However, many people do not take that view—they climb down and withdraw their claim. The Government think that they have made great savings in benefit fraud, but what has happened is that a perfectly innocent person has not claimed the benefit to which he or she is entitled.

When tightening up on fraud, we must be careful not to penalise individuals, such as that client of a citizens advice bureau, who might well have been discriminated

against. We must also take into account the changing labour market and the fact that many people now do casual, short-term work. Individuals sometimes work one week, but not the next. The way in which the benefit system is currently framed does not cope adequately with that and many people find it difficult to survive as a consequence.

The Bill permits data collected for one purpose to be used, after authorisation, for another purpose and I am interested in how those procedures will work—quite apart from the difficulties associated with the European Union directive that were so ably outlined by my hon. Friend the Member for Stratford–on–Avon (Mr. Howarth). Tax authorities, housing authorities, immigration authorities and a host of other agencies holding personal information will be required to make that information available for cross-checking against information held by other authorities.

The simplest way to do that is via the exchange of computerised information. I have doubts about whether the numerous systems used by local authorities will be capable of coping with any sort of data-checking mechanism that is established by the legislation. Not only are there different systems within the Department of Social Security itself, in the Contributions Agency, and in the Inland Revenue, but probably every local authority has its own unique computer system that works on a variety of hardware and software and uses different methods of client identification. Simply passing the legislation will not completely solve the problem of checking for fraud: considerable technical difficulties will have to be overcome.

I am also interested in the various layers of administration and inspection. Clause 5 refers to the persons who will report on administration, and I assume that they will form the inspectorate to which the Secretary of State referred in his opening remarks. Clause 6 refers to the Audit Commission, and I assume that it is to be given strengthened powers to advise the Secretary of State on methods used. In addition, clause 10 refers to inspectors appointed by an authority under instruction from the Secretary of State. That makes three layers of people who will be primarily involved in inspection, and I should be interested to hear the Secretary of State's proposals on how those three layers will work together so as to avoid duplication and overlap.

We heard a Conservative Member—I am sorry, but I cannot remember which hon. Member it was—refer to the smartcard technology that the Benefits Agency intends to introduce. There was an interesting article on the front page of the *Evening Standard* last week, about the work of my constituent, Dr. Ross Anderson of the Cambridge university computing department, who has worked out how to beat the smartcard. Unless the Government have come up with a new smartcard technology that differs from the one currently used by the banks, they may have to think carefully about using it. I believe that the system is called "CAPS"—common accounting and payment systems—and is being introduced by the Benefits Agency using a smartcard. The Minister should take advice on that matter and I am quite sure that Dr. Anderson would be pleased to help.

Will the Secretary of State tell us what plans he has to comply with the requirements of the European data directive? My hon. Friend the Member for Stratford–on–Avon has already pointed out that the data protection principles of that directive state that personal data should be collected and held for purposes described in the data protection register and should be used or disclosed only for those or compatible purposes. I fail to see how the Bill's requirements fit in with the EU directive.

The directive also states that the data should be accessible by the relevant individuals, who can correct or erase it when it is appropriate to do so. I see no mention in the Bill of individuals being able to correct or erase data and I should like to hear what plans the Government have to put those important principles in the Bill.

I have read the Government's Green Paper, "government.direct", and I know that they plan to rationalise their entire information strategy. I am sure that a future Labour Government would wish to do so, but without the disregard for personal privacy that has been exhibited by the Government and is exhibited in the Bill.

The Opposition support the EU directive, unlike the Government, who could only abstain when the subject came up for determination in the European Council. This is yet another European matter on which the Government appear out of line with the other states of the European Union.

At this stage in the parliamentary cycle, I should have expected the Government to propose legislation that would actively contribute to the CHANGE programme in the Department of Social Security. We are more than halfway through the second year of the three-year CHANGE programme, and the Government have not appointed a contractor to carry out their computerisation strategy, ACCORD.

It was predicted by the CHANGE programme that, by March 1998, £1 billion in Department of Social Security running costs would have been saved. I have spoken to several of the large computer firms that are bidding for the contract, and I have met no one who believes that savings of that magnitude will be made.

It might be helpful to know whether the Government believe that the Bill will provide the legal framework for the ACCORD project, which is about creating a centralised database that several Departments can tap into.

I am sure that the Minister appreciates that that saving of £1 billion will pose major problems for the next Government, whatever their political colour. One is tempted to believe that the current Government, knowing that they will not win the next general election, have decided instead to set land mines for the next Labour Government. Savings of £1 billion that cannot be achieved in the time scale are one such land mine.

If the Conservatives win the next general election, it is obvious to us that there will be many black Wednesdays—black Wednesdays of their own making, set to trap the next Labour Government, as I am quite sure that the last one was, too. Is it not time that we said "Enough is enough," and gave the people a chance to decide?

9.6 pm

Mr. Harold Elletson (Blackpool, North): It is a pleasure to follow the hon. Member for Cambridge (Mrs. Campbell), who speaks with great authority about data protection and smartcard technology, but with somewhat less authority, I fear, about estimates of benefit fraud.

[Mr. Harold Elletson]

I very much welcome the Bill, which has been described by the Secretary of State as one of his top priorities and is among the top priorities of my constituents, who realise its importance to the economy. It is very important, as detected and undetected benefit fraud is estimated to stand at about £4 billion. An ability to tackle benefit fraud will enable us to provide services to people in need and to reduce the tax burden, which many, most or all Conservative Members very much hope will also be one of the Government's immediate and top priorities.

I congratulate the Secretary of State on his achievement to date. As my hon. Friend the Member for Ribble Valley (Mr. Evans) said, significant expenditure savings have been made—£1.44 billion this financial year, £717 million in 1994-95 and £558 million in 1992-93—and the Department expects to make nearly £2 billion of savings in 1996-97. The record savings made in each of the past four years will give the Chancellor much extra room for manoeuvre tomorrow. We owe the Secretary of State and his Department a great debt of gratitude for that.

The Bill will provide important new measures to tackle fraud, especially by increasing punishments for fraudsters and increasing the power of investigating authorities. As I said, it will be widely welcomed in my constituency and, I suspect, in other seaside resorts, which have become centres for benefit fraud, particularly housing benefit fraud.

I am delighted that the Secretary of State has asked the local Benefits Agency investigating teams to target Blackpool and other seaside resorts and that they have achieved significant results. In 1995, the Blackpool Benefits Agency investigating team saved £3.2 million and in 1996 it will achieve an estimated £4.2 million. That is excellent and I urge my right hon. Friend to carry on the good work. Those savings are a result of the sort of operation carried out by the Benefits Agency in the past, such as Operation Sea Breeze. That operation specifically targeted DSS hostels, which have been a terrible blight on Blackpool and other seaside resorts.

Dame Elaine Kellett-Bowman (Lancaster): And Morecambe.

Mr. Elletson: Indeed, as my hon. Friend the Member for Lancaster (Dame E. Kellett-Bowman) said, it affects Morecambe and many other seaside resorts throughout the country. I hope that those activities will continue in the future because they are paying dividends in seaside resorts.

I am delighted by some of the activities that have been undertaken by benefit fraud investigators and the Department of Social Security. One activity that has been especially successful is the benefit cheat hotline. Before it was introduced, there were 500 referrals a month in Blackpool, but the figure has now risen to more than 800. Another great success is Operation Peddler, which dealt with illegal street traders operating largely along the Blackpool promenade. Many of those traders were receiving benefit, which has now been stopped. That investigation involved many different investigating authorities, including benefit fraud investigators, the police and trading standards officers.

Also successful was Operation All Sorts—they all have interesting names—which involved benefit fraud investigators, the police and the Department of Transport and which targeted lorry drivers identified as being in receipt of illegal benefits and driving unsatisfactory vehicles. Many of those drivers had their benefits stopped as a result.

The final great success was Operation Big One, no doubt named after one of Blackpool's leading tourist attractions, on which my hon. Friend the Member for Ribble Valley has ridden on Blackpool pleasure beach. It involved examining all the board and lodgings houses in the Blackpool area, to establish whether "customers" were still living at the addresses held on their benefit record. It was extremely successful, although there is still room for great improvement. In Blackpool and similar tourist resorts, much housing benefit fraud involves the provision of inaccurate addresses.

I hope that the Secretary of State will order such investigations to continue, because total savings from those four exercises alone were more than £500,000. The Bill will help to continue that success story.

My only concern is the attitude of some employers, particularly landlords, to benefit fraud. The Bill will help to deal with that. Many employers, particularly in seaside resorts and areas with substantial seasonal employment, are prepared to turn a blind eye to benefit fraud. Certainly that is true of landlords as well. We must toughen up on that aspect and the Bill will help to do so, as it gives local authorities the same powers as the Benefits Agency to enter business premises, including landlords' business premises, to inspect documents. That will be a significant improvement and will help to tackle a major problem.

I have some concerns about the involvement of local authorities, which already have substantial powers to inspect businesses. Local business people often feel that they are wrapped up in unnecessary red tape and that local authorities behave like little Hitlers. I hope that the Secretary of State will assure us that the Bill will not have that effect.

We must be careful about local authorities handling housing benefit. Some local authorities have a close, cosy relationship with some landlords and, especially in areas where landlords do a great deal of business and make huge profits out of the DSS, great care must be taken.

I hope that my right hon. Friend the Secretary of State will examine closely the Blackpool Housing Forum in my constituency, which is a suspicious body that exists, supposedly, to advise Blackpool borough's housing authority, but which includes a large number of private landlords who have made a fortune out of DSS hostels, much to the detriment of the town. That relationship is far too cosy. If the Secretary of State intends to transfer powers to local authorities and ask them to investigate such matters, he must be sure that Labour-controlled authorities such as Blackpool will do the job properly.

That is why I am pleased that the Bill introduces a fraud inspectorate, which will check up on Labour-controlled and other authorities that might not be doing their job and that might not be properly chasing fraudulent claimants. I hope that the Secretary of State will continue to monitor Blackpool borough council closely and to target seaside resorts, where big savings will be made. I hope that he will keep up the good work, which has delivered such benefits for our economy and which will have such significant results tomorrow.

9.17 pm

Mr. Henry McLeish (Fife, Central): I follow the hon. Member for Blackpool, North (Mr. Elletson) with some caution, mindful of the fact that we may want to win the seat. Blackpool is clearly an interesting place. My constituents would be envious of operations with names such as All Sorts and Big One, about which I have heard very little. I await my next reading of a social security brief with enthusiasm.

There have been many thoughtful contributions to the debate. We have reinforced the importance of the Social Security Committee in the work of social security generally, and we have arrived at a consensus that fraud is important because it is waste. Although we have differing views on the issues that we pursue and on the pace at which we do so, there is no doubt that every section of the House supports a firm clampdown on fraud. Labour signs up for that.

Some might say that the Bill is too little, too late. Labour will look to the Committee to strengthen its provisions. We must ensure that the Committee focuses enthusiastically on a tougher crackdown on private landlord cheats. That is an important issue that has been ignored in the past. Outside bodies have given information to the Department, but I fear that the problem is only now being taken seriously, at much cost to the taxpayers of Britain.

We must send a clear message that the apparent opt-out clause under which organised landlords have operated must be removed. If it is not removed in Committee, it will be removed by the next Labour Government. It is not too fanciful to suggest that a new breed of fat cat private landlords are living off fraudulent earnings. It is ridiculous that the House and the Department have not yet agreed to address that problem with vigour. I believe that the housing landlord and housing benefit issues should form the focus of our work in Committee.

My concerns focus on four issues or central considerations that will influence our views. First, the Government have been in power for 17 years and it is clear that we are now talking about a crackdown on housing benefit fraud. We have seen enormous expenditure increases in the past decade and it is hard to escape the conclusion that the Secretary of State and his successive ministerial teams have been soft on landlord cheats. I am genuinely puzzled about why that is so.

The Government have shown tremendous enthusiasm in pursuing individual claimants who have defrauded the system—and rightly so. However, we must have a level playing field: it cannot be right for the House to adopt a double standard. I believe that the country will support us in our call for the Government to do more to ensure that landlords are covered by the net. I hope that the Minister will confirm in his winding-up speech that that partial view of fraud in Britain will be changed in Committee—if not, a Labour Government will resolve the problem.

The second and more serious consideration is that the Bill is a missed opportunity. The Government talk about welfare to work, but this is a crucial area where we can reduce the welfare budget. If individuals contribute to society, are productive and reinforce their self-worth, as a consequence they remove the burden of cost from welfare through participation in the market economy. Why does the legislation not refer to welfare to work and how to progress that goal?

The Bill also fails to mention improving the efficiency of social security administration. It is quite clear that many problems are caused by poor first-line social security decisions that create confusion and lead to overpayment. As my hon. Friend the Member for Stratford-on-Avon (Mr. Howarth) suggested, at the end of the day it is often difficult to distinguish between fraud and overpayment. The Bill does not address the efficiency of the system overall. In its briefing paper, the National Association of Citizens Advice Bureaux states:

> "At the same time, the Bill represents a missed opportunity to tackle the administrative shortcomings within the social security system and fails to take measures to deal with the problem of lack of take up of social security benefits".

I shall deal with that issue in a moment.

The Government's second consideration is why the Department seems to have a licence to print giros, but it does not have sufficient concern for the taxpayers or for the futures of those individuals within the system. I hasten to add that "spend, spend, spend" is increasingly the hallmark of a Government who take every opportunity to lecture us about fraud, welfare and the need to cut back. I urge Ministers to explain in their future deliberations and in Committee what they are doing to reduce the welfare budget. Later in my speech, I shall point to an unprecedented explosion in housing budget expenditure which has created the climate for a spectacular increase in fraud—the two issues are indistinguishable.

The third consideration is the Government's need to create scapegoats. I ask the ministerial team: when everyone wants the Government to crack down on landlords, why do they want to crack down on local authorities? They are not the problem: they are part of the solution. Whenever there is the chance for consensus, partisanship leads to scapegoating local authorities and landlords. Of course local authorities can make much-needed improvements—we do not deny that—but social security and every aspect of Government that might be involved in the new matching process can do likewise. Why do the Government want to crack down on local authorities when we want to crack down on organised landlord fraud? Indeed, an article in *The Guardian* of 10 October, about the Conservatives in Bournemouth, said:

> "The almost traditional conference crackdown on benefit fraud was announced by Peter Lilley".

The article went on, in a rather more cheeky fashion, to say that his speech

> "was not as well received as in previous years".

I submit that the politics of fraud and the politics of crackdown may have prevented the level playing field—which we want to see and which would be in the interests of the country—from being developed.

The fourth consideration that the Government must address is what purpose the Bill and their efforts are seeking to serve. Is it the political interests of the party, or is it the desire to help taxpayers and provide less punishment for some vulnerable groups? There is a commitment in the Bill for more reviews and more medicals for disability living allowance, disability working allowance and disability attendance allowance. Forgive us for being slightly suspicious that that might not be used for the best advantage of the claimants. We are dealing with people who have serious problems and who do not wished to be harassed. I would not like to

[Mr. Henry McLeish]

think that there is a pretext to attack those vulnerable individuals because of some Government mission, regardless of whether evidence of fraud exists.

The Governments's policies on fraud are often distortion and hypocrisy hiding incompetence and complacency. Those might be harsh words, but I should like the Minister to tell us why, especially on the landlord fraud issue, the Government are now being dragged screaming to a position where Labour has been for a while and the country for some considerable time. The central challenge for the House is to look beyond Second Reading and to identify some of the crucial areas that will have to be dealt with in Committee.

I raised earlier the question of housing benefit expenditure. I am a reasonable person. I am quite willing to listen to rational arguments, but I find it quite irrational that housing expenditure growth over the past decade has doubled. The Government have not caught on to the fact that there has been an explosion in expenditure and in fraud. The two do not seem to be linked in the workings or the minds of Government. It is quite damning that rent allowances in the private sector have not doubled but trebled. The cost has gone up from £1.6 billion in real terms to £5.7 billion. That is not short-change cash. It is the fastest-rising part of the Secretary of State's budget. We constantly hear about the need to control the rise in social security expenditure, but where do we see any practical demonstrations of it?

Mr. Heald: The Bill will help.

Mr. McLeish: We think that the Bill might help if it is significantly strengthened.

The other telling feature about the private sector is that, apart from expenditure, the number claiming rent allowance has doubled from 1 million to 2 million since 1988-89, but at the same time the number of claims from public sector tenants has gone down by 0.2 million.

Mr. Stern: I am listening to the hon. Gentleman's web of fantasy with great interest. Has he not noticed that, in the same period, the number of private sector tenants has gone up? One would therefore expect the number of private sector claims to go up.

Mr. McLeish: Forgive me, I am not trying to be discourteous, but that was a very obvious intervention, and the point raised by the hon. Gentleman has been recognised. The point at issue is the volume of expenditure. Of course it has not gone up three times, and it is the refuge of the despairing to suggest that that constitutes a sensible intervention.

It is no coincidence that the massive rise has taken place since 1989, and the taxpayer has just been brought in to sweep up enormous increases caused by some adjustments to rent. Over the past decade, £86.5 billion has been spent on housing benefit. If the Government want to be tough on fraud, they should seriously consider controlling expenditure. Expert opinion suggests that expenditure on housing benefit is out of control and that the ministerial team do not have a clue about how to rein in that expenditure. They are cracking down on fraud, but not on expenditure. That smacks of double standards.

Mr. Lilley: The hon. Gentleman suggests that fraud is partly due to the deregulation of rents. Does he propose to introduce rent regulation to control housing benefit expenditure? Is that Labour's policy?

Mr. McLeish: My mind takes me back to an intervention by the Prime Minister on my right hon. Friend the Leader of the Opposition. There is no suggestion that we will touch rent regulation. It is ridiculous to suggest that that is part of the thrust of Labour's policy. The Government preach the virtues of cutting expenditure, but they have administered an £86.5 billion bonanza without any regard for taxpayers. The Government find it difficult to cope with that central problem.

As my hon. Friend the Member for Peckham (Ms Harman) said, local councils have told the Government that they need more powers, but they have not been given them. The Select Committee on Social Security proposed a raft of measures, but only now have the Government incorporated a few of them in the Bill. The Audit Commission, in its 1993 report, suggested that more must be done. That view was restated in its 1994 and 1995 updates, and in its report published last week. Unlike the Government, the Audit Commission welcomes the encouraging response from local authorities, but it says that

"much more remains to be done to put in place the most effective arrangements for preventing and detecting fraud and corruption."

There is consensus on the views that Labour has pushed this evening.

In her speech, my hon. Friend outlined the measures that Labour wants to take. I do not want to delay the House by going over them again, but I stress the issue of a landlord offence. The Government are being tested on their commitment to take housing benefit fraud seriously. Every Conservative Member who speaks wants an attack on claimants who defraud, and that is right, but the test for the Government is what they are going to do about landlords. The Bill deals with new offences, so why do we not have a clear and—to use a phrase much vaunted by the Government—unequivocal attempt to define landlord fraud? That does not involve loose change; it is massive fraud—organised gangsterism. What is happening is criminal. I hope that in Committee the Government will lessen their constraints and take seriously the need to hit landlords hard.

The other issue that I want to deal with is that of uptake and entitlement. I have exchanged correspondence with the Secretary of State for Social Security—my hon. Friend referred to that earlier. I shall set the parameters of that issue. Currently, 1.6 million pensioners claim income support. That is a scandal. To add insult to injury, nearly 1 million other pensioners are poor enough to claim income support but do not. That is modern Britain in 1996. The legacy of 17 years of Toryism is that 25 per cent. of our pensioners live on or below the officially recognised poverty level.

I shall pick my words carefully. Does that fact not touch the hearts—if they have hearts—of Conservative Members? That is a scandal, and the insult was reinforced

today by the Government, who dismissed my hon. Friend's submission that we should consider ways of data matching to improve take-up. We appreciate that if we data matched every Government source—if that were technically possible—it would not provide the answer. A crisis faces Britain's elderly, but the Government refuse to do anything about it. The House will be viewed with disfavour if the Minister does not say that he will want to reconsider the matter in Committee.

We are not looking for a total, instant solution, but we are looking for a bit of sympathy—a change from the mean-minded approach shown by Conservative Members today. We want the Government to say that 1 million pensioners—10 per cent. of the pensioner population—will have the chance of a better deal. They will have that chance if we use the same processes to detect those who are not receiving benefits to which they are entitled as we use to detect fraud. Ministers should be warned that the issue will not go away; too many people are involved. That is why I think that they should reconsider, following the rather curt responses that have been made to members of all political parties today. Let us proceed with the Committee and reach a consensus on helping people as well as a consensus on detecting fraud.

Information technology gives us an intermediate opportunity to reinforce welfare benefit take-up campaigns by using such technology within Government, however undeveloped it may be in the DSS at present. I sincerely hope that my overtures will receive a positive response. We would like to assist: 1 million pensioners living on their own simply need help, and I hope that the Government will reconsider.

We have not touched on the need to prevent fraud, which is as important as detecting it. I made a point earlier about front-line decisions, some of which need to be improved. They are often surrounded by confusion and inefficiency. We talk of managing the waste in the system, because fraud is basically about waste. I hope that Ministers will go away and think more clearly about the measures that they will table in Committee to strengthen the relevant part of the Bill. Prevention and detection should go together, as should the issues of expenditure and fraud. We need a more comprehensive approach to both those issues.

Parts of the Bill, to which my hon. Friends have referred, give cause for concern. Clause 14 has been mentioned, in connection with the recovery of benefit. A host of submissions have been made by the Disability Alliance and others about that problem. I emphasise the importance of disability living allowance, disability working allowance and attendance allowance, about which there are clearly huge suspicions. In Committee, the Government must ensure that they are not well founded.

The Government have actually extended the welfare state. We have an "out-of-work benefits culture" and an "in-work welfare culture" which they have developed and intensified—and we now have workfare, which constitutes neither work nor welfare. It seems that, no matter where they are, the Government want to hit people with welfare. The sad aspect is that, while other parties are talking about a more progressive approach, the Government have extended the welfare state, not in terms of a more positive role in regard to the breadth of its activity or links with the labour market, but in terms of the massive number of people who now depend on welfare and the huge attendant cost to the public purse.

We need to move on. The Committee will give us an opportunity to look positively at the problems that we have identified, and we hope that the Government will reconsider some of their initial attitudes. Let us get down to work: if the Government respond, so will Labour.

9.38 pm

The Parliamentary Under-Secretary of State for Social Security (Mr. Oliver Heald): We have had a lively and informed debate, with excellent contributions from my hon. Friends the Members for Westbury (Mr. Faber), for Colchester, North (Mr. Jenkin), for Bristol, North-West (Mr. Stern), for Ribble Valley (Mr. Evans)—I thank my hon. Friend for his kind comments about my visit to Preston—and for Blackpool, North (Mr. Elletson). We also heard thought-provoking speeches from the hon. Members for Birkenhead (Mr. Field), for Rochdale (Ms Lynne) and for Stratford-on-Avon (Mr. Howarth)—and, of course, from those on the Opposition Front Bench.

I begin by paying tribute to the work of the Select Committee. There is no doubt that the Select Committee has done a marvellous job in considering the evidence and the issues surrounding fraud. Just as the Committee paid tribute to the work of my right hon. Friend the Secretary of State for Social Security, it is only right to return the courtesy.

The Bill's provisions dealing with disclosure, and with housing benefit fraud particularly, will make a major contribution to cracking down on benefit fraud by individuals, organised gangs and landlords. Picking up on a point that was made towards the end of his speech by the hon. Member for Fife, Central (Mr. McLeish), who I welcome to his new responsibilities and to the debate, clause 11 contains the tough new offence of dishonestly making a representation to obtain benefit.

The clause applies equally to a landlord as it does to a tenant. What is more, it imposes a new penalty with a maximum of seven years, so this new offence is not one sided, but provides the ammunition, as it were, for the courts to pass the proper sentence in the appropriate case. Landlords are not, therefore, ignored in the Bill—far from it.

Mr. Frank Field: Did the Government think about introducing a clause that would deal specifically with landlords?

Mr. Heald: My point is that the clause does that.

Mr. Field: The Minister has not answered the question.

Mr. Heald: If the hon. Gentleman wishes to, he can make that point, but the clause does deal with landlords as much as with tenants, and provides a powerful new weapon in the armoury. Just as a landlord who is guilty of conspiracy to defraud can be prosecuted for that, he can be prosecuted under the Theft Act 1968 and under other social security legislation. Those offences provide the battery of weapons that we need.

All the penalties that we are introducing and the cautionary system provide a tough new regime, apply to landlords and can be used in the fight against landlord

[Mr. Heald]

fraud, as well as against straightforward tenant and claimant fraud. We should remember that all the informed estimates are that about £150 million of the £1 billion of undetected housing benefit fraud is committed by landlords. It is right to think of that as an important element of fraud, but wrong to go as far as the Labour party in saying that it is going to detect £310 million of fraud because that is twice the amount that there is.

Disclosure is an important weapon in the battle against benefit fraud because it gives us the potential to check claim information against information held by the Inland Revenue relating to earnings and investments, or against value added tax information from Customs and Excise relating to self-employed people. Those are two sectors where the benefit system is susceptible to fraud and where conventional methods of prevention and detection are not always effective. The use of modern technology under carefully controlled conditions will enable quick and effective checks, without putting genuine claimants through any additional effort.

The Opposition have raised the question whether it will be possible to expand the disclosure of information provision to enable us to identify pensioners who may have an unclaimed entitlement to benefit, but that shows a misunderstanding of what is administratively possible. Detecting fraud by data matching means comparing, on a selective basis, small areas of information that, when put together, can identify inconsistencies in a benefit claim and can be investigated by a fraud investigator.

The data matching that the hon. Member for Rochdale suggests involves doing a means test on an individual. That means that we would need to piece together all the information across Government, on all the income and savings of all people, which is a different scale of task. Just to amplify my point to the hon. Lady, we know who the pensioners are and who the people who claim income support are, but just by comparing—

Ms Harman: We can take into account all housing benefit claims.

Mr. Heald: The hon. Lady says, and I am willing to accept, that we could take into account housing benefit claims. We could take into account national insurance contributions. Even with all that information, which is on a much greater scale than that which are envisaging in the Bill and which has its own difficulties, we would still have a very long list of individuals who would have to be contacted individually. Many of them may not have wanted to have had a means test conducted behind their back and we would be giving many of them the idea that they were, perhaps, entitled to a benefit when they probably were not. For example, the reason why somebody may not have any Inland Revenue records to show any receipts of income may well be that that person has granny bonds or some other security for which there is no need to make disclosure. That point was made by my hon. Friend the Member for Bristol, North–West.

Ms Lynne: If the Minister is definitely ruling out such a possibility in the Bill's remit, will he tell the House tonight that he will instigate a take-up campaign so that pensioners who are not getting the income-related benefits to which they are entitled will be able to claim them?

Mr. Heald: As the hon. Lady will know, the Government do a number of things to make people aware of their entitlements.

Ms Harman: Like calling them scroungers.

Mr. Heald: The hon. Lady is calling them scroungers—I would never do that.

We send out information about entitlement to a large range of bodies. We send advisers out to meet pensioners groups, and so on. The Department spends millions of pounds on telling people about their entitlement. From time to time, we run campaigns with Age Concern, Help the Aged and all the other bodies to make pensioners aware of their entitlement, and we shall be doing that again in January.

Mrs. Anne Campbell: Is the Minister not aware that the additional information that is needed on the claim for income support is already supplied to local authorities when pensioners apply for council tax benefit and housing benefit? Why on earth is he ruling out a very simple measure, when pension entitlement can be calculated with information that is already on local authority records?

Mr. Heald: I think that I answered that point. Of course, the other point that can be made on the matter is that the regime is different; the capital rules are different. That would affect the exercise.

Having raised a number of practical points, I do not think that we should ignore the fact that there are considerable difficulties under the European convention on human rights about the form of data matching that impinges on the privacy of an individual who may not want to be means tested despite the obvious attractions.

Mr. McLeish: I have two points. First, does the Minister accept that it is totally unacceptable that 1 million pensioners are living below the poverty line? Secondly, will he allow the Committee to pursue further the issue so that the difficulties as well as the opportunities that may be provided can be explored?

Mr. Heald: As you, Mr. Deputy Speaker, will know, I would never interfere with the role of the Chairman. The scope of the Bill is an issue not for me but others. As I have said, the Department does a great deal to try to make people aware of their entitlement, but it is ultimately up to them whether they claim them.

Ms Lynne *rose—*

Mr. Heald: I will not give way again because I want to say a little more about landlord fraud.

The new offence that I mentioned is one measure to help in the battle against landlord fraud, but there are others. The power to pass information between local authorities and between a local authority and the Department will make multiple claims—one of the most common frauds involving landlords along with tenants—much more difficult and allow local authorities to share

information on suspect landlords. If a local authority wished to have a register of landlords—an idea that I know that the Opposition have pursued—and a neighbouring authority wished to exchange such information, it would be possible.

The extension of powers of local authority investigators by analogy with Benefits Agency investigators will enable them to enter landlords' business premises and inspect records. If the records are not held at the business, a requirement can be made by the local authority investigator that they should be supplied to him. There is also a new provision to improve the recovery of overpayments of housing benefit from landlords who receive the original payment directly. The new powers to inspect will ensure that local authorities take appropriate action to prevent and detect fraud, including landlord fraud.

I shall now deal with some of the points raised in the debate. The hon. Member for Peckham (Ms Harman) asked why local authorities do not have powers to refuse direct payments other than in exceptional cases. They are able to refuse direct payments and local authorities have a discretion on direct payment to landlords. It is only in circumstances in which there are substantial arrears that that changes.

In an intervention, my hon. Friend the Member for Bristol, North–West asked whether the penalty was a fixed 30 per cent. or was variable. The penalty is fixed and there is no variation. The hon. Member for Peckham asked whether article 8 would stand in the way of data matching—although she agreed with it. It is right that the data matching must be necessary to achieve the interest in question. The hon. Lady also raised a point about whether local authorities should automatically provide details of direct payments to landlords to the Inland Revenue. We have consulted the Revenue, which is satisfied with its existing powers.

My hon. Friend the Member for Westbury asked about the cost and benefit of the benefit fraud hotline. I can confirm that the fraud hotline is showing value for money. It costs £1.5 million pounds a year to run the line and so far it has saved at least £15 million. I am certain that that financial return will be maintained. My hon. Friend also asked whether the benefit-payment card used the chip technology that has recently been cracked. That point was also taken up by the hon. Member for Cambridge (Mrs. Campbell). The answer is no, because the card uses a different technology and the security of the system does not rely solely on the security of the card itself. It is ironic that many pushed us to use the smartcard technology and we resisted for good security reasons. We have been proved to be right about that.

My hon. Friend the Member for Westbury also asked why the Bill will prevent inspectors from entering residential premises in which a business is being carried on. I have already made the point that the investigator will be able to demand the necessary documents. My hon. Friend also asked whether local authorities could have access to the departmental central index. The Bill will enable such access, but with strict security conditions. He asked whether strict verification would take place before a benefit-payment card was issued. The answer is yes, because the cards will be delivered to the post office and only then to the customer, who has to produce evidence of identity for the card to be activated. Strict conditions will be applied.

The hon. Member for Birkenhead asked a number of questions. I have dealt with the question of collusive employers. He also asked about the hotline and what percentage of calls led nowhere. He said that 90 per cent. led nowhere, but that is not correct. Some 80 per cent. of the calls have been referred to investigators and many are still being investigated. We believe that overall it is a worthwhile exercise and we shall produce the figures in due course. I have visited Preston and I have met the staff who are trained.

Ms Harman: You are not.

Mr. Heald: I have never claimed to be trained, but the staff are both trained and house-trained. They work to a detailed form, which they have to fill in with the information that is required by the fraud investigators. The form has been carefully constructed by the investigators to ensure that the relevant information is gathered. The investigators say that the scheme is working well and they are satisfied with it.

Mr. Frank Field *rose—*

Mr. Heald: I will not give way because I am short of time. *[Interruption.]* The hon. Gentleman asks whether the staff are temporary. There are some full-time staff who are not temporary and there are some who are. I am happy to say that they are good at what they do.

My hon. Friend the Member for Colchester, North raised a number of points and he asked whether the social security database would have online access. In due course, it will and I agree that it will be necessary in the longer term to achieve that objective. We have asked the computer industry for proposals on a common core system. That point was also made by the hon. Member for Cambridge.

The hon. Member for Rochdale wanted an assurance that the Department would not sell on information received under the data matching process, and I can give her that categorical assurance. We have a long record of holding and handling sensitive information and keeping it confidential. She also asked what safeguards there would be for a battered wife whose husband worked for the Department. I hope that that is not a reflection on the staff of the Department who, by and large, would not welcome that example. Having said that, we expect to process the data at a single site and it will be held and handled in safe and secure conditions. We will take all necessary safeguards to ensure that only where a mismatch is found will staff become aware of the case for further investigation. We will limit the information to those who need it. She should also be aware that it is an offence to disclose information in these circumstances and that it can be considered gross misconduct within the Department.

My hon. Friend the Member for Bristol, North–West raised a number of points. I do not think that I can respond to them all, but I promise all hon. Members that I will write to them if I do not mention their points. He asked about the prosecution record for benefit fraud, and I can tell him that we have a 98 per cent. success rate where proceedings are brought and we will maintain those high standards. He asked if our data matching system will be able to cope with the new data from the Inland Revenue and other sources, and we are confident that it can.

[Mr. Heald]

We shall not be using the contractor that he suggested, excellent though it is, because we shall be using BT Sintegra.

My hon. Friend the Member for Bristol, North–West asked us to ensure that the provisions in the Bill are not applied inappropriately to the right-to-buy provisions, and I can happily tell him that the Bill applies to benefit administration and benefit fraud and does not affect the right to buy. He asked about the Child Support Agency. Fraud allegations made to the CSA are passed on to the Benefits Agency for investigation, and the Bill does not allow us to pass information between the CSA and, for example, the Customs and Excise or the Inland Revenue. There should be no fears on that score. He mentioned mitigating the penalty, but I think that I have dealt with that matter.

The hon. Member for Stratford–on–Avon raised a number of issues, and talked about the tension between the need to detect and prevent fraud and the individual's right to privacy. We guard jealously the individual's right to privacy, but we believe that it is necessary and in the public interest to be able to match the information. A number of other points were raised which I will answer in correspondence.

I wish to respond to one or two points made by the hon. Member for Fife, Central on the Government's policy. It is a bit rich for the Labour party—which, after all these years, does not have a single idea on benefit fraud—to criticise the Government. When Labour local authorities were doing nothing, my right hon. Friend the Secretary of State came forward with the tough package of incentives and penalties that has tripled the amount of housing benefit fraud that has been disclosed. The Labour party is tough on the one hand and tender on the other on benefit fraud.

In June, the hon. Member for Islington, South and Finsbury (Mr. Smith) suggested that we should increase random blanket home visiting of claimants. Yet in August, the hon. Member for Fife, Central criticised our home visits and said that people who were totally innocent could end up being the victims of a visit by the DSS. One definition of a victim is a person suffering harm or death. Was the hon. Member for Islington, South and Finsbury suggesting random blanket suffering for all? Of course he was not.

In March, the hon. Member for Islington, South and Finsbury told us that the benefit fraud hotline in Reading was innovative and that we should follow it—although, of course, it followed us. Yet in August, the hon. Member for Fife, Central was describing it as a snoopers' charter and talking about a civil liberties problem. Labour told us in 1992 that we should not overestimate the problem of fraud, and yet overstated it itself. Labour said that it would recover £310 million from landlords, despite the best estimate being that there is only £150 million-worth a year. No wonder Labour cannot make up its mind how to vote.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 61 (Committal of Bills).

SOCIAL SECURITY ADMINISTRATION (FRAUD) BILL [*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 50A(1)(a),

That, for the purposes of any Act resulting from the Social Security Administration (Fraud) Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of—

(a) any expenditure of a Minister of the Crown or government department incurred in consequence of the Act; and

(b) any increase attributable to the Act in the sums payable out of money provided by Parliament under any other Act; and

(2) the payment into the Consolidated Fund of sums received by the Secretary of State in consequence of the Act.—*[Mr. Knapman.]*

FIREARMS (AMENDMENT) BILL (ALLOCATION OF TIME)

Ordered,

That the Order of 18th November be varied by substituting for paragraphs 3 and 4 the following paragraph:—

'Report and Third Reading

3A.—(1) The proceedings on consideration and Third Reading shall be completed in one allotted day and shall be brought to a conclusion at midnight on that day.

(2) Paragraph (1) of Standing Order No. 14 (Exempted business) shall apply to those proceedings.'.—*[Mr. Knapman.]*

WELSH GRAND COMMITTEE

Ordered,

That the Matter of the implications of the Budget for Wales, being a matter relating exclusively to Wales, be referred to the Welsh Grand Committee for its consideration.—*[Mr. Knapman.]*

WELSH GRAND COMMITTEE (SITTINGS)

Ordered,

That the Welsh Grand Committee shall meet at Westminster on Wednesday 4th December at half-past Ten o'clock and between Four o'clock and Six o'clock to consider the Matter of the implications of the Budget for Wales.—*[Mr. Knapman.]*

Former Mine Shafts (Kingswood)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Knapman.]*

10 pm

Mr. Roger Berry (Kingswood): I am pleased to have the opportunity to raise a subject of great importance to many of my constituents—the accuracy or inaccuracy of the Coal Authority's records of former mine shafts in Kingswood and Bristol. I am also grateful to the Minister for being here to respond to this important debate.

In a nutshell, the problem is that, in my constituency and throughout the rest of the area that once formed part of the Bristol coalfield, there is a lack of confidence in the accuracy of the Coal Authority's records of disused mine shafts. That lack of confidence is common among local solicitors, estate agents, mortgage lenders and the local authorities—Bristol city council and South Gloucestershire council. It is inevitable that Coal Authority records are incomplete and sometimes unreliable. Everyone appreciates that. After all, mine owners were not required to keep accurate plans of a specified scale until 1911.

The problem in Kingswood and Bristol is far more serious than that, however. There are numerous instances of the Coal Authority's advice on a site differing dramatically from that of a local private company, Bristol Coalmining Archives, which, as its name suggests, has an extensive archive of material relating to the former Bristol coalfield.

As a result, local solicitors do not rely on the Coal Authority when undertaking searches, but instead turn to Bristol Coalmining Archives for a second opinion, and they are doing so in increasing numbers. The company currently receives between 300 and 400 such inquiries from solicitors each and every month—approximately 4,000 a year. That is an astonishingly large figure, given the size of the former Bristol coalfield, and the figure is growing rapidly.

Moreover, the Select Committee on Trade and Industry, on which I am pleased to serve, published a report in July on former mine shafts. One of the unanimous recommendations was for an independent investigation of the Coal Authority's archive of the Bristol area.

My purpose in raising the issue is to show the Minister why I strongly believe that the Government should act on the Select Committee's recommendation and bring to an end the distress and blight brought about by conflicting advice on disused mine shafts in Kingswood and Bristol. Not only are many properties being blighted unnecessarily, but thousands of people each year are being forced to pay for two mining searches when considering buying a new home. As I think everyone would agree, that situation is unacceptable, and needs to be sorted out.

I shall start at what, for me, is the beginning. Soon after the last election, as a new Member of Parliament, I was contacted by Mr. and Mrs. Hann of Woodyleaze drive, Hanham, in my constituency. They told me that, in April 1990, a big hole had appeared in their back garden. A local mining expert, Mr. John Cornwell, the managing director of Bristol Coalmining Archives, said that his records showed it to be a former mine shaft. British Coal, as it then was, said that the hole was not a mine shaft but a well, and denied all responsibility.

My predecessor as Member of Parliament for Kingswood, Mr. Rob Hayward, took up the case, and subsequently passed on to me an extremely thick file, which makes it clear that he was most concerned about the fact that, despite strenuous efforts, the matter had not been resolved. I am extremely sorry to say that, more than six years later, John and Jacky Hann still have a hole in their back garden which Bristol Coalmining Archives says is a former mine shaft and which the Coal Authority says is not. As the House can imagine, the matter remaining unresolved for so long has had a devastating effect on their lives and health.

If that were one isolated incident, however tragic, it would not be sufficient to call into question the general state of the Coal Authority's records on disused mine shafts in Kingswood and Bristol; but it is not an isolated case. A few days after the Hanns first contacted me, I was approached by another constituent, who had had difficulties in selling her flat because a search with British Coal had shown that there was a mine shaft close to her home; a second inquiry by Bristol Coalmining Archives produced a report showing that that was not so.

Similar cases have been referred to me by constituents ever since. I soon discovered that the local authorities—Bristol city council, Kingswood borough council and Avon county council, as they were at the time—had all expressed concern about the accuracy of British Coal's records in the area, as had local solicitors, estate agents, mortgage lenders and my hon. Friends the Members for Bristol, East (Ms Corston) and for Bristol, South (Ms Primarolo).

Following numerous meetings and discussions early in 1993, on 17 September 1993 the then chief executive of Bristol city council wrote to the principal private secretary at the Department of Trade and Industry:

"There are an increasing number of instances when official coal mining searches prepared by British Coal have contained inaccurate, inadequate or misleading information. The City Clerk tells me that he has seen evidence . . . to support such allegations and a situation has developed whereby local residents (supported by their legal advisers) are no longer prepared to rely on the accuracy of coal mining searches prepared by British Coal.

The letter continued:

"I am also aware that an approach has been made to the Law Society for a directive to be made to the effect that so far as the Bristol area is concerned solicitors should be permitted to make their search direct to Bristol Coalmining Archives Ltd and there should no longer be a requirement placed upon them to request British Coal to undertake a search."

The letter concluded:

"It is clear that the groundswell of opinion is such that the matter cannot be overlooked and warrants a thorough investigation by a senior officer from your Department."

The letter was passed from the Department of Trade and Industry to British Coal, which denied that there was any problem.

A little more than a year later, on 24 October 1994, another meeting was called at the council house in Bristol. Attending that meeting were representatives from the three local authorities, British Coal, Bristol Coalmining Archives, the Bristol Law Society and the Law Society.

The minutes of the meeting, which were submitted to the Select Committee, show that Mrs. Pauline Holland of the Bristol Law Society said:

"local practitioners wanted a 'one stop shop' search with all the relevant information available in one place. Local solicitors were placed in a very difficult position when left to decide which reply (British Coal or Bristol Coalmining Archives) to take note of".

[Mr. Roger Berry]

The other Bristol Law Society representative present at the meeting, Mr. Ian Dunn, said:

"There had been concern about the accuracy of the British Coal search and many solicitors saw the need to obtain other information locally. Clients were advised to pay for both searches."

As the Minister knows, earlier this year the Select Committee on Trade and Industry decided to conduct an inquiry into the problems caused to home owners by former mine shafts, and our report, entitled, "Former Mineshafts", was published on 17 July. Among other issues, the Committee considered the Coal Authority's records of former mine shafts, and identified a specific problem in the Kingswood and Bristol area.

It is interesting to note the written evidence to the Select Committee submitted by Bristol City council reiterated the problems that had been stated in the 1993 letter from its chief executive. The council stated:

"there have been a number of cases where enquiries of the two organisations"—

British Coal and the Bristol Coalmining Archives—

"have received conflicting answers . . . there have . . . been cases where one archive has said that a property is affected and the other has said it is not. There have been suggestions that some of the alleged shafts have been old wells . . . Concern about this is longstanding and crosses local authority boundaries. Householders, vendors, purchasers, estate agents, solicitors and mortgage lenders are all inconvenienced by the suggestion being made that they should make enquiries of more than one body, and all the uncertainty it produces for them when the answers from different sources are different."

The suggestion that the Coal Authority is wrongly identifying disused wells as disused mine shafts is supported by extensive evidence to the Select Committee submitted by Bristol Coalmining Archives.

The city council's evidence to the Select Committee is echoed by that from other local authorities—South Gloucestershire council and the former Avon county council. South Gloucestershire council lamented the lack of accurate information, and also stated:

"advice from the Coal Authority . . . is sometimes contrary to information provided from other sources (eg Bristol Coalmining Archives)."

Perhaps even more remarkably, it also stated:

"Advice from the Coal Authority on any particular site has not been consistent over a period of time".

That is the opinion of the local authority—an organisation with a certain reputation in the area for being accurate when it gives evidence.

One might ask what local estate agents have to say about the current state of affairs. They, too, are rather exasperated. The Avon branch of the National Association of Estate Agents is chaired by Mr. Peter Brunt, whose business is in my constituency. He, too, submitted written evidence to the Select Committee, in which he observed:

"Many of my colleagues both in Estate Agency and Solicitors . . . are aware that the Coal Authority's records are not as accurate as they should be. If a Coal Authority search shows a possible mine in close proximity to a property then often the solicitors acting for the purchaser will ask for a second report from Bristol Coalmining Archives. It is becoming fairly common practice"—

I repeat, "fairly common practice"—

"to purchase both reports and some solicitors . . . have more reliance on the coal search from Bristol Coalmining Archives than they do from the Coal Authority . . . In my opinion the best way to resolve this unsatisfactory position is to have an independent review of Bristol's records held by the Coal Authority and any inaccuracies are identified and rectified."

How do local solicitors regard the situation? I have already referred to the recorded views of the Bristol Law Society, which has repeatedly expressed the concerns of local solicitors about the current situation. I am well aware of those concerns from my discussions with local solicitors. Given such overwhelming evidence, it is hardly surprising that the Select Committee unanimously recommended that there should be an investigation into the Coal Authority's records in Bristol.

However, in the Government's response to the Select Committee's report, they noted, perfectly reasonably, the skimpy memorandum submitted by the Bristol Law Society that cast doubt on the existence of the problem. The memorandum, penned by Mr. Kirby, included the comment:

"In general practitioners who follow the Law Society's Guidance Notes for Coal Mining Searches do not experience difficulties on behalf of clients."

I find that comment extraordinary. As I have shown, it is contrary to everything that the Bristol Law Society has previously said, and contrary to what everyone else has understood its position to be in recent years.

The *Bristol Evening Post* is commendably pursuing the matter with the Bristol Law Society spokesman Andrew Gregg. In an article in the paper on 12 November, Mr. Gregg was reported to support the call for an inquiry. Just over a week ago, I had a meeting with Mr. Gregg of the Bristol Law Society, and I thought it likely that a letter would be forthcoming before tonight's debate to clarify the society's position. I regret that it has not been.

There is abundant evidence that local solicitors believe that there is a problem. I have already said that, every year, local solicitors in Kingswood and Bristol make 4,000 inquiries of Bristol Coalmining Archives. Why are local solicitors going to the trouble, not only of undertaking a search with the Coal Authority, as the Law Society requires, but of consulting Bristol Coalmining Archives?

The answer is clear: local solicitors make the inquiries because, along with estate agents, building societies and other mortgage lenders, they believe that the Bristol Coalmining Archives' records are more accurate than the Coal Authority's. Some solicitors have told me that, if the Law Society changed its rules, they would stop using the Coal Authority.

I wish to comment on the scale of the problem—other than in terms of the 4,000 annual inquiries to the private company. I understand from Bristol Coalmining Archives that it has identified more than 100 sites for which the Coal Authority's records show one thing and its records show something completely different. Either the Coal Authority says that there is a disused mine shaft on the site and Bristol Coalmining Archives says that there is not, or vice versa.

I am not talking about the odd discrepancy, but about seriously conflicting advice on a large scale. The sample search of 18 properties referred to in the Bristol Law Society's memorandum—and in the Government's response to the Select Committee—is as much a mystery to me as the rest of the communication. But I should have thought that more than 100 incidents of conflicting records could not be dismissed as of no significance.

Interestingly, local solicitors and local authorities were not the only people to seek assistance from Bristol Coalmining Archives. In his written evidence to the Select Committee, its managing director reported:

"the British Geological Survey has had occasion to compare the extent of the two archives. As a result it is about to enter into agreement with Bristol Coalmining Archives Ltd for the revision of mining information on the Bristol Geological maps and for co-operation in other projects."

The Minister may know that that agreement has now been signed.

If the Coal Authority's records are adequate, why should the British Geological Survey be seeking the assistance of Bristol Coalmining Archives? I am not a mining engineer: I do not know who is right and who is wrong. I could not tell a mine shaft from a well if I fell down one, but I know that there must be a good reason for solicitors in Kingswood and Bristol to make 4,000 requests every year of Bristol Coalmining Archives, and there must be a good reason why the British Geological Survey has commissioned work on mining records from that same company.

Scarcely anyone with a professional interest in mining records in Kingswood and Bristol—local solicitors, councils, estate agents, the British Geological Survey—does not now use Bristol Coalmining Archives. Therefore, the case for an investigation into the matter is overwhelming, and I would not have spent so much time over the past four years working on the issue were I not convinced that it was clearly in the public interest for it to be sorted out.

I should be delighted if tonight the Minister agreed to the Select Committee's request for an independent investigation, as that would be the right thing to do. I appreciate that he may not be able to do that immediately—he may want to reflect on what I have said this evening—but I urge him to reconsider the matter seriously. I hope that he will agree to meet a delegation of interested parties from Kingswood and Bristol to hear their views at first hand.

One thing is clear: there is a problem—one that is recognised by anyone in the area who knows anything about mining records. The problem will not go away. It needs resolving, and it needs resolving quickly.

10.19 pm

The Minister for Small Business, Industry and Energy (Mr. Richard Page): I congratulate the hon. Member for Kingswood (Mr. Berry) on getting a slot in order to raise this important matter. Although I understand his concerns, I have to say that, if only life was as easy as the hon. Gentleman implies, he and I would be happy men. Life is, however, more complicated than that.

It may be helpful if I give a little factual background. The Coal Authority's database records some 150,000 coal mine shafts and mine entrances, and it is estimated that as many again are unrecorded. There is probably an equal number of entrances that are not connected with coal mining.

Of the coal mine shafts and entrances, the great bulk—over 90 per cent.—date back to the 18th and 19th centuries, when records were a little sparse, as the hon. Gentleman would be the first to agree. Such structures were then relatively narrow, relatively shallow and, in fact, more akin to wells than to the mine shafts of today, which are several metres across and hundreds of metres deep. The majority of those shafts give no trouble whatsoever.

To put the issue in proportion, let me point out that the Coal Authority responds to about 120 calls a year relating to mine shafts, and only about 100 relate to coal mine shafts—100 calls in connection with perhaps 300,000 recorded and unrecorded mine shafts and entrances. Of the 20 remaining calls, I am sure that one or two related to some of the stone mines in the Bath area that have given trouble in recent times.

We must be fair and not over-dramatise the problem. Some shaft collapses are really nothing more than a dip in the ground and damage to property is exceptional. The Coal Authority has had only seven cases reported under its surface hazards procedures in which a mine shaft was found to be either partly or wholly under a building; and, in fact, only one building was actually damaged.

The Coal Authority now issues approximately 250,000 mining reports a year. Those give information on past, present and future surface and underground coal mining activities, and outline the geological lines of weakness, subsidence damage claims and working rights. Since 1947, solicitors have been asking for such reports from the National Coal Board, British Coal and now the Coal Authority as part of the process of buying and selling land. Until 1989, whether to do so was left to solicitors' judgment, but, since then, the Law Society has introduced a code of good practice and provided a standard questionnaire.

As the hon. Gentleman knows, the Government impose no requirement on anyone to obtain a mining report on any property that is being bought or sold. The reason solicitors act as they do is to provide a service and to ensure that their clients are given the full facts. In going to more than one source of information, I would suggest that they are simply covering every available option.

It has been suggested that there should be a single provider of mining reports—which would be an attractive proposal, if life were that simple. However, questions arise if that single supplier is not the Coal Authority. If we are to have a different supplier in the Bristol area, we must recognise that other providers might wish to offer a service elsewhere—in fact, there could be competing requests in a single area.

I understand that the questions posed by the Law Society questionnaire and the answers given in the Coal Authority mining report go wider than the topics covered in the report provided by Bristol Coalmining Archives. Would solicitors and their clients be content to have a single report that was narrower in its scope than those that were previously available from the Coal Authority? I rather doubt it.

In practice, any alternative supplier would have to acquire from the Coal Authority data that it did not already have and constantly consult the authority to update its data. As we know, the Coal Authority constantly updates its records, as more information becomes available. As I have said, this is not just a matter of mine plans; we are also concerned with information about subsidence claims. Providing and updating data is a service for which the authority would have to charge to meet its obligation to cover its costs.

The Coal Authority could not just hand over the plans. The authority holds many plans on behalf of the Health and Safety Executive. Because of that health and safety

[Mr. Richard Page]

aspect, the Coal Authority has arrangements to allow access to plans 24 hours a day, 365 days a year. That is a requirement of the Health and Safety Executive. Any alternative custodian of those plans would need to guarantee a similar arrangement. Would other custodians be prepared to incur that cost?

We also need to consider the level of charge. The Coal Authority's financial duty is simply to recover its costs. Would we therefore need to control the charges imposed by an alternative supplier?

For all those reasons, we believe that the Coal Authority should continue to provide the service throughout the coalfields of Great Britain, whatever additional local service may be available.

Mr. Berry: Will the Minister acknowledge that I am not arguing for an alternative source of information to that of the Coal Authority? I am arguing for an investigation into the well-known fact that the Coal Authority records in the Bristol and Kingswood area are radically different from the records of another organisation. I do not care who has the final records, but surely that needs to be sorted out.

Mr. Page: I shall address that in a moment or two, provided that time is with us.

As I said, the Coal Authority database derives from many thousands of plans, many prepared in the 18th and 19th centuries. Having visited and looked at the records, I know that they were produced on a medium that is now in poor condition and costing an enormous amount of money to restore and bring up to date. If at any time the hon. Gentleman would like to visit the Coal Authority records, I am sure that I will be able to lay on a day trip for him.

The transcription of those plans by British Coal was done by experts, many of whom had detailed local knowledge, and that continues to be the case under the Coal Authority. It is therefore difficult to envisage what could be done to improve significantly the quality of the data on which those plans are provided.

In the context of Bristol, I remind the hon. Gentleman of the evidence given to the Trade and Industry Select Committee by the Bristol Law Society. The hon. Gentleman quoted several discrepancies and differences but, as we know from the Trade and Industry Select Committee:

"Sample searches on 18 properties of each set of records made for the purpose of the investigation showed no relevant discrepancy between each set of records, and no evidence of negligence by either party."

That is from the Committee on which the hon. Gentleman serves, so it must be right—

Mr. Berry *rose—*

Mr. Page: With respect to the hon. Gentleman, time is not with us.

Having said that, the Coal Authority recognises that its database is incomplete, and wishes to add to it.

The authority is also drawing the Committee's report to the attention of other bodies that are known to hold relevant information, urging enhanced co-operation. That should be the right way to proceed.

In the case of Bristol Coalmining Archives, we agree with the Trade and Industry Select Committee that there is no basis on which a company or other private sector body can, or should, be compelled to make its archives available to the authority, but perhaps it and the Coal Authority will be at least able, to a degree, to offer a complementary, not competing, service. I have asked the Bristol Coalmining Archives again to consider making available information to the authority, and I look forward to its response.

This is a specific local matter, and the hon. Gentleman said in effect that the Coal Authority should have the responsibility for precisely locating and determining the condition of the mine shafts within a distance a building. He in effect asked for the records and so on to be checked and brought up to date. The Coal Authority estimates that the costs attached to such an exercise would be between £3,000 and £4,000 per unit just to investigate each site, and perhaps another £6,000 to £8,000 per unit for a site where treatment was judged to be necessary.

In 1995, the Coal Authority prepared about 6,000 mining searches that include reference to disused mine shafts. We believe that, if the shafts were treated by the authority at the request of the property owners, the number of searches would increase substantially. On that basis, the cost of simply locating shafts would run to many tens of millions of pounds, and would substantially increase if treatment were necessary.

Mr. Berry: Will the Minister give way?

Mr. Page: With respect to the hon. Gentleman, I have only 30 seconds to go.

Whatever our differences, it is clear that these are important issues. They affect many home owners in Bristol and Kingswood and other areas covered by coal mining in the past, which make use of the services provided by the Coal Authority. The data are not perfect, but that is due to—

The motion having been made at Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at half-past Ten o'clock.

House of Commons

Tuesday 26 November 1996

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

KING'S COLLEGE LONDON BILL [LORDS]

Motion made, and Question proposed,

That the Promoters of the King's College London Bill *[Lords]* may, notwithstanding anything in the Standing Orders or practice of this House, proceed with the Bill in the present Session; and the Petition for the Bill shall be deemed to have been deposited and all Standing Orders applicable thereto shall be deemed to have been complied with;

That if the Bill is brought from the Lords in the present Session, the Agents for the Bill shall deposit in the Private Bill Office a declaration signed by them stating that the Bill is the same, in every respect, as the Bill which was brought from the Lords in the last Session;

That, as soon as a certificate by one of the Clerks in the Private Bill Office, that such a declaration has been so deposited, has been laid upon the Table of the House, the Bill shall be read the first and second time (and shall be recorded in the Journal of this House as having been so read) and shall be ordered to be read the third time;

That no further Fees shall be charged in respect of any proceedings on the Bill in respect of which Fees have already been incurred during any previous Session.—[*The First Deputy Chairman of Ways and Means.*]

Hon. Members: Object.

Debate to be resumed on Tuesday 3 December.

SCOTTISH BORDERS COUNCIL (JIM CLARK MEMORIAL RALLY) ORDER CONFIRMATION BILL

WESTERN ISLES COUNCIL (BERNERAY CAUSEWAY) ORDER CONFIRMATION BILL

Considered; to be read the Third time.

Oral Answers to Questions

DEFENCE

Armed Forces (Deployment)

1. **Sir Michael Neubert:** To ask the Secretary of State for Defence how many armed forces personnel are currently deployed outside the United Kingdom; and in how many countries. [4309]

The Secretary of State for Defence (Mr. Michael Portillo): Over 44,000 British service personnel are currently deployed in 18 countries outside the United Kingdom.

Sir Michael Neubert: Is it not a remarkable tribute to our resolute defence policies and the professionalism of our armed forces that our participation is sought in so many parts of the world? Would not that be put at risk by the "painful consequences" of a Labour defence review?

With regard to Zaire, now that the Canadians have scaled down their estimate of the number of troops required by a factor of 10, to about 1,000, what are the prospects for the British contingent? Are they required at all?

Mr. Portillo: It is indeed a matter of great satisfaction that our forces are so highly respected around the world. That is partly due to the fact that it is known that the Government give them full support. The Government have always been committed to sound defences; and the alternative Government, the Labour party, now pays some sort of lip service to our armed forces, but over a long period has been committed to sharp reductions in our defence.

The situation in Zaire has changed considerably since I last spoke to the House about it, although my hon. Friend the Minister of State for the Armed Forces brought the House up to date last week. Large numbers of refugees have gone home. We have little intelligence about the refugees in the southern part of the Lake Kivu area. We are seeking further intelligence at the moment.

There has also been a withdrawal of consent from a number of states in the area which we had supposed would be supportive of a multinational force. I think the correct posture for us is to continue to plan on a contingency basis and to make the most of the intelligence that we are busy gathering from the area.

Mr. Cohen: The Minister told me in May that the cost of these overseas garrisons was £360 million a year. After excluding that amount, and other exceptional payments for nuclear weapons and for Northern Ireland, our defence budget is still £5 billion more than the average of our European NATO partners' budgets. Where does that money go?

Mr. Portillo: It goes to maintaining the posture that is suitable for a country that takes its international responsibilities seriously. I know that the hon. Gentleman and many others in the Labour party—many who declare themselves and many who do not—want to cut our defences. As the hon. Gentleman says, he wants them cut

to the European average, which would mean £4.5 billion or £5 billion off the present defence budget. I see a Labour Member nodding in agreement. Many Labour Members want our defences cut, and if there were a Labour Government I believe that the pressure in that direction from Back Benchers would be irresistible. If a Labour Chancellor of the Exchequer were standing at the Dispatch Box this afternoon, we know that defence would be a soft touch—that is where the cuts would come, as the hon. Gentleman has clearly told me today.

Mr. Colvin: As some of those deployments were on NATO missions, and as NATO is an organisation that has fulfilled its mission—the ending of the cold war, hardly a shot having been fired—and in the light of proposals to enlarge NATO, when will the countries concerned get together and decide NATO's new mission?

Mr. Portillo: I believe that there will be a very significant summit on NATO's future in summer next year. I think that that would be the right time for NATO to decide on its new missions and restructuring, to begin negotiations with those countries that are applicants for membership of NATO, to begin serious discussions with them and to unveil a new partnership for peace for those countries that are not going to be members of NATO or are not going to be members of NATO at once. I believe that it will also be the occasion for NATO to strike a new relationship with Russia and probably write down what that new security relationship consists of.

Mr. William O'Brien: Can the Secretary of State give the House a reason why members of the Gurkha regiments, which must leave Hong Kong to come to the United Kingdom, are not allowed to bring their wives and families with them? Is there a reason why the Secretary of State is taking that attitude?

Mr. Portillo: I have taken no attitude beyond saying that the Gurkhas find themselves in a completely new position. Now that we are leaving the colony of Hong Kong, Gurkhas will be deployed in the United Kingdom. Those circumstances have not obtained before, so we must investigate carefully what their conditions of service should be.

We have not declared a position on that. We have said that we must review their conditions of service. That review is under way, and it must address several important topics that have been raised, including whether the Gurkhas can bring their families with them. I give the hon. Gentleman an undertaking that that will be considered thoroughly and without any preconceived position on my part.

Whittington Barracks

2. **Mr. Fabricant:** To ask the Secretary of State for Defence if he will make a statement on the role of the Whittington barracks, Lichfield, over the next five years. [4310]

The Minister of State for the Armed Forces (Mr. Nicholas Soames): There are no plans to change the role of Whittington barracks, which houses the Army training regiment, Lichfield, over the next five years.

Mr. Fabricant: I thank my hon. Friend for his reassuring answer. Will he take the opportunity to praise the role of the Army training regiment, which forges young, timorous boys into hardy men?

Mr. Soames: It is certainly a pleasing prospect. I join my hon. Friend in paying tribute to the work of the Army training regiments. They do remarkable work, and I am sure that the House will agree with my hon. Friend that they do an excellent job of converting the basic material of new recruits into a well trained and motivated Army of the future. The House will also want to know that the quality of training undertaken in the Army training regiments is second to none in any organisation of its type in the world, and we are lucky with our ATRs.

Armed Forces Overstretch

3. **Mr. Eric Clarke:** To ask the Secretary of State for Defence what assessment he has made of the problems of overstretch in the armed forces. [4311]

Mr. Soames: The services continue to be very busy but are well able to meet their current operational commitments.

Mr. Clarke: Does the Minister agree that it is gross Government incompetence to cut the armed forces by one third and make our troops overstretched? Can he explain that total incompetence?

Mr. Soames: The hon. Gentleman has been ill briefed and ill served by his hon. Friends in asking so gauchely a question that has an important root—the nature and length of the commitments of our armed forces. As I have said, they are very busy—very pushed. We must be mindful of what we ask them to do. They are highly motivated, their morale is high and they are superbly equipped. Questions such as that make a fallacy of the truth.

Mr. Key: Notwithstanding the superb performance of our forces in their peacekeeping role, will my hon. Friend always ensure that the country realises that our service men and women are recruited for a fighting and combative role above all?

Mr. Soames: I am grateful to my hon. Friend. He may be assured that no one in the Ministry of Defence—including my right hon. Friend the Secretary of State, my hon. Friends the Minister of State for Defence Procurement and the Parliamentary Under-Secretary of State—or in any of the training arms of the armed forces is under any delusion in that regard. They know that all our troops must continue to be trained to fight the high-intensity battle and to be able to cope with the most demanding combat conditions as well as some of the new missions, which, as the hon. Member for Midlothian (Mr. Clarke) meant to say, are indeed imposing some strain on the armed forces. Whatever they are asked to do, they acquit themselves superbly.

Dr. David Clark: The Government have allowed a situation to develop where the Army has a shortfall of more than 5,000 recruits. Why?

Mr. Soames: The Army is, indeed, approximately 5,000 men under strength. At each Defence Question Time the hon. Gentleman asks the same question in a more gauche and foolish way. On each occasion he comes back with a more stupid question.

The reasons for the shortfall, particularly in the infantry, are plain. We cannot compel people to join the infantry. It is interesting that the technical arms—the sappers, the electrical and mechanical engineers, the signallers—are almost fully recruited. It is clear that we will have difficulty persuading people to join the infantry. Not everyone wants to be battle-fit 365 days of the year. We have a great deal to do. I am sure that the hon. Gentleman will be gratified to hear that enlistments are on the up and recruiting has increased by more than 35 per cent. compared with this time last year.

Dr. Goodson-Wickes: I am confident that my hon. Friend will welcome signs that recruitment shortfalls in the Army are levelling out. However, the Government's admirable policies will mean that unemployment will fall lower, which will make recruitment increasingly difficult. In that context, will my hon. Friend give the House an assurance that a decision in principle has been made in his Department to reintroduce the admirable concept of junior leaders? Will he press his Treasury colleagues to ensure that that scheme can be put into action? Perhaps we shall hear an indication this afternoon.

Mr. Soames: My hon. Friend is right that the junior leaders provided extraordinary technical and military leadership throughout all ranks and sections of the Army. My right hon. Friend and I are studying the scheme closely. We intend to consider whether to establish a pilot scheme of some sort, but clearly such matters must take their place in the priorities of ensuring that our people have the equipment they need to undertake the tasks that face them. I do not dissent from anything that my hon. Friend has said, and his support is extremely welcome.

Eurofighter

4. **Mr. Donald Anderson:** To ask the Secretary of State for Defence what recent discussions he has had with his German counterpart concerning the Eurofighter project. [4312]

Mr. Portillo: I met my German counterpart, Volker Rühe, last week. We had extensive discussions on a wide range of subjects, including Eurofighter. He told me that Germany expects to make a decision on participation in the production investment phase and the production phase of the Eurofighter programme early in 1997.

Mr. Anderson: The Secretary of State will be aware of the Labour party's total commitment to the project, because of its vital contribution to the Royal Air Force, to our industrial defence base and to employment in the north-west and Bristol. Now that there is endorsement from every party in the German coalition, and following his conversations, is the Secretary of State convinced that the period of instability is over and that we can proceed, confident that the project will commence not later than March next year?

Mr. Portillo: I am pretty confident about the attitude of the German Administration, but the proposals must go through the Bundestag, and one can never take parliamentary votes for granted. We must therefore wait until that happens.

In the run-up to the election and, as the hon. Gentleman says disarmingly frankly, with so many marginal seats, I fully expect the Labour party to be solidly committed to the Eurofighter before the election. I point out, however, that it is a £15 billion project. I observe that the Labour Benches are full of Members who hate defence spending. They are busy promising to spend money on one programme after another. I know that, if the shadow Chancellor were Chancellor of the Exchequer, he would be looking for cuts in the defence budget. I very much doubt whether Eurofighter would continue under a Labour Government.

Mr. Wilkinson: Will my right hon. Friend make it clear to Herr Volker Rühe that the export potential of the aeroplane is of crucial interest to his Government and country as well as to us and to the Italians and the Spanish? In that regard, the longer the project's production is delayed, the more vulnerable the aircraft and export markets will be to competition. Finally, will my right hon. Friend remind Mr. Rühe that the United Kingdom spends hundreds of millions of pounds in the Federal Republic through the stationing of British troops in time of peace, not least through the payment of locally employed German civilians?

Mr. Portillo: My hon. Friend will know that my approach to international negotiations is one of delicacy and sensitivity. Therefore, I naturally urge my German colleagues to participate in the programme, and I hope that they will do so. My hon. Friend expertly employs the right arguments: we want the plane to be thoroughly exportable and, if it is delayed, it will be less competitive because it will be late and more expensive. It would be a false economy to save money on the project now, because it would cost more in the long term. My hon. Friend utilises those arguments admirably.

Mr. Spellar: It is unfortunate that, after a few good weeks, today the Secretary of State demeaned himself by attempting to undermine the important Eurofighter project with a petty political issue. Will he take the opportunity to redress that mistake by joining me in extending congratulations to British Aerospace and its work forces on their excellent work developing the Eurofighter? Will he convey to his German counterpart at their next meeting the strong views of both his Government and their successors that the production stage should commence as quickly as possible?

Mr. Portillo: The hon. Gentleman must not think that British industry is naive: it knows what Labour Members of Parliament think. British industry players can read the motions put down at Labour party conferences, and they are not taken in by Opposition Front Benchers' Johnny-come-lately attitude to defence.

My hon. Friend the Member for Ruislip–Northwood (Mr. Wilkinson) referred to defence exports. The industry can read perfectly clearly the Labour party's attitude to arms sales and arms exports. It knows that Labour is strongly committed to global disarmament, and then where would our defence exports be? The hon. Gentleman must not assume that he has taken in British Aerospace or any other leading British company.

RAF Equipment

5. **Mr. Sweeney:** To ask the Secretary of State for Defence what plans he has for RAF equipment upgrades over the next three years. [4313]

The Minister of State for Defence Procurement (Mr. James Arbuthnot): Over the course of the next three years, the RAF will take delivery of upgraded Tornado attack and fighter aircraft, EH101 support helicopters, additional Chinook helicopters and the advanced short-range air-to-air missile. These and other important programmes represent significant enhancements to the RAF's capabilities.

Mr. Sweeney: I welcome those announcements. Does my hon. Friend agree that the maintenance of progress in updating our equipment is vital to the morale and efficiency of the RAF? Will he comment also on the implications for RAF St. Athan, which he knows is the biggest employer in the Vale of Glamorgan and does much high-quality aircraft maintenance work?

Mr. Arbuthnot: I agree with my hon. Friend, and I pay tribute to his consistent support for the excellent work done at RAF St. Athan in his constituency. He spoke to me recently on that subject. The "Competing for Quality" programme at RAF St. Athan will continue, because it has helped to save hundreds of millions of pounds for the armed services, which can then be spent on equipment such as that to which I have referred.

Mr. Hardy: While I welcome the fact that the Royal Air Force will receive updated and proper equipment, does the Minister recognise that it also needs high morale and good people? Does he recognise that, in the past few years, the Government have cut manpower in the Royal Air Force by almost two fifths and often subjected those who remain to gross overstretch? That situation needs attention.

Mr. Arbuthnot: The morale of the Royal Air Force is very high and service men know that they are highly valued by the party in government, partly because of the equipment programme to which I have referred. As a result of that programme, spending on RAF equipment will almost double by the turn of the century. That is fantastic news for the Royal Air Force, and the hon. Gentleman should not downplay it.

Sir Anthony Grant: Will my hon. Friend tell us when a decision will be made on the RAF TriStar support contract, which he will appreciate is of great concern to Cambridgeshire? We are anxious that the expertise of Marshalls—the company that he knows all about—should not be lost.

Mr. Arbuthnot: My hon. Friend has spoken to me on several occasions about this important contract, for which there are a number of competitors. I hope to make a decision shortly.

Mr. Murphy: On the day of the Budget, Ministers talk grandly about saving money. Will the Minister tell the House how much money was squandered on the Tornado disaster at RAF St. Athan? Was it hundreds of thousands of pounds, millions of pounds or tens of millions of pounds?

Mr. Arbuthnot: The hon. Gentleman is doing it again: he is irresponsibly playing with figures. It is far too early to give the precise amount involved: there must first be a full investigation. If the Labour party came to power, it would undertake a strategic defence review with the painful consequences to which the hon. Member for South Shields (Dr. Clark) referred. We know that those painful consequences would be cuts in defence, cuts in the numbers of our armed services and cuts for our defence industry. The hon. Member for South Shields admits that those would be the painful consequences.

Mr. Bill Walker: Will my hon. Friend remind those who are critical of our concern about the future of Eurofighter of the TSR2? We had a world leader and a world beater that was cancelled by a Labour Government. Will he also remind Volker Rühe that, when the German Parliament considers the future of the Eurofighter, it should remember that we could still go it alone? We could call it the Spitfire, and at a later date we would be happy to sell it to the Luftwaffe.

Mr. Arbuthnot: What a tempting prospect. My hon. Friend referred to the TSR2. I think that it was a Labour politician who said that we do not need to look into a crystal ball; we just need to read the book. We know what would happen if there were a Labour Government.

RAF Recruitment Costs

6. **Mr. Flynn:** To ask the Secretary of State for Defence what was the cost of recruiting each new member of the Royal Air Force in each of the past five years. [4314]

Mr. Soames: The average cost of a recruit to the Royal Air Force in fiscal year 1995-96 was £10,333. Figures for the previous four years were £22,000, £26,000, £19,000 and £6,000 respectively.

Mr. Flynn: Is this not an Alice in Wonderland situation? In the year when it cost £26,000 to recruit one member of the RAF, the Government made 1,000 members redundant, most of whom were highly skilled. Most of them were made redundant against their wishes. In the following two years, when a new recruit cost £22,000, the Government made 2,000 and 3,000 redundant. Is that not financial mismanagement on an Olympic scale?

Mr. Soames: No, it is not. I know that the hon. Gentleman is unable to participate in Defence questions very often, but it is clear that he has not been present in the past few months when these matters were exhaustively debated. He must try to understand that, despite the

considerable downsizing that has taken place, the RAF needs to maintain a viable recruitment organisation. We need to recruit fewer people into the Royal Air Force, so each recruit plainly costs more. As the number of recruits rises in the next few years, the recruitment costs will fall. I am satisfied that we have an efficient and effective recruitment infrastructure, and that in the years to come the cost per recruit will significantly reduce.

Mr. Bellingham: Will my hon. Friend join me in paying tribute to members of 39 PR squadron at RAF Marham, who have been involved in recent reconnaissance missions over Zaire and Rwanda? Incidentally, it is the former squadron of my hon. Friend the Member for Wyre (Mr. Mans), himself an intrepid aviator. Will my hon. Friend pay tribute to those airmen based in my constituency, and wish them well in their mission?

Mr. Soames: I believe that every penny spent on the recruiting of the crew of that squadron was money well spent. I will always join my hon. Friend in paying tribute to the extraordinary aviation skills of our hon. Friend the Member for Wyre (Mr. Mans)—and I also thank my hon. Friend for his splendid support for the RAF.

Gulf War

7. **Ms Eagle:** To ask the Secretary of State for Defence if he will make a statement about the use of organophosphate pesticides by British troops in the Gulf war. [4315]

Mr. Soames: As I announced last month, we have initiated an urgent and comprehensive investigation into the use of organophosphate pesticides during the Gulf war. I will report further and in great detail when that work is complete.

Ms Eagle: Does the Minister realise that it is two months since he told the House that the use of such dangerous materials was much more widespread, and had possibly affected our troops during the Gulf war? Does he recall saying last month that an investigation would take place? Despite that, we have still heard nothing. Can the Minister tell the House when we are likely to hear the details of the investigation initiated by his Ministry? There are hundreds of Gulf war veterans with Gulf war syndrome out there, and they are very worried indeed.

Mr. Soames: The hon. Lady is right: when I answered a question—the same question—that she asked on 29 October, I did indeed say that we would report to the House as soon as we had the information to hand, and that remains the case. This is an extremely detailed and urgently conducted investigation. I hope to be able to make a statement to the House early in December, with all the information that it will need in order to reach a conclusion.

Mr. Robathan: The whole House will join my hon. Friend in wishing to ensure that people injured by their service are well looked after by Her Majesty's forces. Does my hon. Friend not agree, however, that a bandwagon is trundling by, on to which many Opposition Members and lawyers are jumping? Does he accept that, six years after my service in the Gulf, the awful cold I have is not a matter for compensation?

Mr. Soames: I am grateful to my hon. Friend, who knows at first hand the great importance that we attached to looking after our troops during what was a major deployment. Interestingly, because of extraordinary advances in medical science, we were able to have a deployment that was relatively disease-free—certainly in comparison with the experiences of the desert army in the last war.

I agree with my hon. Friend that it is important to keep in touch with reality, but there is no doubt that there are people who served in the Gulf who, having come home, are not well. It is also true that a substantial body of research in the United States, along with a good deal of research in this country, has concluded that there is no Gulf war syndrome per se, but that there are people who served in the Gulf and are ill. We must ensure that they are cared for properly, honourably and decently—and they will be.

Arms Exports

8. **Mr. Harvey:** To ask the Secretary of State for Defence what recent advice his Department has given to the Department of Trade and Industry about the licensing of United Kingdom exports of arms to Indonesia. [4316]

Mr. Arbuthnot: My Department advises the Department of Trade and Industry on various aspects of export licensing. These would include the legitimate defence requirements of the recipient, the effect on regional stability and the risk of use against United Kingdom forces.

Mr. Harvey: What heroic military exploits on the part of the Indonesian army marked its members out as natural allies of this country? Was it the killing of 200,000 East Timorese since the illegal occupation of their country, or the assassination of Muslim protesters in Jakarta or that of Timorese people in Dili? Why do we keep an office in Indonesia for the Defence Export Services Organisation? Why did we underwrite half a billion pounds' worth of exports to the Indonesian military in 1992-93? Why do we send armaments, aircraft and tanks whose manufacturers describe them as ideal for internal security? What is it about these people that marked them out as our natural allies?

Mr. Arbuthnot: The hon. Gentleman has ruined his case. Unfortunately, all export applications are examined very rigorously by this country. The hon. Gentleman ought to welcome positive developments in Indonesia: he ought to welcome, for example, the formation of the National Human Rights Commission there. We have thoroughly investigated every report that Hawk aircraft have been used against East Timor, and we have found that there is no evidence to support those claims. The hon. Gentleman does himself no service whatever.

Mr. Atkins: Will my hon. Friend join me in ensuring that his advice to the Department of Trade and Industry is to congratulate companies such as British Aerospace, which is closing substantial deals with Indonesia, Qatar

and Australia? That is evidence of the efforts of that great company, which is represented by so many of our hon. Friends, who were working a jolly sight harder for British Aerospace at all levels long before that lot were.

Mr. Arbuthnot: My right hon. Friend is right. What was notable as he asked his question was the total silence from Opposition Members. Although they profess to support British industry, in practice the Labour party hates British defence industry exporting any equipment at all.

Mrs. Clwyd: The Minister is wrong. Hawk aircraft have been spotted in East Timor by Hugh O'Shaughnessy and by people who live there. The trouble is that the Government prefer to believe the Indonesian Government rather than eye-witness accounts. Why is he always telling us that Hawk aircraft are used as trainers in Indonesia when, during a military exercise last week, Hawk aircraft were used to fire rockets? The accounts are that the rockets reduced the target to scorched earth. Where were those aircraft converted for that use—in Britain or in Indonesia?

Mr. Arbuthnot: I am sorry, but the hon. Lady is wrong. The minister counsellor at the Indonesian embassy has written that the Indonesian Government have never and will never use the Hawks to suppress the East Timorese. We have no evidence to suggest that that is untrue. We do not believe that it is untrue.

As I have said, we welcome the positive developments in Indonesia. The National Commission on Human Rights is also to be welcomed. The hon. Lady should welcome that as well. I regret that she does not. I am pleased that her Front-Bench team is at odds with her on the issue. When we export equipment, we need to be absolutely sure that it is not used for the repression of internal civilian populations; in this case, it certainly is not.

Mr. Richards: What is my hon. Friend's assessment of the level of international competition for defence contracts with Indonesia?

Mr. Arbuthnot: It is high. It is because British industry is so successful in being competitive, in creating good equipment and in offering good prices that we are able to take such a high proportion of the world defence equipment market. That is good news for British jobs, for British influence and for the Ministry of Defence, which is able to reduce the prices that it pays as a result of large cost runs. British industry's success should be welcomed not only by the Conservative party but by the Labour party. I wish it were, but it is not.

Army Commitments

9. **Mr. Home Robertson:** To ask the Secretary of State for Defence if he will make a statement on the effects of overstretch in the Army. [4317]

Mr. Soames: A third of the Army is deployed on, preparing for, or recovering from operations. Although I am conscious of this high level of commitment, which inevitably places a strain on soldiers and their families, I am confident that the Army remains supremely capable of meeting all its main tasks.

Mr. Home Robertson: Is it not a fact that the Government are taking liberties with our soldiers in the armed forces and damaging their morale by increasing their work load at the same time as cutting their resources? Would I be far wrong if I were to suggest that the resident battalions in Northern Ireland are, on average, 80 men under strength, that soldiers there must spend 51 per cent. of nights away from their quarters and that the average number of hours worked a week by a soldier is 98.6? The Minister may use the term "busy", but those are intolerable conditions for our soldiers in Northern Ireland and elsewhere.

Mr. Soames: The hon. Gentleman is always wrong on these matters and, today, he is wrong again. That was a misquoted farrago and tissue of innuendo and hopeless, incompetent fact. The Army's morale is extremely high. The Army is very busy, and that is one reason why its morale is high. Of course we are conscious of the fact that we can ask too much of our people, and that is why we take great care of their families and of them. Our people are well trained, well motivated and well equipped, and they do a wonderful job. The hon. Gentleman's portrayal is a fatuous travesty.

Mr. Brazier: Although I am glad to hear my hon. Friend's comments on overstretch, does he agree that one way in which we could be certain to make the situation very much worse would be to cut defence and to take on all sorts of extra third-world commitments—the type of programme that we could expect from a Labour Government?

Mr. Soames: My hon. Friend is right. As he knows, the nature and scale of the commitments that the armed forces of the Crown are invited to undertake are subject to the most rigorous and detailed scrutiny, particularly because our regular forces—which are all volunteer—are already heavily committed. The British Army will remain what it has always been: a supremely professional armed force, capable of high-intensity land battle, and not what it would be under the Labour party—some type of super-gendarmerie.

Dr. Reid: What a load of codswallop. Will the Minister confirm reports that, under the Government, even the SAS is short of recruits—recruitment has plummeted and its members are leaving—and that that dates from when the Secretary of State pledged his undying allegiance to the SAS, at the Tory party conference? Is it true that, last year, we were 3,000 soldiers short, and that the Minister pledged to redouble his efforts? He has redoubled them, but with what result? He has doubled the shortage. There is no problem that the Government, when they put their mind to it, cannot make worse.

Mr. Soames: That is a very silly little intervention, and I do not think that anyone will take it seriously. The hon. Gentleman knows perfectly well that that is not the case. Recruitment is up 35 per cent. this year on last, enlistments are way ahead, and the only limitation on recruits for the airborne or the special forces will be the ability of those who undertake the selection test to pass it.

Isle of Wight Companies

10. **Mr. Barry Field:** To ask the Secretary of State for Defence what assistance the Defence Export Services Organisation has provided to Isle of Wight companies in each of the past three years. [4318]

Mr. Arbuthnot: The Defence Export Services Organisation daily provides assistance to British defence equipment companies to help them promote their products and services overseas. The assistance is available to, and used by, companies resident on the Isle of Wight.

Mr. Field: Will my hon. Friend point out that more than 360,000 jobs in the United Kingdom—which still includes the Isle of Wight—are dependent on sales exports and orders? I thank him and the staff of the Defence Export Services Organisation for the help that they have given and are giving to Isle of Wight companies. Does he agree that, if the Opposition's policies were ever implemented, those jobs would be at serious risk and that the Opposition's defence policies are about as reassuring as a cross-eyed marksman?

Mr. Arbuthnot: I agree with my hon. Friend. I should also like to acknowledge the support that he has given to Pilatus Britten Norman Ltd. and to Turbine Support Ltd.—both of which are based on the Isle of Wight—in bids for overseas business. The Defence Export Services Organisation is and has been astonishingly successful. It is a magnificent blend of Government help to industry with the support of the armed services and embassies. It has also enabled us to achieve the second highest performance on British defence exports, second only to the United States. It is a great success.

Armed Forces (Asia)

11. **Mr. Legg:** To ask the Secretary of State for Defence what will be the role of United Kingdom armed services in Asia after the United Kingdom's withdrawal from Hong Kong. [4319]

Mr. Portillo: After withdrawal from Hong Kong, British armed forces will continue to contribute to security and stability in the region, in support of this country's wider interests.

Mr. Legg: In view of our strong trading and investment links and the presence of 5 million United Kingdom nationals, will my right hon. Friend tell the House what role the UK will play in the peaceful resolution of disputes in the region?

Mr. Portillo: It is important that we reaffirm our support of the five-power defence arrangements, which include Singapore, Malaysia, Australia and New Zealand. At about the time that we leave Hong Kong, we shall dispatch to the Asia-Pacific area a large carrier battle group, including a carrier, three destroyers, a submarine and about 15 Tornado aircraft. That will demonstrate our continued commitment to the area. We shall, of course, also maintain the Gurkha battalion at Brunei.

Mr. Menzies Campbell: The Secretary of State told the House a moment ago that there was to be a review of the conditions of engagement for Gurkha troops. Will he assure us that two particular factors will be taken into account? We must remember, first, the unparalleled loyalty and service that those troops have demonstrated to the British Crown and, secondly, the fact that they are increasingly used to remedy deficiencies in numbers in other British Army units. In those circumstances, are there not compelling reasons for permitting Gurkha troops redeployed from Hong Kong to the United Kingdom to bring their families with them?

Mr. Portillo: Those are important points. However, in my earlier reply I did not say that I would be considering those issues; I said that I was considering them. The review is well under way and I hope to be able to complete it shortly. My regard for the Gurkhas is not second to that of the hon. and learned Gentleman.

PRIME MINISTER

Engagements

Q1. **Mr. Wray:** To ask the Prime Minister if he will list his official engagements for Tuesday 26 November. [4339]

The Prime Minister (Mr. John Major): This morning, I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Wray: Is the Prime Minister aware that the Government took £7.2 billion in tobacco duties last year? Is he also aware that the Health Education Authority says that tobacco costs the health service £680 million and 110,000 deaths annually? I know that the Government are against litigation by the Department of Health, but does the Prime Minister agree that a further ban on tobacco advertising is needed?

The Prime Minister: As the hon. Gentleman knows, we have shown the dangers of tobacco in many advertising campaigns and also, of course, on every packet of cigarettes. That is an appropriate way to indicate the dangers—together, of course, with the disincentive of the taxation on tobacco.

Sir Michael Grylls: Will my right hon. Friend find time today to consider the cash flow crisis that is affecting so many lorry drivers, many of whom come from small firms or are self-employed? Their problems are due entirely to the failure of the French Government to keep their highways clear. As a practical measure, will he consider asking the banks to be patient with those firms? Will he also do everything that he can to the French Government to ensure that they act responsibly?

The Prime Minister: I am concerned about the consequences for British drivers and companies of the dispute, which is, of course, in France and has nothing to do with them or their customers. We have indicated to the French Government that we expect compensation claims for loss of earnings or for damage to perishable stock to

be met. I hope that they respond to that plea. My right hon. Friend the Secretary of State for Transport has already written to his French opposite number calling for an end to the dispute and making the point about necessary compensation. I shall not hesitate to raise the matter elsewhere if necessary.

Mr. Blair: Given that the Prime Minister fought the last general election on the specific pledge that he would cut taxes every year, will he now at least apologise for the fact that, whatever the Chancellor does today, after 22 Conservative tax rises, the average British family will pay more in tax at the time of the next election than it did at the last, and that his promise was broken?

The Prime Minister: I think that the right hon. Gentleman is confused. As he will know, we now have the lowest basic rate of income tax for 50 years. Even before today's Budget, the average family will be £700 better off this year, after tax and inflation, than it was at the general election. If the right hon. Gentleman is concerned about transparency in tax matters and tax promises, perhaps he will publish his own tax plans, which his deputy leader said it would be stupid to do.

Mr. Blair: Perhaps, then, the Prime Minister would answer an even simpler question, as he could not answer that one: does he recall promising before the election that he would not raise national insurance contributions, and then raising them after the election? Does he recall that—yes or no?

The Prime Minister: The right hon. Gentleman knows the reductions that we have made in tax. Whatever he may seek to do, he cannot deny that taxes are lower today than they have been in the past, that they are lower than they would be under any Labour Government, and that, if he were to begin to meet the spending pledges that he made at his party conference and then sought to deny, taxation in the United Kingdom would rise and rise again were he ever to have any responsibility for the Exchequer.

Mr. Blair: If the right hon. Gentleman cannot answer the first two questions, perhaps he will answer this one: does he recall going into the last election saying that he would not put VAT on fuel and power and then doing just that? Will he answer—yes or no?

The Prime Minister: If the right hon. Gentleman wants to discuss value added tax, perhaps he will tell us why he can make promises on VAT, but he cannot tell us about the windfall tax, the tartan tax, the London tax, the teenage tax, his spending promises, his taxation promises or anything that is relevant to the management of the economy.

Mr. Cash: Does my right hon. Friend recollect that, in the most welcome statement yesterday, my right hon. and learned Friend the Chancellor of the Exchequer said in respect of one of the regulations that he would be most reluctant to contemplate using the veto? Bearing in mind that the Dublin summit will be a European Council meeting and not a meeting of the Council of Ministers and that the scrutiny reserved will be applied to the Economic and Finance Council meeting, does my right hon. Friend agree with my right hon. and learned Friend the Chancellor in his reluctance to veto one of those regulations?

The Prime Minister: Presumably my hon. Friend is referring to recital 13. If he would care to look at what was said yesterday, he will see that my right hon. and learned Friend made it clear that he would reiterate to the meeting of Finance Ministers that there was no legal basis on which countries not participating in the single currency could have sanctions imposed on them. In reply to my right hon. Friend the Member for Wokingham (Mr. Redwood), my right hon. and learned Friend made it clear that he would seek the best possible language to ensure that that understanding was copper-bottomed.

Q2. **Mr. Pearson:** To ask the Prime Minister if he will list his official engagements for Tuesday 26 November. [4340]

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. Pearson: Will the Prime Minister confirm that cutting VAT on domestic fuel and power will help every household in Dudley and nationally, while scrapping inheritance tax and capital gains tax will benefit, at most, 3 per cent. of the population? Why does the Prime Minister persist in supporting policies that favour the few instead of the many?

The Prime Minister: The policies that we have followed have produced the best economic circumstances for generations, and that will help the many and encourage domestic investment, inward investment, job creation and growth—all of which are happening in Britain in a way that the hon. Gentleman cannot demonstrate as happening in any other European country.

Q3. **Mr. Colvin:** To ask the Prime Minister if he will list his official engagements for Tuesday 26 November. [4341]

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mr. Colvin: Has my right hon. Friend seen the report by the International Labour Organisation that was published today? It shows that, in every other country, unemployment is rising, while in Britain, exceptionally, it is falling? Is that not further evidence of the merits of the Government's economic policy that has made Britain such a success? Was not Baroness Thatcher quite right last week when she said in a speech, "Don't let Labour ruin it"?

The Prime Minister: When the news is improving, unemployment is falling and the economy is growing, as it is at the moment, there is very little for the Opposition to say: they hate good news, because they know that it is extremely bad news for them. They did not help to bring about the strongest economy of any western European country, which is what we have; they did not help to get more people in work, which is what we have done through the labour reforms that we have

produced; they did not help to make this the No. 1 country for inward investment anywhere in western Europe; and they did not help to create the lowest basic rate of tax for 50 years. My hon. Friend is right, as was my right hon. and noble Friend last week—Labour is still not fit to govern and I doubt that it will be in a position to do so.

Q4. **Mr. Heppell:** To ask the Prime Minister if he will list his official engagements for Tuesday 26 November. [4342]

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Heppell: In view of the Prime Minister's completely unsatisfactory response to my right hon. Friend the Leader of the Opposition, may I ask him again why he promised tax cuts before the last election and subsequently broke that promise?

The Prime Minister: The hon. Gentleman may recall the urgings of his Front Benchers and our determination to protect people during the recession. I make no apology for the fact that we sought to protect people during the recession; I make no apology for the fact that, by doing so, we have delivered the best economic circumstances that he can ever remember. If he wants transparency in tax matters, I challenge him to publish his own party's tax plans, about which the right hon. Member for Kingston upon Hull, East (Mr. Prescott) said it would be stupid to let the public hear.

Mr. Couchman: Further to the question of my hon. Friend the Member for North–West Surrey (Sir M. Grylls) about the lorry drivers' strike in France, has my right hon. Friend contacted the European Traffic Commissioner? If so, did he find him conscious of the plight of British drivers, or was the European Commissioner too busy studying leaked documents from the Treasury?

The Prime Minister: I have not contacted the European Commissioner, but I understand that he has made representations to the French expressing concern about the drivers' welfare.

Jobseeker's Allowance

Q5. **Mr. Corbyn:** To ask the Prime Minister what plans he has to visit a jobcentre to discuss the operation of the jobseeker's allowance. [4343]

The Prime Minister: I have no immediate plans to do so.

Mr. Corbyn: The Prime Minister should be ashamed of himself for not being prepared to go along to a jobcentre to discuss the introduction of the jobseeker's allowance, which is having a very serious effect on many people, especially because of the parallel introduction of incapacity benefit; many disabled people who have to face an all work test will lose their benefits altogether and will have to try to get unemployment benefit through the jobseeker's allowance. When the Prime Minister visits a jobcentre, will he consider that point and what he intends to do for the 220,000 disabled people who next year will apply under the jobseeker's allowance for unemployment benefit, but will probably lose it and end up destitute as a result?

The Prime Minister: The hon. Gentleman is talking nonsense, and I think that he knows he is doing so. The purpose of the jobseeker's allowance, as he should know, is to help people to plan the most effective route back into work. It creates a better framework of advice and support for the jobseeker and ensures that claimants better understand that benefit is dependent on the activities that they undertake to look for work. I believe that that principle is well understood and well supported across the country.

The jobseeker's allowance is also, of course, underpinned by the jobseeker's agreement, which sets out what each jobseeker agrees to do to find work. That is infinitely preferable to the old system of unemployment benefit and income support, which was confusing and in many ways unfair.

Engagements

Q6. **Mr. Patrick Thompson:** To ask the Prime Minister if he will list his official engagements for Tuesday 26 November. [4344]

The Prime Minister: I refer my hon. Friend to the reply I gave some moments ago.

Mr. Thompson: Is my right hon. Friend aware of the exhibition to be held in the Upper Waiting Hall in the House of Commons next week to highlight the tremendous achievements of our engineering and manufacturing industry in this country? Does he agree that engineering offers attractive career prospects for our young people and will he pay tribute to those who are working to promote the achievements of the engineering industry through the Year of Engineering Success campaign next year?

The Prime Minister: I am grateful to hear about the exhibition that my hon. Friend mentions. I certainly agree with his sentiments; they were a key aspect of the competitiveness White Paper a short while ago and the reason we launched the action for engineering programme, to increase engineering's contribution to the national economy. There are now about 150,000 more people employed in manufacturing than three years ago. That reverses a long-term trend and is very welcome. In addition, some 40,000 to 50,000 people are on modern apprenticeship schemes. I agree entirely that engineering is an important part of the British economy.

Q7. **Rev. Martin Smyth:** To ask the Prime Minister if he will list his official engagements for Tuesday 26 November. [4345]

The Prime Minister: I refer the hon. Gentleman to the reply I gave some moments ago.

Rev. Martin Smyth: Has the Prime Minister noticed the change in emphasis between the hard man and soft man of IRA-Sinn Fein? Martin McGuinness is now promising to move heaven and earth—I know that he has tried to move earth in the past, but I do not believe that he has any influence in heaven—and Mitchell McLaughlin is now threatening lethal consequences, if the Prime Minister does not come up with terms. Will the Prime Minister speak on behalf of the nation and say that we are not prepared to bow to the threats of terrorists?

The Prime Minister: As the hon. Gentleman knows and as the House wholly accepts, IRA terrorism is utterly unacceptable for any purpose, at any time, in any place. It is also completely counter-productive if there is any suggestion that terrorism will bring Sinn Fein to the negotiating table. It emphatically will not bring it to the negotiating table. If I may quote what the Taoiseach said recently—with which I entirely agree—

"If Republicans are committed to peace, as they say they are, let them call a ceasefire now and make it a credible one".

WAYS AND MEANS

Budget Statement

Mr. Deputy Speaker (Mr. Michael Morris): Before I call the Chancellor of the Exchequer, it may be for the convenience of hon. Members if I remind them that, at the end of the Chancellor's speech, copies of the Budget resolution will be available to hon. Members in the Vote Office.

INTRODUCTION

3.31 pm

The Chancellor of the Exchequer (Mr. Kenneth Clarke): Contrary to popular belief, I always look at the mirror in the morning. I am reasonably well prepared for this occasion and I am about to deliver the real Budget statement. I think this is positively my last appearance in the House in a speaking capacity this week, or so at the moment I expect it to be.

The British economy is today prosperous and successful. This Budget is going to make it even more prosperous and an even bigger success over the coming years.

When I presented my first Budget in 1993, it was against a very different economic background from today. Although the recovery had begun then, consumer confidence had not yet returned. Growth was not yet firmly established. Further firm action was needed on the public finances, and our critics, in 1993, were peddling doom and gloom about the British economy. The recovery is now in its fifth year. Consumer confidence has returned and we are achieving something unprecedented for a generation in this country—growth with low inflation and without a widening trade gap. But one thing has not changed in 1996—our critics are still peddling doom and gloom. With all their predictions of impending disaster, it is obvious that there is probably more than one Cassandra lurking in the Labour party.

In my first two Budgets I curbed the growth of public spending and took firm decisions on tax, which have brought borrowing down by almost a half since 1993. Last year, in my third Budget, I was able to return to cutting tax while spending more on the public services which the people I know care about most—health, schools and the police—and keeping borrowing on a firm downward path.

This year, I am presenting a Budget which builds on the last three. This Budget reduces public spending plans further, while providing more money for priority services. It makes responsible progress on our tax-cutting agenda, while getting borrowing down faster. This is not a reckless Budget on either tax or spending. In the run-up to Christmas I am not going to play Santa Claus, but this year I do not have to play Scrooge either.

I have one overriding aim, which is the lasting health of the British economy. [HON. MEMBERS: "And winning the election."] The lasting health of the British economy might win elections, that is true, but my first aim is the lasting health of the British economy. We are securing that by creating the best conditions for British businesses and British men and women to earn a living. All my Budgets and all my policies have been designed to set this country on course to be the strongest industrial economy in western Europe in years to come.

ECONOMY

The British economy is in its fifth successive year of steady, healthy economic growth, with falling unemployment and low inflation. These are the best circumstances we have faced for a generation and that is the only sensible background to debate in this House. It is a Rolls-Royce recovery and it is built to last.

The International Monetary Fund and the Organisation for Economic Co-operation and Development confidently expect the United Kingdom to be the fastest growing major European economy again next year. By next year we will have grown faster than either France or Germany for five years in succession for the first time in half a century.

This time—unlike so many previous recoveries that many of us remember—healthy growth has been accompanied by the best inflation performance for nearly 50 years and restrained growth of earnings has been good news for jobs. The British labour market has become our flexible friend. Employment began to rise sooner and unemployment began to fall sooner than in the previous recovery. Growth creates jobs quicker, as long as we retain a flexible labour market.

The OECD has praised us for having one of the least regulated labour markets in the industrialised world. High social overheads, minimum wages and unnecessary legislation do not protect workers—they cost jobs. Unemployment is still rising in France and unemployment is still rising in Germany. It has fallen sharply here, to its lowest level for over five and a half years.

In the bad old days, recoveries were derailed by balance of payments crises. In this recovery, the current account has actually improved, despite the slowdown in our main European markets. In fact we now have a current account broadly in balance, which is our best overall trading performance for nearly 10 years.

ECONOMIC POLICY

Mr. Deputy Speaker, I want to ask the British people this question: in the years ahead do we seriously want to be prosperous in this country? I think that we do. That is why I am setting out an economic policy aimed at the next five years, not just the next five months. I am setting out an economic policy that will go on delivering our enviable combination of rising prosperity, low inflation and more jobs. That is my purpose in this Budget. This Budget secures a prosperous future for all sections of our people and their families.

The last thing that the British economy needs now is a change of direction. We need at least another five years of this Government's continuous vigilance on inflation. We need more of this Government's determination to get government borrowing down. We need another five years of this Government's commitment to raise the wealth-creating potential of the British economy, by improving incentives, reducing the role of the state and creating a climate for enterprise.

[Mr. Kenneth Clarke]

Growth

Let me begin by turning to my forecast for growth. I expect the British economy to grow by 2½ per cent. this year and 3½ per cent. next year—and there are few serious commentators who would disagree with me. I hear mutterings from the shadow Chancellor; there are few serious commentators who would disagree with me.

By keeping a close eye on the prospects for inflation up to two years out, and by taking sensible early action if and when necessary, I intend to ensure that healthy growth continues without inflationary pressures emerging. That is what I have always promised—no return to boom and bust.

Consumer spending

I expect consumers' expenditure to continue to be the main engine of growth next year. The real value of take-home pay is growing strongly.

The housing market recovery is now firmly established. I hope that negative equity can soon be consigned to the economic history books.

People are feeling the improvement in their family finances. Consumer confidence is at its highest levels for more than eight years.

I expect consumer spending to grow by 3 per cent. in 1996 as a whole. But it has been strengthening through the year. So I expect stronger growth to continue, with consumers' expenditure rising by more than 4 per cent. next year.

Investment

But this recovery is not just about a more confident consumer. Businesses are optimistic too. The climate for business is excellent. Strong demand at home and a recovery in our key export markets present British industry and commerce with tremendous opportunities.

Interest rates and tax rates remain low, and profitability is high. The result has been business investment growth of 6 per cent. so far this year. I expect business investment to continue to grow strongly—by almost 10 per cent. next year.

These excellent conditions for business are not lost on overseas companies looking to invest for the future inside the European market. Let us never forget the most valuable practical endorsement that we get for our sound economic policies.

The United Kingdom remains the No. 1 destination for inward investment into the European Union. Keeping our enterprise economy on course at the heart of Europe will keep us in pole position.

Exports

Exports have grown by almost 20 per cent. over the past two years—an impressive performance in the face of weak demand in our key European markets. The achievement is down to our strong cost-conscious British exporters. They will benefit further next year as the tentative recovery on the continent becomes more established. I expect export volumes to rise by more than 7 per cent. this year and by 6 per cent. next year.

The current account has been close to balance during the last two and a half years, thanks to strong growth in exports and income from our investments overseas. I expect the current account to remain broadly in balance this year and next.

Jobs

As I said earlier, I am glad to say that our thriving economy is creating jobs. Employment in the United Kingdom has risen by more than ¾ million real jobs since the recovery began. Unemployment has fallen by almost a million from its peak. It will soon drop through the 2 million mark. But that is still too high. I want it to go on falling and I expect it to go on falling.

I hope that during the debate the shadow Chancellor will say that he forecasts that unemployment will now rise, month after month. That seemed to help our performance in the labour market the last time he said it.

Inflation

We are on course to get underlying inflation down to our target of 2½ per cent. or less, and to keep it there. In October underlying inflation rose to just over 3 per cent. This should not have surprised anybody who looked at last year's statistics. It is a temporary and inevitable reflection of the exceptional falls in the price level 12 months before.

Let me give the House my concrete reasons for being so confident about low inflation. Apart from oil prices, which have risen sharply, commodity prices are steady and are not putting upward pressure on inflation. Earnings growth remains sensible and modest. Producer price inflation—a good indicator of what is in the pipeline for retail price inflation—is at it lowest levels in this country since the 1960s. Producer input prices are actually lower than they were a year ago.

Any risk to this recovery from inflationary pressures re-emerging remains a good way off. But as I have demonstrated again and again, when I see any risks, I will act. I will continue to stay ahead of the game on monetary policy. Eddie will keep me steady and I intend to continue to be canny.

I expect underlying inflation to meet our target of 2½ per cent. or less. I will ensure that we go on meeting that target for the foreseeable future.

PSBR

We have made good progress in reducing public sector borrowing, but it has not been as fast as I expected. The Budget therefore targets public sector borrowing again. The general public may ask why I concentrate on public sector borrowing in the way that I do. *[Interruption.]* It is suggested that I do so because I am a Tory. That is a good reason for concentrating on public sector borrowing as I do.

One reason why I continue to concentrate so heavily on public borrowing in setting policy is that money spent paying the interest on our debt is, in my opinion, money that I would prefer to spend on public services and the reduction of taxation.

We are making good progress on bringing down borrowing, but lower than expected tax revenues mean that it has not fallen as fast as I expected in the last Budget. This is not bad news for everyone. People are no doubt quite glad not to be paying as much tax as I expected. But as I am the Chancellor, I strongly prefer to keep any tax cuts under my own control.

The causes of these shortfalls in our forecasts of tax revenue—primarily on VAT, but also on direct taxes—cannot wholly be explained by any experts inside or

outside the Revenue Departments. But there does seem to be an increasing tendency to exploit loopholes and use special reliefs in an artificial way to reduce tax bills. Those sort of tax cuts are unacceptable. On that, I seem to have agreement. If they are not tackled every year in the Budget, they mean that a few people pay less tax, but the rest must pay more.

In this Budget I will propose a number of measures to stem tax leakage, to protect the ordinary tax payer and to make sure we get the right tax from the right people. When I reduce tax, I want to do so in a way that is fair for all businesses and fair for all hard-working British men and women.

Government borrowing has been steadily coming down for three years. This Budget will ensure that Government borrowing keeps coming down. I expect the public sector borrowing requirement to be £26½ billion this year. That will mean it has halved as a share of GDP over the past three years. I expect it to come down to £19 billion next year and to be broadly in balance by 1999-2000.

That pattern of declining borrowing is very much better than the one I had to put in my summer economic forecast last July. Since I produced the summer forecast, which was debated in the House last summer, I have reduced my expectations for next year by £4 billion.

A large part of that improvement is the result of the measures that I am taking in this Budget. This Budget tightens fiscal policy. The reason why I am tightening fiscal policy now is to reduce the risk of having to tighten monetary policy excessively as I set policy to hit my inflation target.

My decisions are always taken solely in British interests to benefit the British economy. But my decisions in this Budget also mean that, by happy coincidence, we will meet the Maastricht debt and deficit criteria in 1997, and we will do even better than that in the medium term. *[Interruption.]* I do not need any assistance from nationalists. It is a happy coincidence for everyone because those criteria make sound economic sense, as we all agree, with or without a single currency.

Our option whether to join or stay out of a single currency, based on British national interest, remains a genuine choice. We will qualify, but we will choose in the next Parliament when the time comes.

This Government is the champion of sound public finances, of limited government and of low taxation. Our combination of low taxation, low public spending and low debt is the best in Europe. We intend to stay in that enviable position. We can do that only if we continue to bear down on public spending.

Public Spending

In the 1980s, across the rest of Europe, the modern state remorselessly took an ever greater share of almost every nation's wealth. We in Britain held the line. The proportion of GDP going into Government spending in the United Kingdom is now 8 per cent. lower than the average in the rest of the European Union. If our spending had risen to continental levels we would now have to raise nearly £2,300 a year more in tax from every British household.

I have set a target of 40 per cent. or below for the share of national income that goes on public spending. Making progress towards that desirable target means tough decisions on public spending every year, but this year we have had to cope with the costs of BSE, and with larger than expected increases in the costs of social security, as more and more elderly and disabled people receive benefits to which they are entitled.

Against that background, we had to keep the rest of public spending within the tightest possible limits, in order for us to spend more on the public services that people really care about: education, combating crime and our national health service. This country has been well served by my right hon. Friend the Chief Secretary who has successfully tackled that problem. Despite all the difficulties, we have been able to reduce public spending plans over the next three years by a further £7 billion in this Budget. Public spending next year will be more than £24 billion lower than was projected when I became Chancellor—a reduction of 7 per cent.

We have been able to reduce spending plans because we have lower inflation, falling unemployment, a continuing campaign for efficiency in the public sector, sensible policy priorities and a Government capable of taking decisions about those priorities. On top of that, the Government's relentless drive against fraud and the abuse of tax and benefits will be stepped up another gear.

Next year, we will meet our target of 40 per cent. for the share of national income that goes on public spending. In last year's Budget I said that I would make 40 per cent. in 1997-98. This year's Budget secures that important goal. So long as we keep—as the next Conservative Government will keep—the growth in public spending down below the growth in the economy, we will go below that.

Education

Education is the key to the future of any prosperous and civilised society. It helps to determine how well the economy performs in the long run. It also helps to determine the sort of citizens that we have and the sort of society that we have. The Government are committed to raising standards in education.

As a result of last year's Budget, £878 million extra was provided for schools this year. We are giving schools priority again in this Budget. Planned expenditure on schools will rise by another £830 million next year. A large proportion of that money—£633 million, an increase of 3.6 per cent.—will be channelled through the local authorities. I see the hon. Member for Sheffield, Brightside (Mr. Blunkett) shaking his head. Perhaps the money did not reach his schools; I am not as familiar with Sheffield as he is.

Judging by last year's experience, some local authorities are reluctant to pass on the increases in their standard spending assessment to their schools, preferring to spend the money on other areas. It is no good local authorities campaigning for more spending on education in the autumn and then spending their money on other things in the spring. Parents will want to make sure that their local authorities spend money on the things that they want for their children: good teachers and better equipped schools. I hope that the hon. Member for Brightside makes the same efforts to ensure that Sheffield passes the money on, if it did not last year.

A good school has a value far beyond its buildings; but the quality of school buildings in which our children are taught is still very important. We have a long way to go

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in the post-war era to get up to the standards that we require. We will be providing an extra £50 million on top of the previously planned provision for more capital investment to improve the fabric of our schools.

By setting high standards for schools and increasing choice for parents, this Government are delivering better trained and better qualified young people. Almost one in three young people now goes on to university, compared with one in eight in 1979. And our universities and colleges maintain some of the highest standards in the world despite the pressure on their unit costs that this unprecedented explosion of opportunity for young people has produced.

But I recognise this pressure—I have heard about these pressures—and I also realise that our universities and colleges make an important contribution to the economy.

My Budget therefore includes £280 million to boost further and higher education over the next two years. This includes an extra £20 million next year for science equipment. We want to ensure that the British science research base remains the best in the world, which it certainly is at the moment.

As my right hon. Friend the Secretary of State for Education and Employment announced in September, the Government are planning a substantial sale of student loans debt. It makes no sense for the Government to keep a huge portfolio of loans on their books when the private sector could manage it more effectively and is better placed to cope with the risk. I emphasise that the sale will have no effect on the terms on which students can get loans.

The substantial reduction in the figures for education that Members will find published in the new spending plans is more than accounted for by the sale of this debt. As I have just described, we will actually spend more on the things that really matter—educating our children and young people.

Combating Crime

This Government believe that effective law and order are an essential part of making Britain a nation at ease with itself. A good quality police service and an effective system of criminal justice are very high on the list of this Government's priorities.

When it comes to spending on law and order this Government have a record as long as your arm. *[Interruption.]* Spending more money on a much better police service and a much better criminal justice system—I plead guilty as charged, if that is indeed the charge against the Government. Spending on law and order has already doubled in real terms since 1979.

Provision for combating crime—police and prisons—will now rise by another £450 million next year. Our plans provide for 2,000 more police constables by the end of next year. We are well on course to meet the Prime Minister's pledge for 5,000 more constables.

Health

Our British national health service, with treatment free at the point of delivery, is the envy of the world. It is the best system of health care that I have ever encountered. In every modern civilised society the demand for better health care, for new techniques to save lives and improve our quality of life grows constantly and remorselessly. This Government completely understand that. That is why we have increased spending by some 75 per cent. in real terms since 1979.

That is why the Prime Minister has pledged on our behalf more resources for the national health service in real terms every year, throughout the next Parliament—a pledge which, to my continual mystification, the right hon. Member for Sedgefield (Mr. Blair) has not yet brought himself to match.

We are also spending that money better. We have reformed the NHS so it is much better managed and much more efficient. It is no good opposing these improvements, because when waste is reduced, more can be directed to higher quality patient care. This means that patients get more treatment and care out of every extra pound that we spend.

For next year, we will increase current spending on patient services in the NHS by £1.6 billion, or 2.9 per cent. in real terms. The real increase in current spending for hospitals next year over and above inflation will be 3 per cent.

On top of this, private finance initiative investment will play an increasingly important role in providing new health care facilities. The PFI contract for the Norfolk and Norwich hospital scheme, worth close to £200 million, was signed yesterday, and others will follow. [Hon. Members: "Oh."] I am grateful to my right hon. Friend the Secretary of State for Health for not signing it tomorrow, but I do not think that he had the Budget in mind. There are many in the pipeline—[Hon. Members: "Oh."] He had the people of Norfolk and Norwich in mind and the efficacy and investment in our national health service. PFI investment in the NHS will reach some £900 million over the next three years on top of the increased public spending I am announcing. I think that the Labour party has at last belatedly become converted to that source of investment in our great national health service.

The NHS will continue to grow and continue to improve. We are totally committed to the national health service as a public service providing high quality up-to-date treatment, free at the point of delivery.

By our decisions on public spending, we prove that the NHS remains at the top of the Government's priorities. The NHS has been safe in our hands, it is safe in our hands and it will always be safe in our hands.

OTHER PROGRAMMES

This year's spending round was as tight as any that I can remember—I keep describing it as eye-wateringly tight—but we never lost sight of our objective, which is to sustain and improve the key public services that the British public care about: education, combating crime and our national health service. In part we have achieved that by increasing efficiency within the priority services, but inevitably we have also had to find savings in other programmes. [Hon. Members: "Whisky."] You will find out in a minute.

Falling unemployment and lower inflation has helped to reduce the social security and employment programmes. We are also continuing to transfer activities to the private sector where this is more efficient as it is for student loans. We have refocused the housing

programme to encourage the use of private finance and the transfer of the local authority housing stock to the private sector. We are stepping up our programmes against fraud. We are continuing our remorseless squeeze on the costs of bureaucracy itself. And we have looked in every department for ways of achieving our objectives more economically. With efficiency savings, most departments will be able to deliver their programmes next year, but with less public money in real terms.

Private Finance Initiative

People pay their taxes in order to get good quality public services, not to accumulate state-owned buildings. This simple truth has led to the development of the private finance initiative.

The PFI helps to square the circle of sound public finances and growing demand for better and more modern public services by tapping the expertise and the resources of the private sector.

A year ago we had agreed £1.5 billion worth of deals—now we have agreed £7 billion, and we are on course to double that by March 1999. Time and again the taxpayer is getting better value for money, through new road schemes, new prison services, and information technology projects. And reforms to local government rules are bringing the PFI into new areas, notably schools.

London is currently experiencing a transport investment boom under the PFI: the channel tunnel rail link, Thameslink 2000, the docklands light railway extension, and the A40 and A13 improvements. This is in addition to conventional public and private capital spending on the Jubilee line extension, the Heathrow express and the new A12-M11 Hackney link. Investment in London Transport is now running at 50 per cent. in real terms above the average for the 1980s. London will soon become one of the biggest construction sites in the country. As a defiantly provincial Nottingham man, I can only say that I hope that London will be even nicer when it is finished.

Adding traditional capital spending to PFI investment, publicly sponsored capital spending in the United Kingdom in the next three years will be substantially higher in real terms than it was in the 1980s.

Social Security

One third of all public spending goes on social security. Our social security system is there to provide an income when people cannot earn because of sickness, disability, unemployment, caring for relatives or old age. People on the left and the right of politics continue to search for a radically different and better way of meeting those needs in our wealthy nation. I have studied many of their proposals closely and so far, I am afraid, nobody has yet come up with anything remotely sensible or practicable.

Until people come up with a radical alternative, if they ever do, our welfare safety net must remain affordable. We must not allow the welfare state to damage the incentives of individuals or businesses in the private sector, because it is the wealth-creating enterprise economy that sustains our entire social security system.

In the post-war period social security has grown in real terms by around 5 per cent. each year. In recent Budgets we have taken action to bring that growth under control. We now expect future growth of 1½ per cent. a year—well below the growth of the economy.

Year after year, this Government have also vigorously attacked fraud and reformed benefits to target them on those in genuine need. The measures that I now propose in this Budget intensify those efforts yet again.

We plan a further move to align the benefits paid to lone parents and couples with children, because both care for children. From April 1998, new awards of family premium and child benefit will be the same in value for lone parents as for couples. We are introducing a number of measures on housing benefit and council tax benefit to ensure that those on benefits do not have a more comfortable life style than some of those who are supporting themselves on modest incomes. The contrary would be unfair and unwise. Full details will be made available later today by my right hon. Friend the Secretary of State for Social Security who, with your permission, Mr. Deputy Speaker, will speak later in the Budget debate.

In my Budget two years ago, I announced a whole package of measures to help the unemployed get back to work—from improvements to the family credit system to national insurance holidays for employers taking on long-term unemployed people. Those are contributing to the steadily improving jobs position.

In this Budget I am providing another £100 million worth of new money for new measures mainly targeted on people who have been unemployed for two years or more. First, they will be required to attend a compulsory programme of interviews with the Employment Service to give them a helping hand to compete in our ever improving market for jobs.

We are expanding Project Work pilots to a further 28 areas. That will create up to 100,000 new opportunities, on a programme with a good track record for getting long-term unemployed people back to work. The pilots have been successful.

I can also announce pilots for a new scheme called Contract for Work. Private contractors will help people to find work. Those firms will be paid by results. As with Project Work, if the scheme works better than the existing approach, we will expand it. We have drawn on some American experience. We will adapt it to Britain and, if it works, we will widen its application. We must tackle the problem.

Dependency on welfare impoverishes us all. The welfare system should provide a safety net. It must provide the support that a caring society wants to give to our less fortunate fellow citizens. But the welfare system must never be allowed to become a way of life. We do not want our social security system to be undermined by resentment.

We have to take these careful measures. We must move people from dependency to responsibility for themselves and their families, because we are serious about protecting those in genuine need and we want to go on delivering that protection for the future.

Spend to Save

We want to combine a strong, affordable welfare system with a successful low-tax economy. That means that when we spend money on social security, it must go only to those who need it. It also means that when we levy taxes, we must make sure that they are paid and not evaded by those who ought to pay them.

As part of our continuing fight against tax and benefit fraud and tax loopholes, I am introducing a package of measures called "spend to save". That involves the

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planned spending of money, carefully targeted to save much more money for the general public, and to raise revenue. There will be more money next year to clamp down on benefit fraud. There will be more visits and checks on benefit claimants in high-risk groups, and the information that we already have on benefit claimants will be used more effectively to catch cheats.

Inland Revenue tax experts will be redeployed to investigate even more rigorously how some big, sophisticated companies seem to pay so little tax. They will make sure that companies are paying what they owe, and what we intended they should owe. In short, we intend to do more about companies being "economical with their tax".

There will be more resources in the Revenue and Customs to stem the growth of the shadow economy. Tax cheats put law-abiding small entrepreneurs out of business, and we all lose from that. There will be more Customs and Excise officers to tackle value added tax and other tax abuse, including yet more to target the smuggling of alcohol and tobacco.

The "spend to save" package will cost £800 million over the next three years to secure, in a well-planned and measured way, revenue and expenditure savings of well over eight times that amount—£6.7 billion. These measures are additional to the effective steps that we have taken previously.

Running Costs

"Spend to save" protects the ordinary taxpayer and the people in genuine need of benefits. It is certainly not about more bureaucracy or more red tape.

We remain a Government committed to deregulation, and we are committed to a more efficient civil service. We have cut overall central Government Departments' running costs by 8 per cent. in real terms since the start of this Parliament and we are going to reduce them by a further 7 per cent. by the end of the decade. Civil service numbers are already below half a million, and we expect this fall to continue.

TAXATION

The first duty of Government is to make sure that people can live their lives as they want and that businesses can flourish. People must have the opportunity of a good quality job to go to, a good standard of living, good schools and hospitals, and safe streets to live in. It is only when those essentials are secure and only when the Government have made sure that they are not borrowing more than they should, that a responsible Government can start to think about tax cuts.

Last year I cut taxes paid by the ordinary family and this year I am able to cut a little more. I think that the message I have repeated over recent months has now been understood. If there are to be tax cuts, in my opinion they must be for keeps. That means that they must be backed not only by sound spending decisions but by a sound fiscal judgment.

Consumer spending is strong and inflation remains in check. But a fiscal stimulus to the economy at this stage could be just as damaging as letting go of monetary policy. So, in setting my Budget, I have struck a careful balance.

I want to cut taxes, but first I have to continue my drive to secure the tax yield. I want to make sure that the tax due is turned into tax paid. The balance of the tax burden must be distributed sensibly and fairly and it must not distort decisions or competition.

I am introducing a number of measures which will help us to achieve this. I am plugging some loopholes to raise revenue, I am ending some tax reliefs that have done their job to raise revenue and I am adjusting some indirect tax rates.

Securing the Tax Base

Even though VAT revenues have revived in recent months, they are still coming in significantly below what was expected last year. This Budget includes a crackdown on some of the rather ingenious wheezes that have sprung up to get around paying VAT. The measures I am announcing will raise £$\frac{3}{4}$ billion in revenue next year, but they also protect a further £1$\frac{1}{2}$ billion a year of existing revenue from further attack from ingenious accountants, acting lawfully and acting to take our revenue.

Customs will restrict access to special VAT schemes for retailers. We will also tighten up the rules of VAT relief schemes for bad debts and the option to tax commercial property to prevent widespread abuse of these reliefs. I also propose to take steps against retailers who reduce their VAT bills when selling insurance with their products.

We have already announced a three-year limit on repayments of VAT claims. This was a sensible precautionary measure in the national interest—not just that of the Exchequer. Recent high-profile court cases have revealed the potential exposure of the Exchequer to enormous claims for tax going back to when VAT was first introduced. No responsible Government could leave the Exchequer and, ultimately, all taxpayers exposed in that way. Government needs to strike a balance between what is fair to the individual taxpayer, and what is fair to the whole body of other taxpayers. The three-year cap that I have announced strikes that balance.

But one feature that attracted particular criticism from not only accountants and their clients but others was that Customs and Excise retains the right to claim underpaid tax going back six years. That argument was rather disingenuous, because Customs and Excise does not claim underpaid tax on unexpected changes to the interpretation of the law when they go against taxpayers. However, Government must not only be fair—it must be seen to be fair. I have, therefore, decided that Customs' right to claim underpaid tax, in cases where no fraud or malpractice is involved, should be restricted to three years as well.

I will be releasing today details of a package of measures to stamp out tax abuse in a number of areas, including leasing transactions, the abuse of foreign tax credit rules and paying employees in their own company's shares. I am sure that they will be accepted by the House and others as necessary and sensible measures to stem the growing loss of tax revenues, and thereby to protect the ordinary tax payer. I will not tolerate tax abuse. A number of those measures are being introduced—subject to the Finance Bill becoming law—with effect from today.

Special tax reliefs can be a powerful tool. They can play an important pump-priming role, and encourage companies and individuals to change their behaviour in a

way that benefits the wider economy. But by their very nature, they need to be used very selectively. We owe it to the ordinary taxpayer to keep each and every special tax relief under constant review to determine whether it is still justified, or whether it has now served its useful purpose.

Profit-related Pay

The tax relief that the Government introduced in 1987 to promote profit-related pay schemes has been a success. It has played a key role in reinforcing the Government's strong beliefs that employees' rewards should depend on the success of the business for which they work.

I have always believed, and have argued publicly for many years, that in a modern enterprise economy people's pay should be closely linked to the performance of the business for which they work. The best way for businesses to motivate their staff is to let them share in the rewards of success. I am delighted that tax reliefs have helped to get that idea accepted so widely.

Tax relief on profit-related pay was always intended to be a pump-priming measure, and it was introduced in very different circumstances. In the 1986 Green Paper, Nigel Lawson said:

> "There is considerable inertia to overcome, so it might make sense to offer some temporary measure of tax relief."

Profit-related pay is now firmly established as part of British businesses' pay policy. It is one of the reasons for our success. More than 3.7 million people are in schemes. Ten years on, the temporary tax incentive has successfully served its pump-priming purpose.

I can no longer justify the ever increasing cost of the tax relief to the 22 million taxpayers who are not in profit-related pay schemes. We cannot permanently divide the work force into groups of people who pay different levels of tax on the same earnings depending on whether the firm that they work for is in a scheme or not. The aim of the relief—a widespread use of PRP—has been achieved, and I would rather make faster progress on lower taxes for everybody. We have changed the culture.

Good managers in today's enterprise economy no longer need a tax relief to know that pay should be linked to their firm's performance. Pay linked to profits produces it own rewards on the bottom line in a thriving economy.

I shall describe to the House how the Government will start to withdraw this special tax relief. I intend to do that gradually, so I must ensure that businesses which need to adjust their pay packages and their sharing of the rewards of success have ample time to make those adjustments.

The upper limit of pay attracting the relief will remain unchanged at its present £4,000 until 1998, which means that no one will be affected before then. [Hon. Members: "In time for a general election."] But during the lifetime of a Conservative Government. It will then be progressively reduced until the year 2000, when the relief will be withdrawn altogether.

Capital Allowances for Long Life Assets

Investment is vital to our recovery, and business investment is now growing strongly. The tax system recognises investment through capital allowances. These allow the cost of investment to be written off against tax bills, frequently faster than it is written off in commercial accounts. But within that system, for plant and machinery with a long lifespan, the rate at which costs can be written off for tax is far more generous than for other types of investment, and bears no relation to the useful economic life of the asset. This is an unjustifiable distortion in the tax system in favour of particular types of business and investment.

I propose changing the capital allowance for plant and machinery with a life of more than 25 years to 6 per cent. on a reducing balance basis. That will spread the tax relief more evenly over the average life of these assets. Groups spending less than £100,000 a year on such assets will be exempt. This will mean that the vast majority of small companies will not be affected. Ships and railways will also be exempt.

Oil Production

I also propose to withdraw the 100 per cent. corporation tax deduction for the intangible costs of drilling most production oil wells.

OTHER TAX CHANGES

The Government recognise that low marginal tax rates on income are a spur to hard work and enterprise. Taxes on spending do less damage to effort and enterprise than taxes on income, but the balance of the taxes that we do impose on spending must be right, and I am making some changes to taxes which help to move towards a better balance for the tax system as a whole.

Insurance Premium Tax

I propose to increase insurance premium tax, which applies to most general insurance, to 4 per cent. Three quarters of all insurance—including life insurance, and other long-term insurance—will remain exempt. Insurance remains undertaxed for consumers compared with other services in this country.

The introduction of the tax—I made it a very low rate—did not harm the healthy insurance industry that we have. Most companies absorbed the tax, and some premiums actually fell for a time. Even after this further modest change—which I think is lower than many people expected—the overall rate of insurance premium tax in the UK remains very low, lower than in almost any other European Union country.

Air Passenger Duty

Air travel has also been undertaxed, because it has proved difficult—still proves difficult—to get international agreement to tax its fuel. The rates of air passenger duty are to be increased. The £5 rate on flights to most European countries will be increased to £10, and the £10 rate on flights to the rest of the world will be increased to £20. Those increases will not come into effect until 1 November 1997. [*Laughter.*] I realise that we are all thinking of a forthcoming election, but the reason why the Opposition cannot produce a responsible economic policy is plainly that they are obsessive about it. The very good reason for delaying until November 1997 is to give tour operators who have already sold their packages time to reflect the new rates in the prices that they publish in their holiday brochures. I announce necessary things before an election. That is responsibility; that is what is totally lacking among Opposition Members, who seem to propose to announce nothing whatever of any substance, apart from a windfall tax, this side of the election.

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Business travel is soaring, and the holiday business is booming at the moment in prosperous Britain. This modest change will not stop it booming in future prosperous years. About 40 per cent. of the revenue raised by passenger tax is borne by overseas visitors.

Vehicle Excise Duties

I am making the same changes to the main vehicle excise duties this year as I did last year. The cost of a car tax disc will go up by £5, around the rate of inflation. The cost of a lorry tax disc will be frozen for the seventh year in succession.

Road fuel duties

I firmly believe that motorists should bear the full costs of driving—not only wear and tear and congestion on the roads, but the wider environmental costs. Even those of us who frequently have to drive—and, contrary to rumours that Ministers always travel in limousines, that includes most hon. Members—can take steps to cut fuel consumption and we all ought to consider carefully the use of our car.

I intend to stick to my 1993 Budget commitment to raise road fuel duties by an average of at least 5 per cent. each year in real terms. In line with this, I am raising the tax on all petrol and diesel by 3p per litre from 6 o'clock tonight. Those tax rises will encourage fuel efficiency and help to control harmful pollution.

Air quality package

I am glad to say that pollution from vehicles is already coming down, helped by tax measures in previous Budgets. The tax measures that we took to encourage unleaded petrol were a huge success. It now accounts for two thirds of the petrol market. I want to go further in this Budget for green purposes or, to put it more sensibly, to attack pollution in cities and to improve air quality by effective steps to reduce particulate emissions—the smoke produced by diesel engines.

In recent years, new evidence has come to light strengthening the health arguments for reducing particulates. This pollution is being reduced, but we all want to see it being reduced further and faster.

Ultra-low sulphur diesel is cleaner than ordinary diesel and it is slightly more expensive to produce, so I want to create the conditions where ultra-low sulphur diesel can cost the same at the pump as ordinary diesel. I have just said that I am increasing the tax on diesel by the same amount as petrol. I plan to reduce the duty on ultra-low sulphur diesel by 1p per litre relative to ordinary diesel, when I get the necessary international agreement.

I also want to encourage high-mileage vehicles in our towns and cities to switch to cleaner gas power. Last year's Budget changes broadly equalised the pump prices of liquid gas and petrol. From 6 o'clock tonight, I am reducing the duty on road fuel gases by a further 25 per cent.

I also intend to reduce vehicle excise duty by up to £500 for lorries meeting very stringent emissions standards from early 1998. That will give an incentive for lorry owners to fit particulate traps or to convert to gas power. We will be consulting on the practical details of those changes.

I believe that this air quality package will significantly speed up the reduction of urban emissions of particulates, helping us to meet our air quality targets for 2005 and beyond. We intend to ensure that the economic growth that we are achieving faster than others in this country is consistent with a healthy environment and with sustainable development as we become one of the most successful economies in the western world.

In my 1993 Budget, I gave a commitment to raise duty on tobacco by more than inflation each year. I believe and accept that that is a fair and effective way to hammer home the message that smoking can seriously damage one's health. So far as I am concerned, this announcement is necessary masochism in the wider public interest.

From 6 o'clock this evening, the tax on a packet of 20 cigarettes will increase by about 15p, on a packet of small cigars by about 7p and on a packet of pipe tobacco by about 8p, but I am limiting the increase in the duty on hand-rolling tobacco to the rate of inflation. Hand-rolling tobacco is proving to be by far the easiest tobacco product to smuggle, although it represents a very small part of the tobacco market.

Mr. Terry Lewis (Worsley): What time do the shops close?

Mr. Clarke: Not yet.

Alcohol

I am aware of the serious problem that cross-border shopping and smuggling of alcohol causes our drinks industry in Britain. I have already announced that customs is further stepping up its efforts to catch smugglers.

Last year, I was able to freeze the duty rate on beer and wine. This year, it will remain frozen. The proportion of tax on the price of a pint in the pub is now at its lowest level for 30 years. For some of us, that helps to keep our small cigars affordable—*[Laughter.]*

Last year's cut in the duty on spirits was the first cut that any Chancellor had made for 100 years, and I was tempted to maintain a striking rate of once every 100 years. But I am sure that the industry will be glad to know that it will not have to wait so long this time. From 6 pm tonight, the tax on whisky, gin and other spirits will fall by another 4 per cent., which is worth 26p. The reduction in the rate on spirits boosts an important industry in the United Kingdom, and it will also reinforce last year's signal to overseas authorities not to discriminate against our products. Only smugglers will regret that we are slowly moving our duty on spirits nearer to the continental level.

From 1 January, the tax on alcoholic soft drinks will be increased by over 40 per cent., which will put up the price by between 7p and 8p a bottle—for those who have not yet tried them. That increase will meet public concern about the attraction of the "alcopops" for under-age drinkers, but it will also attack a distortion of competition by bringing the tax broadly into line with that on beer. The House will notice that I have considered carefully the balance of my overall package on this matter, and I have not yet been converted to a bubble-gum flavoured "alcopop"—*[Laughter.]*

Business

Nothing matters more for business than a stable economic environment—low interest rates and low inflation—and businesses throughout Britain are benefiting from the healthy sustainable growth in the economy that I have described today.

As I promised in my last Budget, there will be, from April 1997, a cut in the main rate of employers' national insurance contributions, to 10 per cent. The cut will be paid for by the proceeds that we are receiving from the landfill tax. A tax on waste is cutting a tax on jobs, and it will benefit employers in Britain and make it even cheaper to create new jobs in our growing economy. Our overheads on jobs are already less than half those in Germany, France or Italy. I am determined that we must keep that advantage over our competitors on the continent, where the creation of new jobs, in the rest of the European Union, is overregulated and overpriced. That fact is another practical reason for being confident that our unemployment will keep falling.

In this Budget, I propose to keep the three intermediate thresholds for employers' national insurance contributions where they are now. I propose to increase—by £10 and £1, respectively—the upper and lower earnings thresholds for employers' and employees' national insurance contributions.

In this Budget, I also want to deal with a particular concern of our small businesses, upon which so much of our future economic prosperity depends. I think that small businesses are most concerned about the burden of non-domestic rates.

The uniform business rate is a fixed cost which can rise each year beyond the control of the manager of any business, and it hits the small business hard. Since the last revaluation of business rates, I have repeatedly slowed down the increase of rates for those businesses whose rates have had to go up. No business property has seen its rates go up by more than 7½ per cent. above inflation in any one year. But I want to do more than that; it is not good enough. I have decided to freeze next year's rates bill for all small businesses whose rates would have gone up. Small properties whose rates are falling will have those reductions accelerated, which will benefit over 1 million small business properties, by up to £130 a year.

I want to go further. A freeze is a significant step that I can make right away, this year. We have already reduced business rates for rural village shops. But I realise that the current system of business rates bears particularly hard on smaller businesses, for which it represents a much bigger proportion of total costs compared with their large competitors. We must therefore move on as soon as possible to make more changes in the system to recognise this and to redistribute the burden more sensibly between smaller and larger businesses. My Budget next year will be a convenient opportunity to proceed with that.

Inheritance tax

The Government are committed to reducing and then abolishing capital gains tax and inheritance tax. I repeat those commitments. But we have always said that we will cut these taxes only when we can afford to do so. This is a responsible Budget which is protecting future growth and prosperity by putting the public finances into a healthier state. We will not be able to make progress on both these taxes this year.

Mr. John Prescott (Kingston upon Hull, East): Next year.

Mr. Clarke: The right hon. Gentleman can come back next year and discover from the same seat that he is now occupying.

I am pleased to announce that we can take a further significant step towards abolishing inheritance tax. Inheritance tax is nowadays a penalty on thrift, independence and enterprise. It is a growing anachronism.

Lloyd George's maxim that the "the most convenient time to tax the rich is when they are dead" no longer holds. Inheritance tax today is largely paid by people of modest means who either cannot or simply do not make careful plans to avoid it. [Hon. Members: "Modest!"] Modest means in the opinion of all those outside the hard core of the labour movement, that is.

Last year I made significant progress towards our commitment. In this Budget I will build on that by raising the value of the inheritance tax threshold to £215,000.

Mr. Dennis Skinner (Bolsover): I read that this morning.

Mr. Clarke: The hon. Gentleman appears to know that from this morning. Is he also aware that the Government have raised that threshold by 40 per cent. in only two years?

Tax rewrite

In last year's Budget I announced a project to rewrite Inland Revenue tax legislation in plain English. That is a tall order. The project is as ambitious as translating the whole of "War and Peace" into lucid Swahili. In fact, it is more ambitious. I am told that "War and Peace" is only 1,500 pages long. Inland Revenue tax law is 6,000 pages long and was not written by a Tolstoy. We have consulted extensively on how the project should be carried out, and I am glad to say that there is wide consensus. The Inland Revenue will publish the plans and arrangements shortly after the Budget.

The aim is to prepare a series of rewrite Bills, the first of them to be ready for enactment in the 1997-98 Session. My noble and learned Friend Lord Howe has produced a thorough and helpful report on how Parliament might handle those Bills. We endorse his broad proposals, and invite the Procedure Committee to consider how the House is going to handle the Bills in a sensible fashion. I can announce that my noble and learned Friend Lord Howe has agreed to chair the steering committee that will oversee the rewrite project.

The project will bring the benefits of clarity and certainty to businesses and ordinary taxpayers. It has been widely welcomed and deserves the continuing support that it has enjoyed in all parts of the House.

Income Tax

The Government have led Britain towards our clear goal of a low-tax economy in which private enterprise has the incentive to generate jobs, investment and wealth to make people and their families more prosperous. We are

[Mr. Clarke]

moving towards a low-tax economy in which individual living standards continue to rise and the Government can afford the excellent public services that people want.

Low direct taxes are the most effective way to encourage enterprise and hard work—a message to which we have not converted Labour Members, but one that they no longer dare to deny. Under this Government, those who do an honest day's work and those who take entrepreneurial risk will keep more of what they earn and save by their own efforts.

This year, people have taken more heed of my speeches on the overriding priority of securing future prosperity and jobs and financing key public services. Sensible people already expected my cuts in direct taxation to be modest before they read the one leak and many guesses this morning. They know that their well-being depends on lasting growth and more jobs and that living standards rise from a combination of steadily rising incomes in a successful economy and steadily lowering taxes. Tax cuts matter a lot to low-paid people and to men and women in ordinary jobs.

I announced my income tax cuts last year as a return to our tax cutting agenda and, for the second year in succession, as a result of all the steps that I have announced, I can afford to deliver an instalment of that agenda. The choice is how best to do so. It is the old dilemma between thresholds and rates. Today it is between *The Guardian*, the *Daily Mirror*, *The Independent* or *The Sun*.

I want to ensure that tax does not start to be paid at too low a level of income and I want to improve work incentives. Therefore, I propose to raise the threshold below which no income tax is paid at all.

In this Budget, I am making an increase in the basic personal allowance of £280. That is 3½ times more than necessary to cover the rate of inflation. It will also ensure that each and every person who pays any income tax at all will get a direct benefit out of the Budget.

I am also increasing the married couple's and related allowances by £40, maintaining the extra tax allowance to all married couples. It will now be worth nearly £275 each year for married couples. The tax system does recognise marriage, contrary to popular belief.

We also give a special tax allowance to blind people. This year, I am increasing that by the rate of inflation. I am also moving to put indexation of that allowance on to the same statutory basis as for the other income tax allowances.I also propose to raise the threshold above which people start to pay the 40p higher rate tax by £600.

One of the Government's most important pledges is that we will move to a basic rate of income tax of 20p as soon as we can. We are proving that we can move towards the delivery of that promise and still maintain healthy public finances. Every step that we take makes that more credible and makes it more affordable to reach the ultimate goal to which we are getting tantalisingly near and which a Conservative Government will achieve. As a further step towards that, I propose to widen the lower rate band of 20p tax by £200—twice as much as is required to meet indexation.

That will mean that the slice of income on which a 20p tax rate is paid will have more than doubled during the lifetime of this Parliament. More than one in four of all taxpayers will now pay a marginal rate of tax at 20p in the pound.

They are wide thresholds, so were the newspapers wrong? Am I indeed going to cut a penny off the basic rate of income tax? What the newspapers did know was that my control of public spending and borrowing and the responsibility of my Budget means that I can raise thresholds, widen the 20p band and also responsibly afford to reduce income tax as well. If I had put it all on tax rates, I could have taken 2p off the basic rate of income tax, but I preferred instead to raise personal allowances and widen the 20p band for those at the bottom end of the scale. In addition, I am able to reduce the basic rate of income tax by one penny to 23p in the pound.

The small companies rate of corporation tax will be reduced to 23p in line with that, helping 400,000 companies. The main rate of corporation tax of 33p is already lower than in any other major industrialised country. I look forward to hearing what the Labour party says about the basic rate of income tax.

Seventeen years of steady progress—so far—means that the basic rate of income tax is now a full 10p lower than the rate that we inherited in 1979. The standard rate is now the lowest for nearly 60 years—since Stanley Baldwin was Prime Minister and Wally Hammond scored a double century at the Oval.

Another penny off the basic rate is a significant further step towards this Government's target of a 20p basic rate of tax. For more than 7 million people, our promise of a 20p basic rate is already a reality. I am bringing other income taxpayers ever closer to that reality. A basic rate of 20p is a realistic and attainable goal for the next Parliament. We shall not be content until we have completed the task of getting it down to 20p and every Budget that I have presented has shown step by step how we shall get there.

With increases in real earnings and all the tax changes in the Budget, a family on average earnings will be another £370 better off next year over and above inflation. We said it last time and it happened. The same family will have more than £1,100 more to spend each year after tax and inflation than they did before they voted Conservative at the last general election. In 1992, the background was one of a worldwide slowdown, but now we are enjoying strong growth and rising living standards, and we shall enjoy more of the same.

In November 1993, I promised that I would put Britain firmly on course for a sustained period of rising prosperity and falling unemployment, based on low inflation and healthy public finances. I have done what I clearly said I would have to do and I have delivered on those promises.

The Budget cuts public spending next year by £2 billion, and it generates an extra £½ billion in revenue through "spend to save". It contains a balanced tax package—it includes tax cuts of £2 billion while it secures the tax base by £1 billion. Taken together, the effect of the Budget is to tighten fiscal policy and so protect healthy lasting recovery—and still achieve our target of cutting the basic rate towards our 20p goal.

I am a man of the world: I realise that virtue does not always brings its own rewards. I am probably not a particularly virtuous Chancellor, but this virtuous Budget

will bring rich rewards—the rewards of economic success to the hard-working men and women who are now in the best economic circumstances for years. It will also bring rewards to the Government. We should never forget that good economics is good politics.

This is not a Budget just for the next few months; it is a Budget for many prosperous years to come. It is a Budget that the Government will build on again in 12 months' time and I commend it to the House.

PROVISIONAL COLLECTION OF TAXES

Motion made, and Question,

That, pursuant to section 5 of the Provisional Collection of Taxes Act 1968, provisional effect shall be given to the following motions:—

(a) Spirits, and wines of equivalent strength (rates of duty) (motion No. 2);

(b) Hydrocarbon oil (rates of duty and rebate) (motionNo. 7);

(c) Tobacco products (rates of duty) (motion No. 9);

(d) Vehicle excise duty (increase in general rate) (motion No. 12).—[*Mr. Kenneth Clarke.*]

put forthwith, pursuant to Standing Order No. 50(2), and agreed to.

Mr. Deputy Speaker: I now call on the Chancellor of the Exchequer to move the motion entitled "Amendment of the law". It is on that motion that the unified Budget debate will take place today and on succeeding days. The remaining motions will not be put until the end of the Budget debate next week and they will then be decided without debate. After the Finance Bill has been brought in, the House will be invited to dispose of proceedings on a motion dealing with public expenditure, which will have been debated along with the Budget resolutions.

Budget Resolutions and Economic Situations

AMENDMENT OF THE LAW

Motion made and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.—[*Mr. Kenneth Clarke.*]

4.49 pm

Mr. Tony Blair (Sedgefield): We have heard a Budget that was very, very big on boasts, but let us look, one by one, at the facts of what the Chancellor of the Exchequer said. The one advantage of what has happened in the past 24 hours is that the Opposition are perhaps a little better prepared than normal on exactly what those facts are. We shall go through every one of the claims and test them out—first, tax. *[Interruption.]* I know that Conservative Members may not like to hear the facts, but they are going to get them from us, if not from the Chancellor.

One thing that we now know for certain is that taxes will be higher at the next election than they were at the last. The Conservative party, which fought the election on the promise that it would cut tax, will, after all the changes that have been made today, leave the average British family £2,120 worse off in tax. The Chancellor announced a crackdown on tax cheats. I think that he should start with the Conservative party.

There have been 22 Tory tax rises. Mortgage tax relief has been cut, the married couple's allowance has been cut—and not made up for by what he did today. National insurance has been raised, and not compensated for by what he did today. VAT was raised—we did not hear much about VAT, did we? It was as if that was never touched. The Chancellor said, of course, that the Conservatives have reduced the burden of tax. If one takes into account all the Tory taxes, the burden of tax is greater now for the average family than it was.

On what we thought was coming, I was going to say that, as a result of the Budget, the Government have subtracted 2p from the equivalent of 7p that they have put on the standard rate of tax, which equals a 5p rise. I thought that that was going to be good enough, but that would be too generous.

The other point that one notices when one goes through the facts is that the Government are back to their old Tory tricks. Let them confirm this: council tax, on their figures, is due to be put up by £4 billion over the next three years—a 6 per cent. rise. The Chancellor said that profit-related pay would not bite until next year, but will he confirm that some of the people on profit-related pay are low-paid workers, and that, when all the changes come

[Mr. Tony Blair]

into effect, some of them will face a change in their income equivalent to about 8p on the standard rate of tax? We heard nothing about that.

Insurance tax is also going up, airport tax is going up, there are measures on lone parents and there are measures on company cars. The record of the Tories over the years is that they give with one hand and take with the other.

We may like to ask just how credible the Government's tax promises are. Days before the last election—in fact, in the Budget before it—the then Chancellor, the right hon. Member for Kingston upon Thames (Mr. Lamont), said:

"I now turn to the question of value added tax. I have a very important announcement to make, to which I hope the whole House will listen carefully. I have no need, no proposals and no plans either to raise or to extend the scope of VAT."—[*Official Report*, 10 March 1992; Vol. 205, c. 761.]

If they told those untruths then, why should we believe them now, no matter what they say?

I thought that the most extraordinary point that the Chancellor made was about the great cuts in public spending that will come about as a result of the closure of loopholes and a more effective policing of the tax regime. I must point out that, when my right hon. Friend the Member for Dunfermline, East (Mr. Brown) used to talk about loopholes, the Chancellor said that the problem was that they did not exist, and that my right hon. Friend was living in an "Alice in Wonderland fantasy". Now, the right hon. and learned Gentleman's spending plans rest on such loopholes. He says, apparently, according to the press release, that there will be 2,000 extra Inland Revenue civil servants, who will be hammering down—

Mr. Jerry Hayes (Harlow): He has seen the press release.

Mr. Blair: I am sorry, but these things have already been put out by the Government. Perhaps the hon. Gentleman is not aware of that. Perhaps he thinks that, although the Chancellor is able to say such things, we are not able to respond to them in any way.

I should like to quote a figure to the House. According to the Chancellor, he is going to get £7 billion over the next few years out of the changes and—apparently—cracking down on tax avoidance and loopholes. First such loopholes are an "Alice in Wonderland fantasy"—now, the entirety of the Government's spending plans rest on them.

The Chancellor says that borrowing will come down, but I should remind him of another promise that the Government made. At the last election, the Prime Minister proclaimed that he was going to cut the national debt, and that borrowing was going to come down. Perhaps the Chancellor recalls that, according to the Government before the last election, the borrowing requirement by 1994-95 was going to be zero. It was actually £44 billion. This year, on the original plans, it was supposed to be £6 billion—it is now £26 billion.

Having won an election on the pledge that he would cut taxes and cut debt, the Prime Minister has doubled the national debt. As a result—again the Chancellor did not give the figure; he was being very coy about the figures he gave in certain parts of the Budget—and according to the Government's figures, the interest payments on that debt will amount to £25 billion a year. That is more than we spend on law and order and on defence, and all from a Government who promised to cut taxes and cut borrowing.

The Chancellor said that one of the other ways in which he would get the money is through our old friend the public finance initiative; that somehow, hey presto, the money—[HON. MEMBERS: "Give some details."] Conservative Members want me to give some details. Fortunately, I am able to do so again. Last year, the Tory party said in the Budget that it was going to build 12 new hospitals; the contracts would be signed, and one hospital a month would be signed off. I shall tell the House how many hospital contracts have been agreed: one—last night, by an extraordinary and mystical coincidence, just minutes before the Budget was due to be announced.

The Tories say that there will be more money for health and education. They always say that; they said it before the last election. A newspaper report said:

"Christmas comes early. Big increase for health. Lamont puts spending up £11 billion. Extra for health, transport and education."

Let us look at the facts and what is happening in our national health service today. Waiting lists are rising again, 36 trusts are in deficit, there are 20,000 more managers under the Conservatives, and there are 50,000 fewer nurses.

I have something more to announce to the House. We have the plans on NHS spending, and I find in them a very curious inconsistency with what the Chancellor said. He said that he was going to put up spending by almost 3 per cent. in real terms next year, but in the provisional plans for the two years after that, the increase is down to 0.2 per cent. and then 0.1 per cent.

In other words, there will be a boost for election year, but the Department of Health's actual total spending in the year after next, which obviously includes some of the community care and personal social services, will in fact fall by 0.7 per cent. Even on health, there is an absolutely classic example of the Tories giving with one hand and taking with the other.

Let me tell the House what else we learn from the press release from the Department of Health. I presume that we are allowed to have the press releases from the Departments. Let us look at the national health service press release.

We did not hear anything about capital spending earlier. According to the press release, it will be down 10 per cent. According to the press release, prescription charges will increase. According to the press release, there will be a new maximum dental treatment charge of £330. What the Government will try to say is that, yes, they are reducing some health service spending, but they are transferring community care to the local authorities. But the local authority spending plans show that they will get no more money for those increases. So that is another complete Tory con trick.

On education, we are told that there will be another £800 million. My memory may be playing me tricks, but I remember £800 million for education last year. What actually happened was that, because local authorities—

Mr. Robert Atkins (South Ribble): Labour authorities.

Mr. Blair: It was nothing to do with that. [HON. MEMBERS: "Yes, it was."] No, it was not. Because local authorities were already spending £800 million above their limit, the real increase was less than inflation. That again was just a Tory trick.

Here are some more facts the House should know. According to our figures—if the Government want to dispute them afterwards, I am happy for them to do so—the Government's planned expansion of nursery education has been cut. There is a £56 million cut in the money allocated for the introduction of the voucher scheme. The training and enterprise council budgets—the training and skills budgets—will be cut in cash terms by £34 million.

The Chancellor boasted about the money that will go to universities. They, apparently, will get a capital spending cut next year of £20 million. As for the Chancellor's spending pledges on crime and the police, the Government have not yet made good the pledge they made at the last election to put matters right. Their problem is not just the trade gap, the investment gap or the skills gap: it is a credibility gap.

Most extraordinary of all, days before the last election, the Prime Minister said—it has some echoes of what we have heard today—

"Vote Tory and the recovery starts on Friday."

"The economy is transformed", he said.

"What do we offer? A strong economy, free from the threat of inflation, in which taxes can fall."

But within months, taxes went up, borrowing went through the roof and the pound was devalued by 20 per cent.

However, the most remarkable quote of all from the Prime Minister comes after the election, not before it. He was interviewed, about a year later, by the *Los Angeles Times* and this question was put to him:

"a year later, you find yourself under fire. What happened?"

He answered:

"Fiddle-de-dee!"

I do not know why he said that, but he did. *[Laughter.]* It is a somewhat unusual sound bite. He continued—this is the important point—

"I said . . . the day after we won the election, with a number of people around me: 'Within the next 12 months the government will be the most unpopular we have seen for a long time!'"

The Prime Minister said that he said that the day after the election. I do not understand that. If the recovery was to start the day after the election, if taxes were going to come down, if the public debt was to be halved, if industry was to boom, why were the Government going to be so unpopular? I will tell the House why the Prime Minister said that the Government were going to be unpopular—because he knew the truth; but it was not told at the election.

Of course, the final point the Tories make is the one they always make before every election. We hear it every time—that we are now living through an economic miracle. I remember them saying that in 1987 and in 1992, but they are not running on the record of a few months and the figures before an election—they are running on the record of 17 years.

Over those years, we have had one of the lowest rates of growth of any major European country. We rank today ninth in the prosperity league. Even now, with the same population and all the problems they have, the French economy is a third bigger than ours. We have fallen from 13th to 18th in the league table of living standards. Why? Because the Tories have never paid attention to the fundamental weaknesses that remain. They say they have learnt from past mistakes, but the recent inflation figures and interest rate rises show otherwise. We are now 11th out of 15 for interest rates and inflation. That is the old stop-go disease and the Tory boom and bust that we all recall.

We lack the investment we need to make recovery last, and our manufacturing base is still too weak. The Chancellor did not tell us that, according to the figures, manufacturing investment is some 14 per cent. down on a year ago. Nor did he tell us that he has had to revise his figures down from 2.5 per cent. to 0.25 per cent. Productivity still lags behind that of our main competitors, and the trade deficit, according to the figures published today, is due to worsen. We still have a lot of ground to make up.

We are not equipped for the future in education and skills. We are now 42nd in the education and skills league and that is not good enough. Cuts in the training budget will not help us to do better.

The Government boast of their record in falling unemployment, but if we measure not those claiming benefit—of course, there have been 32 changes to the way that is calculated—but the number of homes with people of working age in which no one is working, the figure is one in five, or 20 per cent. That is worse than many of our main competitors. The Chancellor chose a very good time for him on the job statistics. Since the Prime Minister came to power, the number of jobs in the economy has fallen. Last year, which is supposed to be the year that the Government boast most about, the number of full-time male jobs fell.

Nothing in the Budget tackles those fundamental problems. The Conservatives cut training, do nothing but provide a few make-work schemes for the long-term unemployed, make cuts in infrastructure, and give no help to investment. Without measures for the long term to increase investment, boost education and tackle structural unemployment, we will never have a recovery or prosperity that will last. That is why we say the Conservatives have failed.

The Chancellor mentioned welfare dependency, but the Government have doubled welfare dependency in this country. That is their failure. They spend money and the welfare bills are up, but investment is down. They have had the colossal bonus of North sea oil and asset sales—£200 billion—and squandered it. The tax burden is up—except, of course, for the most wealthy. Why? Because they have always thought that, if they looked after a few at the top, the many would prosper.

The Government thought that it did not matter how divided, fractured or unequal our society became. They thought that, if they satisfied the short term, the long term would look after itself. But it does not work like that. An under-educated people will never make a prosperous country. A society marked with gross inequality simply spends money cleaning up the consequences of it. If we do not invest now, we will never reap the reward for the future, and a nation run for the few will never be fit for the many. Those are the fundamental questions that the Budget does not answer.

[Mr. Blair]

The problem is not only that the Chancellor was wrong on many of his figures or that he has concealed many of the facts, but that, when those fundamental questions are met and have to be answered, the Conservative party has no vision for the future that can answer them.

This is the last-gasp Budget of a Government whose time is up, who cannot be trusted with the future and who cannot make amends for the past. We have heard all their promises before. We heard them at the last election, and we did not believe them. The difference this time is that the country now does not believe them either. They cannot be trusted on tax. They cannot be trusted on the economy. They cannot be trusted on the health service. They cannot be trusted on education. They cannot be trusted with our future. The truth is that, after 17 or 18 years of one Government, there are no excuses left. There is nothing left for them to do, except go—and the sooner the better.

5.9 pm

Sir David Knox (Staffordshire, Moorlands): In the past, when Neil Kinnock or the late John Smith was Leader of the Opposition, one could expect a reasonable and reasoned response to the Chancellor's Budget. Today, we have heard no more and no less than a shambling rant. The right hon. Member for Sedgefield (Mr. Blair) will have to do better if he is ever to become Prime Minister of this country. The right hon. Gentleman complained that the Chancellor gave with one hand and took with the other. Some of us remember Labour Governments: they took with both hands and gave nothing back.

I congratulate my right hon. and learned Friend on his fourth Budget speech. Like his previous ones, it was well constructed, well delivered and commendably brief—especially in view of the fact that it was a unified Budget. I recall some long speeches from previous Chancellors who were dealing only with the revenue aspects of the Budget. Today, my right hon. and learned Friend has maintained the high standards that he established with his previous Budget speeches. Of course, he had a good story to tell. Since spring 1993, he has managed the economy with skill and sound judgment, and has proved himself to be one of the most successful Chancellors in the post-war era.

I give a general welcome to the Budget and the measures it contains, but I must confess that I am more enthusiastic about some than about others. On the positive side, I feel that the Chancellor has got the balance between public expenditure and taxation about right. He has been wise to resist the silly suggestions from some quarters that he should introduce substantial tax cuts. That could have been done only if public expenditure had been cut significantly, or if he had gone on an irresponsible borrowing spree. He has done neither, and he was right to do neither.

Instead, although he has kept overall public spending under tight control, he has been able to increase spending on health, education and the police in real terms in the coming year. At the same time, he has generously increased tax allowances, broadened the 20p band and reduced the standard rate of income tax. To my mind, the public want more spent on health, education and the police, and, when possible, they want a little relief from the burden of taxation. Like me, they will conclude that the Chancellor got it right today.

I am pleased that my right hon. and learned Friend has managed, once again, not to increase the duty on beer and wine, and that—more important in my view—he has reduced the duty on spirits, particularly whisky. As he did last year, he has faced up to the problem of cross-border shopping in the European Union, and he has attempted to bring some sense to the issue. I want to see uniform duties throughout the European Union, and the best way to achieve that is if we were to continue to reduce duty, and the other EU countries put theirs up.

I welcome the relief on non-domestic rates. Small businesses in my constituency and elsewhere find that non-domestic rates place a heavy burden on their finances. They will all be pleased to learn of the relief, and I am sure that it will enable them to maintain better finances and be more prosperous.

I am glad that my right hon. and learned Friend is to plug loopholes in the tax system, wherever they occur, because they undoubtedly cause much resentment. A great deal of highly paid accountants' time is spent trying to discover such loopholes. I do not know whether plugging them will make any difference to that activity, but one would like to think it will.

I have some reservations about the increase in petrol duty. I represent a widespread rural constituency, where local people are highly dependent on motor cars. The continual increases in duty place a heavy burden on people who live in rural areas, and many such people are not especially well off. I understand the environmental arguments, but there is a balance to be struck. I hope that the practice of increasing petrol duty by 5 per cent. plus the rate of inflation will not continue indefinitely.

In the modern world, the Budget is but one of the means by which the Chancellor tries to control the economy. There is a time lag of between 12 and 18 months—perhaps even longer—before measures announced in the Budget affect the economy. The consequences for the economy of today's Budget therefore will not become apparent for some time. By then, we will also be feeling the effects of those external factors over which the Chancellor has little or no influence, far less control, and which he can only try to anticipate at this stage.

I wish that some of the Europhobes would remember that. They should recognise that we do not have complete sovereignty over our own economy and that we might have greater sovereignty if we were participating fully within the European Union.

Although my right hon. and learned Friend's Budget judgment is about right, we shall not know for certain for about 18 months. What is certain is that he has been able to introduce his Budget in more favourable circumstances than any of his post-war predecessors was able to. That was also the case last year, and in 1994. All the economic indicators are today pointing in the right direction: we have steady economic growth, low inflation, falling unemployment and a satisfactory balance of payments. I emphasise that last factor, because, up until the last couple of years, our balance of payments position was weak, and we ran an excessively high deficit on the current account for a long time.

All those favourable factors are a great tribute to my right hon. and learned Friend, who has managed the economy with great skill, caution and prudence over the past three and a half years, and who—unlike so many of

his predecessors—has resisted the temptation to stoke up rapid expansion for electoral purposes, while ignoring the eventual disastrous consequences. As a result, the prospects for the British economy are good, especially in respect of inflation and unemployment.

I never cease to be amazed by the short-term nature of so much that passes for serious economic comment in this country. Until slightly less than a fortnight ago, there was a consensus among commentators—with the exception of some monetarists—that inflation was under control. Then, because last month's figure showed a disappointing rise in the rate of inflation, those commentators are now suggesting that inflation might be running out of control, and that there should be a change in the direction of economic policy.

It would be more sensible to wait for the figures for the next two or three months before drawing any conclusions. They might well show that last month's figure was merely a blip—indeed, there is evidence to suggest that it was.

Over the past 20 years or so, the main restraint on the expansion of the British economy has been the size of wage and salary increases and the consequent increase in earnings. From the mid-1960s until the middle of 1993, wage and salary increases ran well ahead of the rate of growth, and so contributed to high inflation.

Since early 1993, however, wages and salaries have been increasing by about 3.5 per cent. a year, and earnings by just under 4 per cent. a year. Although that is slightly in excess of the rate of growth, it means that wage and salary increases have had only a marginal cost-inflationary effect during the past three years. That, as much as anything, has contributed to the more stable prices that we have enjoyed.

It is especially encouraging that, although the economic recovery started four and a half years ago, and although unemployment has been falling for four years, the steadily increasing demand for labour has not resulted in higher pay settlements; nor is there any sign that it will.

During past economic recoveries, rising pay settlements quickly became apparent, and at higher levels of unemployment than obtain today. It is far too soon to suggest that we have broken clear of the earnings-prices spiral, but the prospects are much better than they have been for more than 30 years.

It would be foolish to claim that we have conquered inflation generated by excessive increases in earnings, but it seems that, because attitudes to pay bargaining are more sensible today than for several decades, the situation is under control to a degree inconceivable a few years ago.

Not only does that bring enormous benefits in terms of inflation: it also means that the restraint on economic expansion, and thus on lower unemployment, has been greatly eased. It should therefore be possible to achieve lower unemployment than we have experienced for quite a long time.

At present, unemployment is about 2 million. That is much better than having 3 million out of work, as we had four years ago, but unemployment is still unacceptably high. In addition to its appalling social consequences, it is economically wasteful.

For the first 30 years after the war, we had full employment in this country. The number of people out of work fluctuated a little, but rarely exceeded 600,000, or 2.5 per cent. of the working population. In 1955, and again in 1966, unemployment was as low as 1.1 per cent.—about one seventh of its level today.

For the past 20 years—I must emphasise that that covers the period in office of the Labour Government as well as that of the Conservative Government—unemployment has stood at more than 1 million, and has usually been much higher. Twice, in the mid-1980s and again in the early 1990s, unemployment has exceeded 3 million. Those figures show how far we have fallen from the high level of attainment during the 30 years after the war.

Because of the damage that unemployment does, the major economic task facing my right hon. and learned Friend the Chancellor of the Exchequer in the next few years is to ensure that demand for labour rises, so that the supply of labour is much more fully utilised than it has been in recent years, and that, as a consequence, unemployment is much lower.

A continuation of sensible pay bargaining should make that possible, and enable us to expand economic activity without producing earnings-cost inflation. That would bring much greater economic success and social harmony to our country.

5.23 pm

Mr. Paddy Ashdown (Yeovil): Delivering a Budget speech is always a test of a Chancellor, and our Chancellor—or, rather, the Government's Chancellor—delivered his with his usual panache and robustness. However, by far the more difficult job on Budget day is the response that must be made immediately by the Leader of the Opposition—although perhaps this year the Leader of the Opposition may have had a little more preparation than usual.

I do not believe that, since I entered the House, I have heard a more attacking or a better speech by a Leader of the Opposition than that made today by the right hon. Member for Sedgefield (Mr. Blair)—although I am bound to say, gently, that his speech would have been better if, as well as attacking the Government so effectively, he had told us what he and the Labour party intended to do. In my speech I shall certainly seek to explain my party's intentions.

No doubt this year's Budget will always be known as the leaked Budget, but I believe that, long after the row about the leak has subsided, the real effects of it will continue to be felt, and that almost all of them will be bad.

The leak is the least important aspect of the Budget. It should be known not as the leaked Budget, but as the smoke and mirrors Budget, for which canny Ken turned into conjuror Ken. The Chancellor's Budget pretends to do what it does not. It pretends to be what it is not. It pretends that the small things that it does are big things; the really big things it does not do at all.

By far the most important thing about the Budget is not what it does, but what it does not do. It is complacent about Britain's mountain of debt, and fails to tackle the problem of rising interest rates. It will not control inflation, as we shall find out to our cost.

A Budget should be judged not by what it looks like at the time, but by what it looks like in a year's time. The 1988 Lawson Budget, delivered in circumstances similar to today's, was also described by the then Chancellor, and by most City commentators, as responsible. But it was not. The Liberal Democrats, almost alone, spoke and voted against it, saying that it would overheat the

[Mr. Paddy Ashdown]

economy, plunge us into debt and worsen the economic slump that would follow. It did all those things, and cost many thousands of people in Britain their jobs, their homes and their businesses.

Last year, unlike the Labour party, we, again almost alone, voted against the Chancellor's tax cuts, saying that they would deepen debt and cause underfunding in the public services. They did both those things, and the price has been paid in larger classes in schools, closed wards in hospitals and cuts in local services.

There will be three consequences of today's Budget. Within three months, interest rates will go up—at least, they ought to; if they do not, the only reason will be the fact that the Government have an election coming. Within a year, the income tax cuts will be reversed, and within 14 to 18 months inflation will be rising sharply again.

Both the Chancellor, who proposed the income tax cuts, and the shadow Chancellor, who will not oppose them, know that perfectly well. They know that it does not matter which of them is in government, the tax cuts that they both agreed today for the sake of the election will have to be put back some time after the election. They both know that when, in a year's time, inflation starts to go up, belts will have to be tightened, public spending will have to be cut, and taxes will have to go up again.

Again, the British electorate will feel that they have been lied to about tax—and they will be right. Again, trust in politics and belief in politicians will diminish, and again everyone in the House will wonder why the people of this country do not believe a blind thing that we say.

Both the Chancellor who proposes the tax cuts, and the shadow Chancellor who dares not oppose them, know perfectly well that, when in due course the economic cycle turns down again, we shall carry into the next recession an even bigger pile of debt than we carried into this one. Britain will spin once again around the cycle of boom and bust that has done us so much damage under both Tory and Labour Governments for the past half century.

Let us face some facts. The economy is in better shape than it was four years ago—but when we consider the appalling state of the economy at that time, that is hardly surprising. There is a recovery, but it remains a modest one and it has happened—as the public know, despite Tory propaganda trying to tell them otherwise—as much despite the Government as because of them. The Chancellor is to be congratulated on, up to now, following economic policies that, up to now, have, by and large, sustained that recovery, but now he has decided to put all that at risk.

This recovery, such as it is, does not belong to the Chancellor but to the British people, who have paid for it during the past four years in terms of jobs, mortgages, negative equity and broken businesses. The Government have decided to put their recovery, won at such a painful price, in jeopardy for one purpose—to get themselves re-elected. The truth is that the economy is now, at last, growing steadily, but the Government are broke and they intend to squander our economic chances to improve their electoral ones.

The Chancellor claims that he has delivered today a triple bonus of good things—a kind of triple whammy of lower taxes, lower borrowing and higher public spending. This is conjuror Ken defying gravity. In fact, it is not a triple whammy but a triple con trick. Borrowing will be lower today, but only because it was deliberately increased as a target over the summer. It seems probable that the borrowing outturn from this Budget will be higher than the dangerous levels that we reached at the previous Budget, which the Chancellor then told us he was determined to bring down.

The books that the Government have published today show that, during the next three years, borrowing targets have been raised by a full £14 billion over what the Government predicted—only one year ago—they would be. The Chancellor has promised today—as he did last year—that, this time, he really will bring borrowing down. But once again, that depends—as it did last year—on predictions of growth, inflation and public cuts that neither he nor anyone else has ever managed to achieve in the past. He might achieve one, but not all of them.

Meanwhile, Britain's national debt—going now for 300 years—is now double what it was six years ago. The Government's borrowing is now double what they promised it would be two years ago, and the debt we are now incurring is still rising at a rate of £600 a second. Meanwhile, interest rates in this country are higher than those in any other European country except Greece, and are higher even than those of Italy and Portugal. As a result of the Budget, they will go higher still. The short-term consequences of that are bad enough, but they are even worse for the longer term. If we are still piling up debt in this, the fifth year of an economic upswing, I hate to think what level of debt we will carry into the next economic downturn when it comes. God knows what the consequences will be then for tax levels, mortgages, interests rates and public services.

The Chancellor's second claim is that he has cut taxes, but even here he uses sleight of hand. Yes, he has cut income taxes—although he should not have—but he has raised other taxes, especially indirect taxes. In fact, what he has clawed back from raising petrol prices, insurance taxes, air taxes and cigarettes amounts to more than he has cut. Contained within the Budget is an increase in council taxes of £700 million, and the total tax rise in this Budget amounts to well over £1 billion. In fact, at the end of the process—as a result of a Budget that pretends to give people tax cuts—the average British family will be £41 a week worse off. As my hon. Friend the Member for Gordon (Mr. Bruce) is fond of saying, "When this Government talks about tax cuts, don't watch their lips—watch your pockets."

The third deception in conjuror Ken's three-card trick is his claim to have boosted spending on health and education. This trick is one of those "now you see it, now you don't" affairs. What he gives us today, he will take away in May by forcing up the council tax. That is fine, because the Conservatives do not control many councils and the blame cannot be put on them. This cynical exercise is not about shifting resources into public services but about shifting blame on to somebody else.

It is dishonest of the Government to say that they are increasing spending on education when the overall amount given to councils will be cut this year. Most sensible councils—such as mine, and many others—are spending well above the standard spending assessment levels on education, but the Government are now telling us that they are to increase spending on education. They will lie to the electorate by saying that, and they will then

cut the amount going to councils. The consequence will be either cuts in services and in education, or rocketing council tax bills.

Here is a message for the Labour party. If it does not have the courage to vote against the tax cuts in this Budget, it does not have the right to campaign against the slashed school budgets, the rocketing council taxes and the underfunded local services that are the inevitable consequences of the Budget in the months ahead. Basic honesty suggests that, if Labour will not vote against the tax cuts here, it should not be campaigning against them outside.

Here is what the Budget should have done. It should have had as its first aim the consolidation of the present recovery. Even a wholly neutral Budget would probably have been wrong, as this is the time to provide a touch of the brake. The Budget should have had at its core a clear strategy for reducing public debt, rather than handing out tax cuts—even small ones. A central instrument in that strategy should have been the immediate establishment of an independent reserve bank.

The Budget's immediate target should have been to prevent long-term interests rates from rising again, and to start instead to bring them down to German and French levels. If we did that, we would save £8.5 billion of public expenditure in just five years. We pay a premium in this country because we have failed to convince the world that we will not continue to follow a policy of competitive devaluation. That results in our paying a real price in public expenditure, taxes and failing local services. A commitment to responsible economics should be the foundation stone for a debt-reduction strategy that will lead to sustainable lower taxes in the future and the more solid basis for the nation's finances that we need.

The Budget should have aimed to shift resources away from consumption and into investment—especially investment in education. Britain simply cannot succeed while we are 47th out of 49 in the world education league tables, or when one third of our primary children are taught in classes of 31 or more—a figure that has risen by 10 per cent. in the past year alone. We will vote against the penny cut in income tax proposed in this Budget; we would put that £2 billion into education, where it can do the most good for this country and our children.

The Budget should have taken a much larger step towards a long-term shift towards environmental taxation by reducing tax on the things we want more of—such as jobs and wealth—and increasing tax on the things we want less of, such as pollution, energy and the use of finite natural materials. This is not tax raising but tax shifting to create not just a strong economy, but a sustainable, clean and safe environment.

This should have been a Budget to tackle poverty and to begin to get people back to work. The gap between the haves and the have-nots in Britain is growing dangerously wide and now threatens the very fabric of our society. Rickets, malnutrition and tuberculosis have reappeared—a return to Victorian values indeed. The levels of poverty and deprivation in Britain are now a national scandal, and it is time we started to tackle them.

I find nothing wrong with saying that those who have benefited the most from the Tory years should be prepared to pay their bit to tackle poverty. We should be prepared—as I regret the Labour party is not—to raise tax for those with taxable earnings of more than £100,000 a year to 50 per cent. To those who say that that would drive away the entrepreneurs, I say rubbish. In many countries, such as Japan, the highest earners pay 50 per cent. tax on similar earnings; and in many others, such as France and Germany, 50 per cent. taxation begins well below the £100,000 a year threshold that we propose. I do not see top earners flooding to leave those countries.

With that money we could lift out of tax altogether hundreds of thousands of those who have suffered most during the Tory years; we could provide new incentives to work; reduce the country's social security bill; and lower the taxes for 99.5 per cent. of taxpayers across the board.

The Budget could and should have been the start of a new contract between politicians as tax spenders and the public as taxpayers. We have to raise the level of the tax debate above the silly, puerile battle of insults between Tory and Labour that we have heard over the past few weeks. The Conservatives won the last election by lying about tax, and they appear to have decided to try the same trick again. I am sorry to say that Labour appears to have decided to join them.

I fear that we are about to witness the most sterile, negative and childish general election that we have ever seen. Let me make it absolutely clear: taxes are the subscription charge that we pay to live in a civilised society. The public should be entitled to the truth about tax, to influence how their money is spent and to know that it is spent wisely.

We have proposed a new framework for the debate through a fiscal responsibility and tax contract Act, but there are many other ways of achieving the objective. It is clear that, having been lied to so often on tax, the British public rightly do not believe a word that most politicians say about it. We in the House must recognise that truth and begin to tackle it, or one day we shall find that the basis of our system of public finance, and perhaps even the basis of government itself, has been fatally damaged.

This is a Budget of slick tricks and small measures. It pretends to be responsible; but it is not. It pretends to give big tax cuts; but it does not. It pretends to invest in public services; but it will not. Though the measures in the Budget may be small, the damage that it will do will be big, because it is notable not for what it does but for what it does not do.

Instead of consolidating the recovery that we have bought at such a high price, the Budget will place it at risk. Instead of lessening the huge burden of debt piled up by the Government, it will leave it for some future Government to pay for. Instead of investing in education, it tries to invest in the Conservatives' re-election. It is a bad Budget from someone who has up to now been rather a good Chancellor, and I am sad about that. We shall vote against the Budget and against the tax cuts that it contains, and we shall look forward to the real Budget that Britain needs and for which we must now wait until after the next general election.

5.42 pm

Sir Anthony Grant (South-West Cambridgeshire): I do not agree with what the right hon. Member for Yeovil (Mr. Ashdown) said, but he had the decency and the honour to admit frankly that his policy was to increase taxation. That is more than we ever get from the Labour party. We all know that a Labour Government would

[Sir Anthony Grant]

increase taxation, but Labour Members do not have the decency to admit it. The right hon. Gentleman was positive in his speech—positively wrong, but positive compared with the Leader of the Opposition.

We were entertained by the Leader of the Opposition's speech, although I thought that it was more appropriate to Hyde park corner than to the House of Commons; in fact, there were moments when I thought that he was about to emulate my hon. Friend the Member for Welwyn Hatfield (Mr. Evans) and talk about "That lot over there". The speech was entertaining, if not in any way positive.

I want to say a word about the leak that took place. I do not agree with the Leader of the Opposition that it is not important or relevant. It is extremely serious when, through either wild incompetence or disgraceful dishonesty, matters as important as the nation's Budget can be leaked. We cannot go on like this; whether we have a Labour or a Conservative Government, we cannot conduct the nation's affairs if we cannot have trust in the people who are employed by the state.

If the distrust continues, the alternative, I regret to say—I have said it in other debates, such as that on Ponting and the defence leaks—is that, when the Administration change, parties will bring in their own people, which would not contribute to the stability and well-being of the country. I hope that the situation can be rectified as a result of what I regard as a deplorable event.

I have spoken in nearly all Budget or Finance Bill debates since I entered the House a very long time ago; this will be my last. Walking down memory lane, it has not always been a pretty sight. I am old enough to recall selective employment tax, which was such a disaster; the introduction of the first capital gains tax, which was a disaster; devaluation, when the pound in our pockets was changed dramatically, despite what Harold Wilson said; and the collapse of the Labour Government's economic policy when Denis Healey was Chancellor and the International Monetary Fund had to be called in—so much for the sovereignty about which we boast so much.

I can also recall the biggest tax hike in my experience, brought in by Roy Jenkins, who has since dissociated himself from the Labour party. He was cheered to the echo by Labour Members, and I shall never forget it. Of course, the party then lost the general election. I remember all those gloomy events. I am old enough to remember what it was like when Labour was in office, and I shall continue, whether in the House or out, to remind the public of it.

The tests that I have always tried to apply in such debates are as follows. Did the Budget encourage the spread of ownership throughout our country? I have been a pioneer of spreading ownership since long before I became a Member of Parliament, and I rejoice that today there are 10 million shareholders, compared with 3 million when we took office.

Did the Budget reduce the power of the state to interfere with individuals' ability to develop and care for themselves and their families and did it also care for those who are sadly unable to care for themselves? Did it ease the burden on small businesses, which are fundamental to the growth of the economy as a whole? That is a cause that I have espoused ever since I became the very first very small Minister to have responsibility for small firms, many years ago.

Did the Budget encourage thrift and responsibility and, above all, did it enhance stability and create the confidence that a free, civilised trading nation demands? I believe that this Budget passes my test of many years' standing. I am especially pleased that my right hon. and learned Friend the Chancellor has recognised the difficulties of small businesses with the uniform business rate. That is something that I have urged for a long time.

I am glad that the Chancellor has got his spending priorities right in education, law and order and health. Those are the issues about which my constituents are concerned, and he has wisely recognised that; his proposals are extremely welcome. Above all, his record has been one of creating a stable economy, and I want to emphasise the test of stability.

Since 1992, we have had the strongest recovery of any major European Union economy. Inflation, to which my right hon. Friend the Prime Minister attached so much importance when he took office—it was almost an obsession—has been below 4 per cent. for longer than at any time during the past 50 years. Income tax is at the lowest rate for 50 years. One million fewer individuals pay that tax, and that figure may well go up. As a trading nation, we export more per head of population than does the United States or Japan. That is a great tribute to our exporters. Mortgage rates are at their lowest for 30 years. As that continues, I hope that it will stimulate the emerging recovery of the construction industry and confidence in the housing market.

In a nutshell, the economy is in better shape than at any time I can recall since I entered Parliament. The Chancellor has maintained that stability on which business, industry and the individual depend. There have been persistent calls from some of my hon. Friends and others for reduced taxation, although I confess that there has not been much clamour for that in my constituency postbag. Certainly, I want reduced taxation; I have always believed that money belongs to the individual, not the state, and should therefore be extracted and redistributed with the utmost care and reservation.

Way back in the 1950s, the late Anthony Crosland, the great intellectual of the Labour party and a much respected man, said that there was no hope of increasing individual welfare through redistribution via the tax system. That sentiment was unpopular and unfashionable at the time—I do not know what view the Labour party takes now.

Over the years, I have welcomed the necessary shift from direct to indirect taxation—I openly admit that. Direct taxation is a tax on work and enterprise. No less an authority than Lord Healey would support me on that. He said in 1976 that a

"high level of direct tax does discourage enterprise".

I entirely agree with him.

Indirect taxation, on the other hand, is a tax on spending. Both types of taxation include an element of choice. Capital taxes, however, are the worst of all, for they are a tax on thrift and saving, about which there is no choice whatever. I am therefore pleased that the Chancellor has maintained the right balance between direct and indirect taxation, between taxes on work and on spending, and has also gone some way—perhaps not far enough, since I do not like capital gains tax—towards helping by easing inheritance tax. That is welcome,

because it will help a great number of people who want to build up wealth and pass it on, or who want to develop their small businesses. The policy is right in that respect.

If the price of reducing taxation is increasing interest rates, I would plump for interest rate stability every time. The Chancellor has said much the same thing. The CBI wrote in a recent publication:

"The more stringent the Chancellor is in his Budget, the less will be his subsequent need to rely on higher interest rates".

I am glad that my right hon. and learned Friend has not gone as far as some people would wish on the tax reduction front.

Of course interest rates are a weapon in the battle against inflation, but I congratulate my right hon. and learned Friend on keeping things so well in perspective. We do need fiscal as well as monetary measures to control inflation. I strongly hope that we shall never revert to the rollercoaster years of the past, or to the appalling state of affairs that prevailed under the last Labour Government: the IMF was called in, interest rates went through the roof, unemployment was rising and industrial confidence fell through the floor.

Nor should we tolerate a return to the 1980s, when, egged on by Labour and Liberal Members, and many others—I include myself in that; I have uttered my mea culpa in the House before—the Chancellor reduced interest rates too far, with the resulting boom and bust from which this Government and this Prime Minister have struggled so hard, successfully now, to recover.

I congratulate my right hon. and learned Friend on his Budget. The only sane economic policy for any industrial nation must be to contain inflation, to keep Government debt at least below 60 per cent. and the deficit below 3 per cent. of GDP, to seek stable exchange rates, and to keep interest rates at no more than 2 per cent. above the European Union average. Those are, of course, the EU convergence criteria, but curiously they also coincide with the economic philosophy put before the electorate at all 10 general elections in which I have participated. The only surprise is that the criteria should strike such terror into the hearts of modern journalists and the broadcasting media. In or out of EMU, in or out of Europe, there is no escape from this discipline.

Whatever we do, we will be economically affected by what the European Union does. We can no more sail in economic isolation from the EU than Scotland or Cambridgeshire can sail in isolation from the rest of the United Kingdom. All sensible people—all except the Opposition and certain receivers of stolen goods—will therefore share my confidence that, with patriotism and integrity, this Chancellor has the ability and the determination to do what is best for our nation.

I have referred to all the elections in which I have participated. I shall close with the theme of the very first election I fought, in 1959, because I believe it to be applicable to today's Budget and today's political scene: "Life's better under the Conservatives—don't let Labour ruin it".

5.55 pm

Mr. Roy Hughes (Newport, East): Like the hon. Member for South-West Cambridgeshire (Sir A. Grant), I have been a Member for a long time, and like him I have spoken in many Budget debates. The pattern seems always to be the same. Beforehand, the pundits make a deep economic assessment of what the Budget is likely to contain. Those forecasts are sometimes supported by leaks, official and unofficial. In Wales we know all about leeks—we actually bow down to them—but this time there has been an unofficial leak of gigantic proportions. The whole Budget litany has been blown asunder.

What we heard from the Chancellor—we could have read it elsewhere—was that income tax was down by 1p, to 23p for the basic rate. That represents a giveaway of £1.9 billion. Like the leader of the Liberal Democrats, I think that that money would be far better spent on education and training, or perhaps on the national health service and infrastructure. The starting threshold for inheritance tax has been raised from £200,000 to £250,000. That will benefit only a small section of the community. Petrol is up by more than 3p a litre. That will put up the price of just about everything and will negate the tax concessions in the Budget.

I look at this Budget from the perspective of the Conservatives having been in office for 17 and a half years. What do they have to show for this unprecedented period of office? First, there is the remarkable fact that taxes are higher today than they were when Labour left office in 1979. In that year, 32.2p in the pound of gross pay went to the Exchequer; now it is 34.9p. More recently, on 30 March 1992, the Prime Minister said:

"Never has low tax been so vital for the economy. Never would it be so wrong to increase tax".

What has happened since then? There have been no fewer than 22 tax increases—before today's Budget—since the last general election. A typical family—two adults and two children—has been landed with an extra tax bill of more than £2,000.

Britain remains a relatively wealthy country, and since 1979 Conservative Governments have received no less than £128 billion in North sea oil revenues. In addition, they have received the massive sum of £80 billion from the sale of public assets—"the family silver", as they were aptly described by the late Earl of Stockton, Mr. Harold Macmillan.

In contrast with all that wealth, one of the first acts of the Conservative Government after their election in 1979 was to cut the link between state pensions and average earnings. That has had the effect of cutting the basic state pension by £20 in real terms since 1979—a dastardly thing to do. In the unlikely event of the Conservatives being re-elected, my forecast is that they intend to means-test the basic state pension.

We remember too the Chancellor's vainglorious attempt to increase VAT on fuel to 17.5 per cent. I am glad that the Labour party has given a specific pledge that it intends to reduce it to 5 per cent.

The Government boast that unemployment is falling, but they need to be reminded that it is double the figure it was when Labour left office in 1979, despite 32 changes to the basis on which the statistics are calculated. What is more, as the shadow Secretary of State for Education and Employment, my hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett), says, 2.75 million men are economically inactive in this country today and excluded from the unemployment figures. Job insecurity is endemic. People are stressed and worried that they might not have a job in the near future.

[Mr. Roy Hughes]

Consider, too, that one in five households in Britain have no working member—20 per cent. "Ah," it will be said, "but what about other countries?" The figure for France is 12 per cent. and for Germany 13 per cent.—a good deal lower, and those two countries are our principal partners in the European Union and in economic terms, as well as our principal competitors.

In the early 1980s, we witnessed a collapse of our manufacturing base. I agree that, since then, some leeway has been made up by foreign investors. Several Japanese car firms are established in Britain, and Koreans are investing heavily in engineering, microchips, and so on, but one quarter of our manufacturing output and half our manufacturing exports are now produced by foreign firms.

I have never been able to understand why British manufacturing companies do not invest in Britain. They talk about their investments in Europe, the Pacific rim, and so on, but when asked about investment in this country they go all coy. Ministers should give much more attention to that issue, because we have invested less as a proportion of our national income than any European country.

A modern, dynamic economy needs a highly trained, highly skilled work force. In fairness, this afternoon the Chancellor appeared to recognise that fact. Yet figures compiled by the World Education Forum show that, under Conservative Governments, Britain has fallen to 42nd of 48 in the world education league. Investment per worker is 18 per cent. higher in Germany, 51 per cent. higher in France and 68 per cent. higher in the United States of America. At the age of 18, twice as many Germans are in full-time education as young British people. Overall, that is nothing like the rosy picture painted by the Chancellor this afternoon. His Budget did little to redress the position.

Over the years, I have taken an interest in road transport. To some extent, I shall address my remarks on that subject to Opposition Members as well as to the Government. Experts in the field are gravely concerned about cuts in the roads programme. The bulldozers are grinding to a halt; the environmentalists are claiming victory. Indeed, we have a bike-riding Secretary of State for Transport. Cycling is a very healthy activity. I have no wish to decry it, but I wonder what happens to all his red boxes. How do they get around?

When I was a youngster in the south Wales valleys, the errand boys in the butcher's shop and the grocer's shop had one of those bikes with a huge frame in front in which they could carry parcels. Perhaps the Secretary of State for Transport should get one of those. I understand that those red boxes are conveyed separately by car. If so, it will be seen to be a queer way of protecting the environment.

The Highways Agency's budget is 25 per cent. smaller than it was two years ago. Local authority road building has come under the axe and the supplementary grant has been halved in real terms since 1993-94. The Government derive massive income from road transport—£25 billion in 1995-96 from vehicle and fuel taxes, 25 per cent. of which was spent on roads. I understand that there will be further cuts in the roads programme.

From time to time, motorists are exhorted to leave the car at home—we heard it from the Chancellor this afternoon. Despite all the revenue that the Government receive from motor taxation, they do not invest anything like enough in new forms of public transport.

We need to remind ourselves that Britain is essentially a road-based economy. Ninety-four per cent. of passenger traffic and 92 per cent. of freight traffic is reckoned to be by road. Moreover, it is estimated that traffic is reckoned to be will double in the next 25 years. If there is not greater realism about that issue, we are in danger of becoming little more than a pothole economy. The Budget has done nothing to rectify that problem. The Government are concerned only about grabbing funds from more taxation, yet traffic delays have huge social and economic costs.

Finally, I quote from a speech by my right hon. Friend the Leader of the Opposition at the recent Labour party conference in Blackpool. He said:

"A young country that wants to be a strong country cannot be morally neutral about the family. It is the foundation of any decent society. Behind strong communities lie strong families."

I certainly agree with that sentiment.

The Government claim to be the party of the family. It is difficult to reconcile that assertion with what has happened in practice. Since 1979, they have done more than any other Government to undermine the institution of the family. British couples face a tax penalty the moment they have a child. By comparison, the French tax system is heavily biased towards the family. Italian and Spanish parents enjoy similar benefits, yet the Chancellor cut the married couple's tax allowance in his very first Budget. He described it as something of an anomaly in today's world. What a statement! I notice from the measures that he announced this afternoon that he has repented a little.

The Chancellor must surely be aware of the crime, mugging and drug taking in which rootless teenagers are involved. Invariably they are unemployed. Youth unemployment is still on the increase. I am glad that my party is pledged to get 250,000 under-25s off benefit and into work. That will be paid for by a windfall tax on the privatised utilities. I fully back such a proposal. It is well worth a try.

Some of those youngsters are the victims of family disintegration and re-formation. If we are serious about repairing the moral fabric, major steps should be taken to redress the balance of the tax and benefits system in favour of married couples with children. Such measures are long overdue.

The Budget is an attempt to win the next general election for the Tory party. What we needed was a Budget for Britain. Soon the people will have their say, and they will say emphatically, "Enough is enough."

6.12 pm

Mr. David Martin (Portsmouth, South): Today's Budget is a thoroughly Conservative one—with both a small and a large C. It is a responsible package of measures. It reduces the mainstream burdens of taxation, particularly on those least able to bear them, but it also reduces public debt and public expenditure while finding extra money for health, education and law and order, which are dear to our constituents.

I welcome the shift of emphasis from a premium on single parenthood, and the other tax changes, especially those directed at employment and businesses. The tax on jobs has been reduced and the uniform business rate is to be frozen for small businesses. That will help the people I represent in Portsmouth.

Overall, the measures should mean that people feel better off and less imposed upon, as the Government recognise that every unnecessary penny taken in taxation restricts people's choices and decisions to save or spend, and handicaps business enterprise and employment.

Such a Budget would not be possible from a Labour Government. Even allowing for exaggeration in the costing of Labour's statements and promises in the excellent document produced the other day by my right hon. Friend the Chief Secretary, there is no doubt that a Labour Chancellor would be unable to resist politically the clamour of his spending Ministers, spurred on by hon. Members behind him, to pay off all the lobbies and interest groups, including unions, and meet the prejudices about inequalities and underfunding that have accumulated over the years, fanned by a Labour Opposition.

After a couple of years of that—or perhaps sooner—we would see all the signs of old Labour haunting the new: increased taxes, increased public expenditure and inflation, more regulations, militant union power and rising unemployment. That does not include the little European difficulties that will crowd in, which I shall deal with in another context.

It is all very well for the shadow Chancellor to claim, when challenged on the cost of Labour's plans and who will pay for them, that he has not seen the books. The books are no secret these days. We even know what happens at meetings between the Chancellor and the Governor of the Bank of England. Not knowing what is in the books is not the problem: being responsible for them will be the source of Labour's difficulties and the difficulties of the British people, including my constituents.

One aspect of education has not been sufficiently costed by Labour or the Liberal Democrats, and the damage that they would cause has not been properly quantified. I refer to the proposal to abolish the assisted places scheme, in order, they say, to fund smaller class sizes. Leaving aside for a moment the damage that abolition would do to poorer families with gifted children, whose extra choice of a school would be arbitrarily removed, let us consider the false economics of such a vindictive policy.

The basic cost of the present scheme—ignoring the cost of the Government's intention to double it—is about £134 million for the education of about 34,000 children from the backgrounds that I mentioned. Without the assisted places scheme, those children would require extra funded places in the state sector. Even assuming that those places were available, which would not be the case in Portsmouth without more school building, the cost would be about £100 million on present overheads.

That appears to leave £30 million to £35 million for a Labour Chancellor to allocate, but matters would not work out as simply as that. Some schools in the private sector that provide a significant proportion of assisted places would go under, and for the rest the fees would rise. Parents who are just outside the criteria for getting assisted places help for their child or children—some families have more than one child at such a school—would have to give up the struggle to meet the school fees. Many more pupils would therefore need state sector places. It is a fair bet that the cost of educating those children would use up most of the £30 million to £35 million supposedly saved by the abolition of the scheme. Abolition of the assisted places scheme is not only a vindictive policy, but ignorant Labour economics.

As my right hon. and learned Friend the Chancellor recognises in his Budget and in the background to it, the big questions for the future, overshadowing all Budgets, whether Conservative or Labour, will be the economic, political and constitutional questions raised by economic and monetary union and the single currency—whether we will abolish the pound and adopt the euro. For want of something more magical to hold the Conservative party together on that issue, I accept the formula that we should not exercise our opt-out now, so long as, when push comes to shove, we are not foolish enough to take all the necessary steps that are required to join it, nor are we compelled into economic arrangements that effectively shadow it.

On the opt-out itself, all the recent troubles about the stability pact and the ins and the outs—or the "pre-ins", which is the Commission's rather sinister description—boil down to a matter of trust. Our partners have done their best to cheat us out of our social chapter opt-out, and many of us suspect that they would do the same if it comes to the even more immensely important matter of a single currency. That is why I welcome my right hon. and learned Friend's assurance yesterday that we will not agree to any mechanisms that will assist such cheating in the future, and will seek health warnings or what he described as a "copper-bottomed text"—or language, as my right hon. Friend the Prime Minister described it today—which must be proof against the encroachment of our partners through the Commission or the European Court. That is a tall order, but it is essential and must be met.

The preparations for a single currency in stages 1 and 2 are difficult enough for countries to harmonise. One has only to look at what is happening in France at present, as the country grapples with its grossly overblown state sector and the sort of stranglehold union power that used to cripple Britain's economic and social life until Conservative Governments sorted things out. France has just fiddled billions of francs in Telecom pension funds from an industry that was successfully privatised here years ago and is now a world beater. Any recent visitor to France—who travelled in the ordinary manner and not as a VIP—will know how overvalued the French franc is and of the widespread discontent among those who can do little or nothing to restrain their leaders' obsession with meeting the Maastricht criteria for a single currency in 1999.

Those who think that it is practical to join France must first explain away our disastrous experience of being in the exchange rate mechanism and our economic success since leaving it and how it can possibly be practical politics to rejoin it in the foreseeable future—let alone for two years before joining a single currency, as the Maastricht treaty provides. The facts cannot be massaged away.

[Mr. David Martin]

Secondly, they must explain how we would make the Bank of England independent next year—which is another necessary precondition under the treaty—and, thirdly, how on earth they will sell the idea to my constituents, via a referendum or some other means. How will they explain to those who are already exasperated by the powers of the European Union institutions that those institutions will decide vital economic and political policies rather than our present economic and political system, including—quintessentially—our Parliament?

I believe that the single currency project will divide rather than unite Europe—it is doing so already—and will put strains on the European Union that it cannot bear. All those countries that submerge themselves in the project will pay a heavy price—and I hope that Britain will never be one of them.

Finally, I turn to the measures in today's Budget that are not related to taxation. Particularly welcome in Portsmouth is the introduction of project work—or workfare as it is popularly known—to help back into work those who have been unemployed for two years or more and to winkle out of the statistics those who wrongfully claim benefit. Project work has produced good results in areas where it has been tried and it has proved instrumental in boosting the morale of the long-term unemployed by providing real jobs.

I welcome the spend to save scheme, announced by my right hon. and learned Friend the Chancellor today, which will crack down on frauds and cheats. Of course we must help those who need our assistance—all hon. Members are united in that aim—but nothing causes more resentment among our constituents than people fiddling the system. The Chancellor is right to support further the efforts of my right hon. Friend the Secretary of State for Social Security in tackling that problem.

My right hon. and learned Friend announced expenditure increases that will enable the employment of more Customs and Excise officers and make more certain the detection of those who abuse the generous import rules applying to tobacco and alcohol. That measure is welcome in Portsmouth, where the ferry port gives easy access to illegal supplies—to the grief of local tobacconists and alcohol outlets, who are convinced, with some justification, that abuse is adversely affecting their businesses.

In summary, this is a carefully crafted Budget from a careful and crafty Chancellor. I am convinced that it does what is required in great style.

6.23 pm

Mr. Dennis Canavan (Falkirk, West): This is certainly the last Budget of this Parliament, the last Budget of this discredited Government and, hopefully, the last Tory Budget of the millennium.

The Government have been in power for 17½ years and, for many in this country, they have been 17½ years of lost opportunities, of decline and of economic and social disaster. Unemployment has doubled and homelessness has more than doubled. Poverty has trebled to the extent that one in six people are now dependent on means-tested benefit. Britain has dropped from 13th to 18th place in the world prosperity league and we are 42nd out of 48 in the world education league. Yet the Chancellor of the Exchequer had the brass neck to come to the Dispatch Box this afternoon and tell us that, during the past 17½ years of Tory rule, the British economy has been prosperous and successful and will continue to be so.

In fact, over that time, Britain's economic growth has been the slowest of any G7 member country. Our balance of trade in manufactured goods went into deficit in 1983, for the first time since the industrial revolution, and has remained in deficit ever since. Since 1979, Britain has had the lowest investment rate of the 24 Organisation for Economic Co-operation and Development countries. As my hon. Friend the Member for Newport, East (Mr. Hughes) pointed out, the irony is that the Government have accrued £80 billion from privatisation, that is from the sale of assets that belonged to the people of this country. They have also had the benefit of £128 billion in North sea oil and gas revenues.

Instead of investing that money in the nation's future, the Government have frittered it away on tax concessions for their rich friends. The Tories try to pretend that they are the party of low taxation: their rich friends may have benefited from tax concessions, but the vast majority of taxpayers have suffered an increased tax burden under this Government. There have been 22 tax increases since the last general election, which means an additional tax burden of £2,000 for the average family.

Today the Chancellor announced a 1p cut in the basic rate of income tax and some other changes to the personal taxation system. The truth is that, even taking those changes into account, the typical family in this country will still pay more tax today than they paid at the time of the last general election. If the Government were serious about cutting tax fairly, they would do as the Labour party has promised and cut value added tax on domestic fuel and power from 8 per cent. to 5 per cent. I am sure that such a move would be widely welcomed by pensioners and others on low incomes, particularly in view of the severe weather affecting Scotland and other parts of Britain at present.

Instead of lowering the rate of VAT on domestic fuel and power, the Government propose to raise the threshold of inheritance tax from £200,000 to £215,000—I think that is what the Chancellor said. He repeated the Tory party commitment to the eventual abolition of inheritance tax and capital gains tax—despite the fact that only a minority of very rich people would profit from those measures. For example, the directors and senior executives of the privatised water companies would stand to gain more than £30 million if capital gains tax were abolished, because they would not have to pay tax on share options.

I look forward to a Labour Government not simply retaining capital gains and inheritance taxes, but introducing a windfall tax on the privatised utilities in order to invest in jobs for a quarter of a million unemployed people under the age of 25. Young people should have a right to real jobs and real training opportunities. That would be a good example of using the taxation system and public expenditure to invest in the future, rather than to fritter away whatever money is in the kitty through tax concessions to very rich people.

Unfortunately, the Government do not have any effective strategy to invest in jobs or training opportunities. They are now faced with a social security

bill of more than £90 billion a year, which is almost double what it was in 1979 when Labour was last in power. The Chancellor had to admit that social security expenditure now amounts to about a third of total Government expenditure.

We all agree—at least, I hope so—that people without work and people who are on low incomes need and deserve benefits. I deplore the fact that the Chancellor is abolishing the single parent premium. That will hurt many lone parents on low incomes. It is important to use the benefit system to help people most in need, but that must be combined with a more effective strategy to improve education and training and job opportunities, so that a decreasing number of people are dependent on benefits.

In his Budget statement, the Chancellor announced a modest increase in educational expenditure. Investment in education should be seen as an investment in the future of our country, but we are investing in education only 5.1 per cent. of our gross national product, compared with 5.4 per cent. when Labour was last in power. Even with the modest increase that was announced this afternoon, the Government will still not achieve the 5.4 per cent. figure that they inherited. They are going backwards instead of forwards.

The Government have strange priorities when it comes to disbursing the total amount of educational expenditure. More than £1.1 billion has been spent on the assisted places scheme to subsidise private fee-paying schools, yet local education authority schools, which educate the overwhelming majority of our children, lack sufficient resources. It is no wonder that we are 42nd out of 48 in the world education league and we have a lower proportion of young people in full-time higher education than any other western industrialised country.

It is also no wonder that an increasing number of people, especially young people, are looking for change. The Government offer no hope, no vision and no future. The Chancellor reminded me of a poker player in the last chance saloon. His hand has now been revealed—it was revealed prematurely last night—and it is not good enough to save the Government's skin. It is time for them to go, and the sooner the better. I look forward to a Labour Government leading us into a new millennium, and building a better future and a better society for all the people of this country.

6.33 pm

Mr. David Congdon (Croydon, North–East): The hon. Member for Falkirk, West (Mr. Canavan) is totally wrong. It is wrong to say that the Government offer no vision and no hope, when unemployment has fallen by more than 900,000 since its peak. He should consider comparative countries in Europe and see how well our economy has done since 1979—and even since 1992. Opposition Members should study what is happening in some European countries. In France and Germany unemployment is rising, whereas in this country it is falling. It is depressing to hear Opposition Members talk as if Government have the solution to all our problems, because in some cases they are part of the cause.

Ms Diane Abbott (Hackney, North and Stoke Newington): Opposition Members have studied what is happening in France and Germany. We found that France and Germany had far fewer households in which no one was earning, whereas in this country one in five households have no wage-earner. We have a worse record than France and Germany.

Mr. Congdon: Part of the problem in this country may be the break-up of the family structure. I did not intend to raise that subject, but I would submit that that break-up is one of the side effects of a welfare state. That is an important subject to debate. It was interesting that the hon. Lady did not mention the strikes that are taking place in France at this very moment. The lorry drivers' strike is preventing the transport of food into this country. Is that an example that this country should follow?

There is always a danger of grossly over-hyping the impact of any one Budget. We should remember that our gross domestic product is round about the £700 billion mark, and that Government expenditure is round about the £300 billion mark. No one item in a Budget—whether it is £0.5 billion here or £1 billion there—has a greatly significant impact on the real economy. The economic climate that is created is more important than the minutiae of the figures in the Chancellor's statement. Businesses want stability so that they can plan for the future, and the Government have given them that.

Last year, the Chancellor introduced a prudent Budget. Cuts in public expenditure of £3.25 billion were matched by tax cuts of an equivalent amount. I say public spending cuts, but in fact that is a misnomer. Public spending cuts are often cuts in so-called planned increases. The language is sometimes debased, because in reality public expenditure is never cut: it grows inexorably. The only issue is the rate of increase.

When I spoke in the Budget debate last year, I praised the Chancellor for his prudent Budget. I also said that it was important to see what happened to interest rates. I hoped that interest rates would fall, so I was delighted to see that in the following year they fell four times and were increased once. We now have interest rates significantly lower than they were a year ago—lower by 0.75 per cent.

The economy has improved steadily in the past 12 months. Today's Budget continues the trend that the Chancellor set last year of fixing a prudent Budget. Public spending has been reduced by about £2 billion, and taxes are down by about £700 million. As the Chancellor said, that is taking a fiscally tough stance to avoid having to introduce tougher monetary measures later. That is a prudent approach. It is a bit rich of Opposition Members to accuse the Chancellor of setting a Budget for an election when he has taken such a fiscally realistic view of the economy.

The Leader of the Opposition must have written his speech a few weeks ago, because there was nothing in it about the Budget or about the Labour party's tax proposals. The public are none the wiser. It is clear from listening to Opposition Members whenever they open their mouths that they would spend and tax more than the Conservative Government, so the public should be warned.

Much mention has been made today of our proceeds from privatisation and North sea oil. Despite the continuing pretence that somehow those proceeds have been squandered, they have in fact been spent on essential public services, and as a result taxation is slightly lower than it would have been if the money had not been raised. It is misleading to pretend that it has been squandered.

[Mr. Congdon]

The leader of the Liberal party, the right hon. Member for Yeovil (Mr. Ashdown), said that the Budget did not consolidate the recovery. I find that somewhat hard to understand. This is clearly not a giveaway Budget containing massive tax cuts designed—as some Opposition Members would have liked to be able to say—to bribe the electorate; as I have said, it takes a fiscally tough stance. The right hon. Gentleman said that he would have liked a greater reduction in the public debt. So would I—but, in a complete non sequitur, the right hon. Gentleman went on to say that, instead of the tax cuts announced by my right hon. and learned Friend, he would have liked the money to be spent on education. So, at the first opportunity to reduce the public sector borrowing requirement, the right hon. Gentleman has spent it. That is all too typical.

My hon. Friend the Member for Portsmouth, South (Mr. Martin) referred to economic and monetary union and the single currency. My concerns about the single currency are primarily economic. I strongly believe that a single currency would lead to significantly higher unemployment rates throughout Europe, and I think that this and other European countries would come to regret those higher rates if they joined a single currency. I also think that there is a grave danger of higher interest rates. I consider it fundamentally important for this country to maintain its freedom of action, and I welcome what my right hon. and learned Friend the Chancellor said about that yesterday.

Listening to my right hon. and learned Friend's speech, I wondered what he would have been able to do and say if, 10 years down the road, we had joined a single currency. Would he have been able to announce all those tax changes, or would his hand have been totally constrained by some other body in Brussels or elsewhere? The last thing I want is for the Chancellor of the Exchequer—whatever party is in power—to become little more than a local authority director of finance. I do not dispute the fact that the convergence criteria are good in themselves, in economic terms, but, when the chips are down, this is the acid test: if a country wanted to go outside those criteria, would it be constrained by another body? That is the danger of being involved in economic and monetary union.

Let me say a little about the general economic position. We now have lower inflation than we have had for a generation; but, equally important, we have seen stable growth levels. I was pleased to hear the latest growth forecasts in my right hon. and learned Friend's statement—2.5 per cent. this year, and 3.5 per cent. next year. Of course a balance must always be struck to avoid overheating of the economy, but I see no great danger of that, although my right hon. and learned Friend is right to take a prudent approach. As I have said, unemployment has fallen by 900,000 since its peak.

I believe that, to ensure that more people get into work and to build on the success that has already been achieved, we must ensure that the United Kingdom economy secures sustainable levels of growth, and that we do not go into recession at some future stage. We can argue about what is a sustainable level of growth; I do not believe that the level is fixed and immutable for ever and a day, and, as I have said, I welcome the forecast of 3.5 per cent. for next year.

I said just now that a good deal of nonsense was spoken about public expenditure. In fact, whatever Chancellors say, public expenditure goes up in real terms in the long run, for a variety of reasons. One of those reasons is the existence of a growing elderly population; another—rightly—is the rising expectations of the public. The fact is—it is contained in the public expenditure statements—that public expenditure in real terms has risen from £219 billion in 1978-79 to £295 billion in 1995-96. That is an increase of £76 billion.

We are often told by Opposition Members that that is to do with unemployment, and that much of it is connected with the fact that the economy was in recession. Again, however, the figures are in the Red Book. Cyclical social security costs about £14 billion a year. In fact, most of the growth is to do with such factors as the growth of £16 billion, in real terms, in the health service over that period. There has been growth of £4.8 billion in real terms in health since the last general election—and that excludes the extra growth announced today. Education has grown by £8 billion over the period, and law and order by £6 billion.

The reality is that public expenditure goes up over time. I do not regret that; the challenge to the Government is to try to ensure that the rate of growth is sustainable, because otherwise the growth in public expenditure crowds out private expenditure.

A good deal of nonsense is also talked about public expenditure as a percentage of gross domestic product. The figures show that, when Labour left office, the figure was 44 per cent. For 1997-98, it is planned to be 40 per cent., which is a reduction in anyone's book. The public sector borrowing requirement is lower as well. I think that that is all good news, and I would have expected Opposition Members to welcome it.

The crucial question, however, is this: what is the overall judgment of the Chancellor? What I liked about this and, indeed, the last Budget was that, along with comparatively modest reductions in taxation—I welcomed those, including the reduction in the basic rate of income tax by 1p in the pound—there was sensible extra investment in the key public sector services. As a member of the Select Committee on Health, I particularly welcome the extra money announced for the health service today—£1.6 billion in cash terms. That is good news, which will be welcomed.

As I have said, there has been significant extra investment in the NHS since the last general election and, indeed, since 1979. Of course demands increase year on year as people get older—and people are living longer than ever before—but it is a fact that we are spending £80,000 a minute on the NHS. The hon. Member for Falkirk, West (Mr. Canavan) mentioned education spending as a percentage of GDP, but the number of youngsters in education has dropped over that period. That is one of the reasons for the figures, although they are increasing again now.

Interestingly, the percentage of GDP being spent on health is up from 4.7 per cent. to 5.8 per cent.—and that excludes the figures announced today. That is why the NHS can treat more patients than ever before, and why the number of patients treated in the last financial year was up by 6.5 per cent. We do not hear much about that from Opposition Members. I do not regret public

investment through taxes in services such as the NHS, on which we all depend: that is what I think a modern state should do.

I believe, in principle, in low taxes. I think that it is far better to allow people to have more money in their own pockets, to spend as they wish. Of course taxes cannot be reduced to zero; we must have public expenditure. The challenge is, can they be kept at a comparatively low level as a percentage of GDP?

My hon. Friend the Member for South-West Cambridgeshire (Sir A. Grant) mentioned the iniquitous selective employment tax introduced by a Labour Chancellor in—if memory serves me right—the 1960s. The danger is that, if taxes must be raised, some Governments—particularly Labour Governments—want to raise them on businesses, as if they were a soft touch. They are not, because taxes on businesses destroy jobs. That is why it is important to keep taxes as low as possible.

I am getting sick and tired of hearing Opposition Members criticise previous tax increases when, in practice, they have opposed each attempt to rein back public spending. Unless the state borrows ever larger sums, taxes have to equate to public spending. It is dishonest to the electorate to pretend otherwise.

I support the moves in the Budget to reduce taxes. I have mentioned the changes to income tax. I am pleased that there have been further attempts to plug loopholes. I noticed that hon. Members were jumping up and down and saying, "We told you that loopholes needed to be plugged," but it is a continual battle to plug such loopholes. As we plug one, another opens. Therefore, it is not a battle that suddenly ends. It is a battle that must be continued for a long time—probably for ever.

I welcome the changes to the uniform business rate, particularly to help small businesses, and the proposals to consider how to redistribute the UBR burden. I have received representations from smaller businesses that the burden bears down excessively on them. It is important to ensure that it is fair.

One Opposition Member said that taxes were a higher percentage of GDP than when the last Labour Government left office. I could not believe those figures, so I checked them in the Red Book. Having done so, it is clear that the percentage is marginally lower than in 1978-79—it 38 per cent. of GDP as opposed to 38.75 per cent. More important, in 1978-79, the public sector borrowing requirement was 5.5 per cent of GDP; in 1997-98 it is 2.5 per cent. Therefore, in 1978-79, the total amount that was being spent was 44.25 per cent. and it is now down to 40.5 per cent. It is misleading, therefore, to pray in aid the argument on the size of the PSBR, which is, in effect, what was being done.

Another story keeps being trotted out that misleads everyone—that the Conservative Government have introduced 22 tax rises. Last week, the *Evening Standard*, which I do not often pray in aid in any argument, kindly published the list of the 22 rises, which include interesting items that have been counted not just once, but on a number of occasions.

Fuel duties that have increased more than the rate of inflation and car tax increases, all of which would have been supported, I should have thought, by Members who profess to be concerned about the environment, account for five of the 22. Alcohol duties account for one of them. Allowances being frozen and restricted count for seven and reducing mortgage interest relief at source accounts for two. One can argue whether they are tax increases, but it is misleading to regard each one as a tax increase. Have Opposition Members told the public that five of their 22 rises involve extra taxes on cars, which I thought most Members on both sides of the House support in terms of improving the environment? The list is therefore misleading, to say the least.

We also hear much from Opposition Members about the need for more investment. I agree with the need for more investment, but where I part company with Opposition Members is that I do not believe that Government can decide where investment should be made in the economy. The only people who can decide that are those who invest—Britain's businesses. If they believe that an investment is worth while and that there is a market for the product, they will invest. All experience shows that, when Governments say, "We should invest in this and we should invest in that," the investment is doomed to failure.

What is the one proposal we have from the Opposition that would have a negative effect on investment? It is the windfall tax. What would that do for investment in the privatised utilities? What incentive do they have to manage their businesses properly when they think that a Government might snaffle any money that they manage to raise as a result of that successful investment? What a message to consumers, who will undoubtedly end up paying those higher prices.

I welcome the Budget. The Chancellor has achieved the right balance with some sensible changes in public expenditure, and some significant extra investments in the key public services of education, health and law and order. I should have thought that they were sensible priorities. At the same time, he has managed to find room for sensible tax-changing measures—both the raising of the thresholds and the reduction in the standard tax rate.

If the Chancellor had wanted to have an election budget, he could have taken 2p or 3p off the standard tax rate. He did not, because he wanted, rightly, to have a prudent tax Budget that would sustain Britain for the future.

6.55 pm

Mr. Gerry Sutcliffe (Bradford, South): I, too, welcome the Budget, but not because of its content. I welcome it because it will, I hope, be the last that a Tory Government will inflict on Britain's people. Tory loyalists defend the Government, but it is complacent of them to say that there have always been tax loopholes. Two years ago, and even last year, the Chancellor did not accept that there were tax loopholes. Labour Members have been saying for long enough that people should pay tax, and that clever accountants were robbing the Revenue because it was not collecting taxes that people should pay. It is interesting that, finally, the Chancellor has recognised that fact.

I am saddened by the Budget, because we are here to represent our constituents, and nothing in it will do anything for my constituents in Bradford, particularly the long-term unemployed. The Budget should have contained a strategy for the future, but what we have is the usual thing. After 17 years, this Government think about the next few months. They think not about the economy's long-term prosperity, but about a Budget for

[Mr. Gerry Sutcliffe]

their election chances, which, after today, are far weaker. We should have had a Budget strategy that equips us for the 21st Century and lays the foundations for a sound and sustainable economic success. We have not had that.

In the past 17 years, we have had failure. The Tories have increased tax 22 times. It is untrue for the hon. Member for Croydon, North–East (Mr. Congdon) to say that they have not raised taxes 22 times, because they have. The main point is that the Tory party emphasises that it is the party of tax cutters, but it is not.

We have the highest tax regime ever, despite all the opportunities that the Tories have had—North Sea oil, for example. There is a great imbalance in wealth. The earnings of the top 10 per cent. have increased, and those of the bottom 10 per cent. have decreased by 17 per cent. That is a disgrace. As we have said, this is a Government for the few, not for the many.

The economic failures are legion. Investment is growing more slowly in this recovery than in any this century. When we talk about investment, we mean internal investment—not inward investment from abroad, but British investment within Britain. Britain lacks the education and skills needed. We are 42nd in the world skills league. As has been said, one in five families are without work—more than in Germany, France and the United States of America.

Since 1979, Britain has fallen from 13th to 18th place in the world prosperity league. Since 1992, we have seen a fall in living standards—a clear breach of Tory election promises. That proves that we could not trust the Tories then, we cannot trust them now, and the electorate should not trust them in future.

The boom-and-bust recovery is built on sand. For years, the Government have neglected investment in industry, in education and in skills. Unless we invest in the future, the recovery will prove unsustainable, as happened in the 1980s. Again, the people who were hit were ordinary families.

The Budget should have tackled the British economy's fundamental problems. Instead, it chooses to paint a rosy picture than no one outside recognises. We are judged on how the electorate view us—that is the simple test. That is why Labour has won the past nine by-elections. That is proof that people do not trust the Tories.

As I said, under the Tories, we have fallen from 13th to 18th place in the world prosperity league, and, at 9th out of 15 countries, we are in the bottom half of the European prosperity league. In 1979, Britain was above the European average for living standards, but, by 1995, we were below the average. Far from being the enterprise centre of Europe, Britain has suffered economic decline with the Tories. We have had the slowest average growth rate of any major industrialised nation.

Our manufacturing base has collapsed under the Tories. In 1979, manufacturing accounted for 30 per cent. of GDP, and employed more than 7 million people. By 1995, manufacturing accounted for only 20 per cent. of GDP, and employed only 4 million people. Industrial production has grown at a slower rate than in 11 other European countries, and matters have not improved much since the recession. In August 1996, manufacturing output was barely above the level before the recession. The collapse in manufacturing has undermined our ability to trade with the rest of the world.

In 1983, the UK's balance of trade in manufactured goods became a deficit for the first time since the industrial revolution, and the situation has remained unchanged ever since. That fact is truly an indictment of the Government. Our share of world trade has slumped to the lowest level this century, and it is less than the share held by Italy, Germany, Japan and the United States.

The Economic Secretary to the Treasury (Mrs. Angela Knight): That is wrong.

Mr. Sutcliffe: Wait; we will no doubt soon hear what the Minister has to say.

The two worst recessions since the war have been brought to us by the Tories. The most recent hit home owners, workers and taxpayers alike. Home owners were hit as interest rates doubled to 15 per cent. and house prices plunged. Negative equity has affected nearly 2 million home owners, and the taxpayer was left to pick up the bill for the Conservative's failure. There have been 22 tax rises, which, since 1992, have meant an additional £2,000 in tax for the typical family.

When the Tories let inflation get out of control on the most recent occasion, they had to raise interest rates to 15 per cent. in fewer than 18 months to get it back under control. The same pattern could be repeated if the Chancellor does not tackle the economy's fundamental weakness. Today's inflation rates are poor by European standards. Britain is 11th in the European inflation league, and, of the other major industrial nations, only Italy has higher inflation.

Investment is the key to our economic success and to future growth and economic well-being. The recovery is lacking investment. In 1995, investment was still 11 per cent. below the 1989 level and, over that six-year period, investment has accounted for an even smaller proportion of national income—down from 23 to 17 per cent. Private sector investment is only 9 per cent. higher than it was in the depths of the recession. At the same point in the most recent recovery, such investment was about 30 per cent. higher. That is a slower rate of recovery in investment than in any recession this century, including the 1930s, and the manufacturing investment rate is still lower than it was in 1979.

Under the Tories, we have invested less as a proportion of our nation's income than any other European country. We have been watching what has been going on. Investment per worker is 18 per cent. higher in Germany, 51 per cent. in France and 68 per cent. in the United States.

A modern, dynamic economy requires a highly trained and highly skilled work force. However, under the Government, Britain has fallen to 42nd place out of 48 countries in the world education league. We have fewer 17 and 18 year-olds in full-time education than any other country except Turkey, and the percentage has decreased over the past two years. Only 67 per cent. of the work force are qualified to NVQ level 2 or above, compared to over three quarters of the work forces of Germany, France and our other major competitors. At the age of 18, twice as many Germans are in full-time education as young British students.

The central task of economic modernisation for Britain in the 21st century will be to overcome the long-standing problem of under-investment in people, industry and our

economic and social fabric. The only way in which to achieve the higher level of sustainable growth and employment we all want is to invest and for those investments to grow. Since 1979, however, Britain has had the lowest level of investment of any of the 24 Organisation for Economic Co-operation and Development countries, and the Tories have failed to recognise the role of Government in encouraging investment in the private sector, and the importance of investing in infrastructure and setting up true partnerships.

Any sensible Government would have used this Budget to ensure that we had a platform for economic stability, which is essential for sustained growth. Labour would have created regional development agencies to work with venture capital to encourage the provision of more long-term finance for small businesses, considered other ways in which we could enable the tax system to encourage long-term investment, and shown interest in the Confederation of British Industry's proposals for a two-tier capital gains tax, to encourage assets to be held over the longer term.

We should be bringing the public and private sectors together to invest in major infrastructure projects of national interest. Labour would radically improve the private finance initiative by prioritising projects and streamlining the decision-making process. In rebuilding our infrastructure, the way ahead is not to resort to the Tories' methods—relying solely on privatisation—and it is not to rely on the public sector to do everything. We should instead consider constructive and lasting partnerships between the public and private sectors. Britain badly needs capital investment across the range of our infrastructure, and especially in our physical infrastructure.

Transport is vital to the future of our economy and to the everyday life of each of our citizens. We value it because it provides us with access to our jobs, to leisure, to services, to family and to friends, and it is crucial to the quality of life. The effects of transport policies reach far beyond the transport sector itself. They effect nearly every aspect of the nation's life, yet Britain is currently investing only 0.7 per cent. of GDP in transport infrastructure, which is about half the rate of our closest European neighbours.

Transport congestion costs British business £19 billion a year, according to the CBI's figures, which is equivalent to £800 for every household in Britain. But the Tories persist in refusing to set a national transport strategy, and continue to be driven by dogmatic faith in free market solutions—rail privatisation, bus deregulation and, now, privatisation of the road network.

I wonder whether people noticed today's cuts in the roads programme, which were mentioned by my hon. Friend the Member for Newport, East (Mr. Hughes). Those cuts will mean that we will not have many necessary roads which were called for by local authorities and communities. Our road, motorway and trunk road networks will suffer chronic congestion by 2005, and, based on current trends, all but one of the major roads into London will be gridlocked. According to the Automobile Association, one of every seven miles in our motorway network and over 4,000 miles of our primary roads urgently require repair.

Parts of the London underground system are now 120 years old, and the King's Cross inquiry was told only a few years ago that the disaster revealed "an endemic and long-standing under-investment in technology at a risk to safety."

Consider what happened to the underground system last Wednesday, when the entire system was shut down because of the total failure of a 91-year-old power station.

Rail privatisation has squandered more than £450 million in fees for consultants, lawyers and accountants, although service and standards have become worse. Rail privatisation has fragmented a nationally integrated British Rail into more than 100 different companies. They were sold off at knockdown prices, with separate companies owning the trains and the track and running the services. Those companies have now called for large public subsidies before they can do anything to increase the amount of freight currently carried by road to rail.

The situation has come about because of the Government's actions of the past 17 years. They have been driven by a dogmatic belief in free market solutions, irrespective of the transport consequences. A road-building programme that was meant to cater for an ever-growing demand for car use has suddenly been chopped back, with no alternative plans in place. Meanwhile, the Government-driven privatisation of the rail network and deregulation of the bus industry has led to further decline in public transport provision. Nationally, since deregulation, there has been a 35 per cent. reduction in the number of bus passengers. That failure of the people is absolutely outstanding.

We have fallen behind our European competitors in vital transport investment. France already has a high-speed rail link to the channel tunnel, but the building of Britain's has not even begun.

Conservative policies have denied real choice in transport. People with cars are forced to suffer traffic jams and fumes, whereas those who wish to use public transport suffer declining services, and those who wish to walk or cycle cannot find safe and unpolluted streets.

The Government's role is to set the framework and then to enable much of the provision to be privately funded. There must be a genuine public-private partnership, in which stated public policy aims have central place. The role of the private sector would then be to participate in those projects, to which it can bring its expertise and investment. Investment is lacking in our transport infrastructure, and that is the Government's legacy after 17 years.

We have heard from the Chancellor today that the 1p to be cut off income tax will be lost to local government, whose funding will again be attacked by the Government. Local government is at the sharp end of dealing with the day-to-day realities of the problems in our communities—the lack of investment in our schools, in community care and in other essential local services. Local government needs £2.3 billion just to stand still and avoid service cuts.

Local authorities will need to spend £19.2 billion on education next year. We always say this, because it is true and has been true when local authorities of all political persuasions have gone to Ministers to argue against the central Government funding formula.

More than 1 million primary school children are educated in classes of more than 30 pupils. That figure has risen by 500,000 since 1992. Large classes can damage young children's chances, but class sizes have

[Mr. Sutcliffe]

risen steadily over the past six years. If more resources are not found, there will be serious consequences: pupils with special needs will not get the help that they need and have been promised; there will be a further deterioration in pupil-teacher ratios; and the condition of school buildings will continue to be a national disgrace. There are more temporary classrooms in my constituency than in any other constituency in the country because of the authority's inability to spend money on capital projects.

Britain has the lowest level of publicly funded services for young children in Europe and the wider industrial world. As Secretary of State for Education, Baroness Thatcher pledged to provide nursery education free of charge to all three and four-year-olds whose parents wanted it. Despite her pledge, the Government have undermined nursery expansion through repeated cuts in local authority budgets, forcing a squeeze on discretionary services. In a skills-based economy, local authorities cannot provide the standards necessary to meet the needs of future generations.

The cost of providing an acceptable level of personal social services will rise by nearly 8 per cent. next year, due to factors beyond the control of local authorities. Personal social services are already severely underfunded, particularly community care. Many people who need services and would have received them in the past now receive none because of the implementation of charges or the inability of the local authority to provide the services. The transfer of responsibility for community care from the Department of Health to local authorities requires additional funding of £127 million next year.

Increased investment in public services such as personal social services can save money for central Government programmes. It has recently been shown that increased investment in preventative programmes in community care could lead to lower NHS expenditure on long-term hospitalisation.

Many local services have already been cut or underfunded to protect services such as schools and community care. That will continue. The Government say that they will make more money available to schools, but the reality is that they take it from the other side of the pot. That is the true situation. People will find out that they are paying more for less.

The Government have ensured that local government has suffered. Those who look to the local authority to provide the services they so badly need have been let down time and again by central Government, because not enough money has been allotted to local government. Some 85 per cent. of local authority spending is controlled by central Government. That does not meet local needs or give local authorities the opportunity to develop programmes to do so.

The Government have tried to play it both ways with the electorate, but I am sure that the electorate will not be hoodwinked as they were in the past. They have seen that the Government that promised tax cuts gave them tax rises. The Government will not be allowed to get away with that trick again. We want a Government who care about the future of the country and can take the young long-term unemployed off the dole queues and put them into positive work. We want investment, and a Government who care where the country is going in the wider world, not a Government who want to look after only those that they have looked after for the past 17 years.

The Budget will go down in history as a leaked Budget, as has been said, but it will also go down as the last one from a Tory Government who did not care about the people of this country. The people want to hear speeches such as that of my right hon. Friend the Leader of the Opposition. He spoke about the country's future, and about putting things the way the people want. I am confident that Labour will win the next election. For many people in this country, that cannot come soon enough.

7.14 pm

Mr. Dafydd Wigley (Caernarfon): I agree with much of what the hon. Member for Bradford, South (Mr. Sutcliffe) said about the additional expenditure needs for many programmes—for local government, for community care, for our transport infrastructure and all the rest. I part company with him on his castigation of the Government for having pushed taxes up, since I must assume that he would prefer a lower level of tax.

To sustain the level of public expenditure we need—I agree with him on the expenditure that is needed—the money must come from somewhere. We cannot go on borrowing indefinitely. If we believe in the need for the expenditure, we have to believe in the means of raising the wherewithal to fund it. Sooner of later, the Opposition will have to come clean. I shall come to some of the details in a moment.

The background to the Budget in Wales is that our income per head has dropped to the lowest of any country or region in the United Kingdom. We are at something like 82 per cent. of the UK average. Our unemployment does not differ much from the UK average—it is very similar, although there are pockets of high unemployment and pockets in which the economy is going fairly well. That underlines the need for specific action in those areas that still have high unemployment and those areas with very low income per head.

I am thinking particularly of the western parts of Wales—the old counties of Gwynedd and Dyfed—and of the old coal mining valleys of south Wales. In an all-Wales context, we need a strategy from the Chancellor to ensure that the economy in those areas is stimulated. If the overall economy does not need stimulation—that is the general thrust of the Chancellor's strategy—we need some devices to ensure that resources, either through public expenditure or some other means, are targeted on those areas that have pressing needs.

We can compare and contrast our position in Wales with that over the water. My nearest capital city is Dublin, which has a growth rate two to three times that of the United Kingdom. The GDP per capita of the Irish republic passed that of Wales for the first time ever in 1995. During the past two years, the Irish republic has created 56,000 new jobs. I know that the level of unemployment there is still too high, but the Irish have a dynamism that we are failing to achieve in Wales, and we need policies geared to achieving it.

How have the Irish achieved that? Obviously part of the answer can be found in Ireland's internal strategies and the way in which it attracts internal investment. Ireland's rate of corporation tax is an incentive—at 10 per cent., it cannot but be an incentive. It has negotiated a

derogation on that. That leads to the second part of the answer, which relates to Ireland's success in achieving a substantial input from the European Union—some £478 per head a couple of years ago, compared with £45 per head in Wales.

Given the need to target, I have no doubt that we should make a serious approach to gain objective 1 status for the western coast of Wales—the old counties of Gwynedd and Dyfed—and for the old coal mining areas. On all the criteria by which objective 1 status is calculated, it is needed.

That provides the background to the Budget, because such approaches are needed to overcome our economic problems. I judge the Budget against that background, and I find it deficient. It is deficient on the central issue of creating employment. Some 100,000 people in Wales are unemployed. We would prefer them to be paid perhaps £160 a week to do work that needs to be done in our communities than £80 a week to rot on the dole.

We know that work needs to be done in the environmental sector, in the transport sector, in community care and in education. All around us is work that needs to be done, and people who want to do that work. They may not have the right training, but work can be done on that as well. We would prefer the cost of the depression to be borne by the taxpayer, paying those people to do the work that needs to be done, rather than leaving them idle on the dole.

Of course, that would presuppose a higher rate of tax. We voted against last year's reduction in income tax, because we believed that the money was required to pay for work to be carried out in our communities. That is why we shall be voting against the penny reduction in income tax this year as well. We would be happy to retain a standard rate of income tax of 25p in the pound, and raise additional resources.

That does not mean that people on low incomes should be hit so hard by the taxation system. Therefore, I welcome the steps taken by the Chancellor to raise the tax threshold by £280, but, frankly, it is not enough. The erosion in the income tax threshold since the war, and particularly in the past 20 years, is staggering. Before I came to the House in 1972, the personal income tax allowance for a single person represented some 30 per cent. of average earnings. It is now down to 19 per cent. of average earnings. In order to restore it to its previous level, it would have to rise to more than £6,000. That how far people on low earnings have been drawn into the tax net.

Increasing the personal allowance by some £500 would have taken some 830,000 people out of income tax, and would have made a considerable difference to those on low incomes. Had that same allowance been applied to people over 65, it would have taken a further 300,000 people out of income tax, including some 20,000 in Wales.

We needed such a strategy. It would have cost money, but it could have been funded by removing the upper limit on employees' national insurance payments. The present ceiling of £455 a week has been increased by £10 in the Budget. If that limit were removed, the proceeds would be more than enough to pay for the changes that we have advocated. We believe, therefore, that our proposals could be implemented. However, the Budget implements a strategy that is geared to the general election.

Mr. Tim Devlin (Stockton, South): That is silly.

Mr. Wigley: The hon. Gentleman, who has just entered the Chamber, is making sedentary remarks. If he wishes to intervene, I shall give way to him. As he does not, I shall continue.

We are aware that the Budget is geared to the general election, so there is a give-away on the standard rate of income tax. I do not believe that the electorate will buy that as a strategy. They want services to be maintained rather than eroded.

The Red Book sets out the cuts in expenditure that accompany the reduction in taxation. I am particularly worried about the cuts in capital grants to local government by £1.5 billion. The Department of Education and Employment has lost £1 billion. Overseas aid has been reduced by £150 million, although we see on television starving children around the world. Should we rest quietly before a general election when that cut is paying for our tax bribe?

On agriculture, apart from spending on BSE, there is a reduction of £90 million. The Department of Trade and Industry, the Department that would create the jobs that I mentioned, has also suffered a reduction of £90 million. The Department of National Heritage faces a reduction of £60 million. We know what that will do to the Arts Council. In other words, there is no such thing as a free lunch.

Tax reductions have to be funded. My great fear is that the biggest cut of all will be in the money available to local authorities. Given their additional burdens, local authorities will be forced to increase council tax significantly to make up the deficit. The Welsh Office budget is to be cut by £120 million, rising to £270 million in 1998. I have little doubt that that will impact on the money available to Welsh local authorities.

There are some good points in the Budget. We welcome the approach to pollution and sustainability, and the increase of £280 in the tax threshold, although it is not enough. We also welcome the steps to close tax loopholes on VAT and the limit on the business rate, which is a severe burden on small businesses. We welcome the small reduction of 0.2 per cent. in the employers' national insurance contribution. Although we welcome those small matters, the overall strategy is not putting the resources were they are most needed.

In conclusion, let me draw the attention of the House to one group of people who have not been mentioned today—pensioners. The state pension will rise from £61.15 to £62.45—an increase of just £1.30. Let me quote the Chancellor of the Exchequer directly:

"Individual living standards continue to rise."

That may be true for some people, but, over the past 10 or 12 years, living standards have not been rising for the 40 per cent. of pensioners who have no income other than their state pension and benefits. Benefits have increased with the cost of living, but decoupling them from the link to earnings has meant that, instead of £83, a single pensioner receives only £62.45 after the increase in the Budget.

[Mr. Wigley]

Some people have benefited from the increase in living standards, but pensioners are the only group who have not benefited, and who can do nothing about it. The Government will pay a severe price for letting pensioners down and not allowing them to enjoy any increase in their standard of living. Against that background, we find the Budget unacceptable, and we shall vote against it.

7.25 pm

Mr. Tim Devlin (Stockton, South): I welcome the Budget because it is pragmatic, effective and philosophically correct. It is pragmatic because, contrary to the assertions of the hon. Member for Caernarfon (Mr. Wigley), it has not been framed solely with the election in mind. As my right hon. and learned Friend the Chancellor made clear, he was looking at the medium and long term as well as the short term. I know that he very much looks forward to presenting another Budget next year and in the subsequent years of Conservative government after the next election.

When we consider the various options that were floated before the Budget—including massive tax cuts and various other amazing vote-winning strategies—it is clear that the Chancellor has been extremely pragmatic, working within the strict parameters that he set himself, to ensure that the economy is well based and on an even keel for the future, whether we win, lose or draw at the next election.

The Budget affects matters that concern people in my constituency. It provides an extra £875 million for education, an extra £450 million for law and order and the police service, and a substantial increase of £1.6 billion for the national health service—and that does not take into account the important news about jobs and the economy.

I very much welcome the extra £50 million grant for urgent school repair. I draw the attention of the House to my visit to a school in my constituency in July which resulted in the headline:

"We need to spend more cash on schools now".

I should mention to the hon. Member for Bradford, South (Mr. Sutcliffe) that one of the big problems about giving money to local authorities to spend on education, among other matters, is that they do not hand it over. If Stockton council is serious about providing a new primary school at Preston in my constituency, I hope that it will apply to the Government for the money now and not wait until 1997-98, as I was told in a parliamentary answer last week. There is no reason for delay. Two years is a long time in the education of four, five and six-year-olds. The council should apply for the money and start work as soon as possible.

I welcome the £50 million for school buildings, and hope that Labour-controlled local authorities will hand the money over to the schools that need it.

I also welcome the £129 million provided to nursery education, particularly the introduction of the voucher scheme, which will enable parents throughout the country to choose the education that their children receive. It is very important that this Budget should be a Budget for the family and that the Conservative party should be the party of the family. I therefore think that it is important to give money to parents so that they can make real choices about their children's education. If local authority nurseries are so good, as local education authorities contend, I am sure that parents will stick with them and hand over their vouchers to them. Parents would still be exercising an important element of choice in doing so.

I welcome the £280 million that is to go to universities and further education colleges. Under the Government, there has been an enormous growth in higher education. In 1979, only one in eight young people went on to higher or further education. Now, one in three do. We have a much better educated work force and many people enjoy the many benefits—not just academic ones—of further education. I welcome the extra money that will be given to such institutions.

I welcome most particularly the £450 million that will be spent on law and order. More important, the underlying philosophy taken forward by the Government of judging all our public services by results and what they deliver, rather than allowing them to continue with age-old containment strategies, means that we are getting much more value for our taxpayers' pounds.

I was very heartened by a report in *The Daily Telegraph* on the adoption by Cleveland constabulary of a profiler—a Cracker-style person who will profile criminals and be able to track them down more successfully. I was even more heartened when I read that our assistant chief constable said:

"It is only recently that the police have come to the conclusion that we can cut crime. In the Eighties we perhaps mistakenly felt we could only contain crime. Now we are putting our money where our mouth is, we can and we will cut crime."

Coupled with the money that is being spent by the Exchequer on law and order, that will be a very welcome piece of news to the electorate in my constituency.

The hon. Member for Bradford, South said something about congestion in London bringing the whole city to a halt before very long. He put me in mind of when I was reading up for my history degree many years ago. I remember reading that a leading pundit in the 1890s said that, if the growth in horse-drawn carts in London continued at the rate at the time, London would be 6.5 ft under horse muck by 1915. That did not happen, although the roses in London may have been spectacular during those years. I am very dubious about some of the predictions about traffic congestion and traffic growth. In my experience, an invisible hand guides people, and they leave their cars at home when they find that it is too difficult to take them on the road.

The hon. Member for Bradford, South asserted that the railways were far worse since privatisation. I was interested to read a commentary in one of the newspapers that said:

"Trains are running on time more frequently under privatisation than when they were State-owned, according to official performance figures.

The statistics, compiled by the Office for Passenger Rail Franchising, show that the first eight operators to be sold to the private sector increased service punctuality by two per cent between February and October, compared with the previous 12 months under British Rail."

I happen to know that that is a fact because I am a regular traveller on the railway system, especially on the east coast main line, which has recently been taken over by Great North Eastern Railway. Not only are the trains

running far more punctually and, with the new blue livery, looking nicer, but the range of services on trains and at stations has broadened enormously because of the concentration on service delivery and customers rather than the operating convenience of the unions and the service providers. That underlying philosophy has been very effective in all our public services.

It is very easy to say that local government is strapped for cash, but it is possible to go to certain parts of the country, such as where I live on the borders of Stockton, Middlesbrough and Hambleton district councils, and discover that two councils, which are controlled by Labour, impose some of the highest band D council tax anywhere in the country, whereas the third—Hambleton—imposes a considerably lower council tax. When we ask why, we are told that Stockton and Middlesbrough have much worse social problems than Hambleton, which is in North Yorkshire. We find also that council tax in Stockton and Middlesbrough is considerably higher than it is in Hambleton despite the fact that the Government hand over more per head to Stockton and Middlesbrough than they do to Hambleton.

It is important that we guard our environment as we approach the millennium, and I very much welcome tax differentials for less polluting fuels such as low-sulphur diesel. When I was a newly elected Member of Parliament, I visited the first lead-free pump in Stockton-on-Tees, filled the car up and gave an interview to the media about the importance of tax differentials to encouraging good environmental behaviour. Since then, lead-free petrol has taken off throughout the land and I hope that, in due course, low-sulphur diesel will do the same.

Above all else, the people in my constituency care most about jobs. They will be very heartened to learn from the Chancellor today that unemployment throughout the country has fallen by 950,000 from its peak and that 750,000 more people are in work than at the end of 1992. They will also be particularly pleased to learn—if they do not know it already—that at 8.1 per cent., the United Kingdom's unemployment rate is lower than that in Germany, where it is 9 per cent., lower than that in France, where it is 12.5 per cent., and lower than that in Italy, where it is 12.2 per cent. Indeed, of all the countries in Europe, the UK has the highest proportion of its population in work.

My constituents also recognise the importance of Europe as a framework and a market in which to expand and operate. They see, almost weekly, huge inward investment coming to the north of England from Japanese companies such as Nissan, Korean companies such as Samsung and smaller companies such as Tabuchi and Sanyo. Such inward investment is being made because we are full players in the European Union but do not have the burdens of social legislation that other countries have.

When I consulted businesses in my constituency about what they would like to hear in the Budget, 83 per cent. replied that they would not want any form of minimum wage, and 79 per cent. said no to the social chapter being introduced. Opposition Members will have a job to explain to the business men of the north of England why they want to saddle them with such additional costs when businesses so clearly do not want them.

I am also very pleased that the tax on jobs in the form of employers' national insurance contributions has been cut and that it will be partly financed by the landfill tax—a tax on waste.

The Budget is effective because it helps the real engines of growth in our economy: small businesses. As I have already said, they do not want to be saddled with unnecessary social legislation. They will be pleased by today's announcement on the non-domestic rating system and by the reduction in small companies' corporation tax to 23 per cent. Many of them in villages are already pleased by the changes in the rates for village shops. Indeed, Cleveland council's voluntary services wrote to me to tell me how delighted it was and how important such changes are to the future of our local communities.

As we consider the effectiveness and correctness of the Budget, it is important to take into account whether we shall get borrowing back into balance. I am very pleased that we are, and that we shall do it relatively quickly. That move has been financed not just by the success of our domestic companies, but by the success of our exporters. If I have one tiny criticism of the Chancellor, it is that, when he said that we now have the best trade figures for many years, he did not mention the sterling efforts of my hon. Friend the Minister for Trade, who is at this very moment negotiating yet another big trade deal for us in Buenos Aires. I look forward to seeing him back in this country, and I am sure that companies in my constituency and many others will look forward to the contracts that he will bring back with him.

The Budget is philosophically correct. We believe in low taxes because it is better to leave people to make choices in life with their money. The Government do not have any money: they have only taxpayers' money. The money that we invest on behalf of the whole community has to be well spent and well accounted for, but it is important too that individuals make choices about their lives, make provision for themselves and their families and take responsibility and feel a sense of duty towards their families and their immediate communities. To do that, they have to be left with the resources to make real and beneficial choices. They cannot do that if the community takes their resources from them and distributes them on their behalf. If that happens, the only choice individuals get in the matter is when they come to elect a Government and then come cap in hand to ask for money for particular causes.

One of the special features of the past 17 years has been the enormous growth in charitable giving. Individuals have personally supported a plethora of good causes. On Teesside, we have seen massive charitable giving to local causes through the Cleveland Charitable Foundation. Local needs have been met by new enterprises that have arisen quickly in the voluntary sector. The hospices are a good example, and they are entirely supported by voluntary donations. That is an important philosophical feature of the Budget. We want to leave people the resources to make those choices possible, and to give people the opportunity to get meaningfully involved in their local communities.

What have we heard from the Labour party? We have heard a lot of carping. In all the years I have known the right hon. Member for Sedgefield (Mr. Blair), today he made one of the worst speeches he has ever made. It had no content. Here was a great opportunity for Labour to

[Mr. Tim Devlin]

say what it would have done in the Budget, and he blew it. The right hon. Gentleman represents a neighbouring constituency, and I know that he will blow it again.

Opposition Members disclaim any responsibility for the 89 pledges that were recently identified and costed by my right hon. Friend the Chief Secretary to the Treasury. They say that they cannot get the pledges past the right hon. Member for Dunfermline, East (Mr. Brown), but the reality is—and I know enough Labour Members of Parliament well enough to know it—that those 89 pledges represent the aspirations of most Opposition Members. They will disavow those pledges only for as long as it takes to get them into power, but if they do not get into power they will be in a serious situation—they will have dumped everything they believed in to try to get elected and they will not have anything to show for it. What will happen then? Presumably they will chop their nice, smiling leader and find themselves a proper socialist leader, if such a thing exists nowadays.

Alternatively, if the Opposition get into power, what will happen? Will they still disavow the 89 spending pledges, or will they be queuing up outside the door of the new Chancellor of the Exchequer to demand that more money be spent on road congestion in London, rail services in Bradford and the many and various different causes that they have espoused without attaching price tags? Today was a great opportunity for the future Labour Government, if that is what Opposition Members really think they are, to set out their agenda to the nation, to tell us where they would spend the money and where they would raise the money. What happened? The right hon. Member for Sedgefield blew it, and he will continue to blow it.

This has been a good Budget for the family, which will pay less on average than single people, and a good budget for all taxpayers. It shows that my party is serious about reducing the burdens of taxation. The Budget has shown that, for all the waffle, the Labour party is not so inclined and does not have the heart to do it. It had the opportunity to tell us, if it could, how it would reduce the standard rate of tax to 10p, as it once fatuously said it would. It had the opportunity to tell us which spending commitments would be chopped so that it could do that.

We could have learnt today how Labour would spend so much on education, the national health service and all its other sacred cows, but we heard not a word from the Leader of the Opposition. I doubt whether there will be another word on the subject from the Leader of the Opposition, the shadow Chancellor or any other Opposition Member this side of the general election. After the next general election, when they are in opposition again, I look forward to the great squabbles about what went wrong.

7.45 pm

Ms Diane Abbott (Hackney, North and Stoke Newington): It is almost—but not quite—touching to hear and watch Conservative Members try to put a brave face on the Budget. The truth is that this was the Tories' last chance Budget and they were desperate for big, splashy tax cuts which, for many of them, were their last, threadbare hope of holding on to power. As the Tories flowed out of the Chamber after the Chancellor's speech, many of them must have been seeing their political futures drain away before their eyes, because it simply was not enough.

One has to have some sympathy for the Chancellor. The Budget was, in many ways, blown off course by events. Harold Macmillan, when asked what was the most difficult thing in politics, said, "Events, dear boy, events." First, the Chancellor faced the mischance of having his entire Budget leaked to the *Daily Mirror* the day before delivery. That is unheard of in the history of Budget speeches. Then we had the unfortunate incident yesterday, when the Chancellor was dragged to the Dispatch Box by uproar in his party over economic and monetary union, which is the biggest economic issue facing the House in the coming 18 months.

The Chancellor was more than a little disingenuous in his performance yesterday. For the Chancellor to claim that matters being discussed at ECOFIN have no relevance to this country because of our opt-out seems to me to be playing games with the truth.

The Exchequer Secretary to the Treasury (Mr. Phillip Oppenheim): It would be helpful to the general course of the debate if the hon. Lady would ensure that her comments comply with the facts. The Chancellor said no such thing. I shall ask her a straight question for a yes-or-no answer. Are there any divisions in her party over economic and monetary union—yes or no?

Ms Abbott: The real question is whether there are any divisions in my party about Europe. My party is united in the belief that we should stay in Europe, but, as the days go by, more and more Conservative Members of Parliament are coming out of the closet—the economic closet—and declaring themselves to be in favour of this country coming out of Europe. What more misguided and kamikaze policy could there be than that?

Mr. Oppenheim: I am not sure about the hon. Lady's dodgy metaphors, but I shall ask her the question again on the off-chance that she will give me a straight answer this time. Are there any divisions in her party over EMU—yes or no?

Ms Abbott: On that issue, as on all issues, my party is 101 per cent. united behind the leadership of my right hon. Friend the Member for Sedgefield (Mr. Blair).

Mr. Oppenheim: You used to be honest.

Ms Abbott: No, I was never honest—your mistake.

It seems that the Chancellor is being disingenuous on the question of EMU, and he will have to return to the Dispatch Box to answer the real questions of what is to be decided at ECOFIN and afterwards. Anyone who has made any study of economic and monetary union knows that the one thing of which those in France and Germany are terrified is that countries that stay outside EMU might thereby gain competitive advantage. There is no question of every European country fulfilling the criteria for entering EMU on target—for example, the notion that Italy can hit the Maastricht criteria and enter EMU within the timetable is wholly fatuous.

The question of how to bind countries that stay outside EMU in the first wave to continuing scrutiny and oversight of their public spending and taxation plans is

not merely a by-chance of ECOFIN's deliberations, but a central concern of the discussions. For the Chancellor to come to the Dispatch Box and attempt to reassure his mutinous Back Benchers by saying that, if we stay out, none of that can apply to us, flies in the face of the facts and of political opinion in France and Germany.

I notice that, in a throwaway line, the Chancellor said that, by a happy coincidence, we were currently hitting the Maastricht targets on spending and borrowing. Innocent right wingers on the Conservative Benches should wake up to the fact that the Chancellor has a clear and relentless political commitment to entering EMU and that he will guide this country into EMU, whether his hon. Friends like it or not. As an admirer of the parliamentary process, I was saddened to see hapless Tory Members of Parliament so easily bamboozled yesterday.

Turning to the contents of the Budget, I want to highlight Conservative Members' entirely dishonest claims about increased spending on the health service. On Monday, I was in my local general hospital, the Homerton hospital in Hackney. Conservative Members should go to hospitals, especially inner-city hospitals, and talk to staff there about increased spending on the health service. The figures on increased spending are phoney figures—they completely ignore differential rates of price and wage inflation in the health service.

If one really wants to know what is happening in the health service, ask a nurse—any nurse. Far from more money flooding into the health service, as Conservative Members insist it is, nurses are voting with their feet and there has never been a greater shortage of trained nurses in the health service. That is not because there are no trained nurses about—I know many trained nurses—but because nurses have left the health service because of cuts, the increased work load, the pressure and the weight of bureaucracy.

My local health authority, in the middle of London, has to go as far afield as Finland and Scandinavia to recruit nurses to work in the east end of London—not because there are no trained nurses in Hackney but because trained nurses are fleeing the health service. They know that, despite the Government's boasts about increased spending, the reality is cuts and increasing bureaucracy, year after year. The Government's boasts will sound hollow to ordinary people and health service workers who know what is really happening in the health service.

I note that the Chancellor today glossed over a matter that will have a severe impact: the rise in prescription charges.

I also want to touch on the proposals in the Budget relating to single mothers. I have to declare an interest: I head a single-parent household. One of the more distressing aspects of recent political debate is the concerted attempt—especially by Conservative Members—to stigmatise single mothers and to make them scapegoats for society's ills as a softening-up process before cutting benefits.

I read with interest the press release issued by the Secretary of State for Social Security in respect of the cuts in benefits for single parents. He said:

"Research shows that the only substantial extra expense lone parents have . . . is the cost of childcare."

The Secretary of State must know that that statement is wholly misleading. Single parents do not have extra expenses as such; but, because lighting a flat costs the same for a one-parent family as for a two-parent family and because housing expenses are the same for one and two-parent families, single parents' unit costs are far greater.

That the social security system has had a lone-parent premium in the past is not a perverse incentive for single-parent families, but the state's recognition of the fact that, penny for penny and in terms of unit costs, running a single-parent household is relatively more expensive. That is not because there are specific extra costs but because the same costs are not divided between two wage earners.

Hidden in the Budget announcement were cuts in housing benefit for single people and single mothers. It is wrong for the Chancellor, in his search for areas in which to scrape up money for tax cuts, to attack single-parent families, who are the poorest and most vulnerable families in our society. That measure does not do either the Chancellor or the Government any credit.

In their final months in power, Conservative Members persist in proclaiming that theirs is the party of low taxation. Who believes that now? The fact is that, when one looks at the totality of taxation—direct and indirect—one finds that the only people who benefited in real terms throughout the 1980s from the Government's tax-cutting measures were those earning more than £70,000 a year. This is a Government for the people, by the people—but only the people who earn £70,000 a year.

The public have seen through the Tories on tax. The reason the Chancellor could not come here with fatuous proposals to cut taxes is that he knows that the public would not believe him. The Tories have lied to the public about taxation too often and now the public see through the Tories entirely. This was the last Budget of this Parliament and, happily, it is the last Budget that many Conservative Members will be in the House to see.

7.56 pm

Mr. Barry Jones (Alyn and Deeside): I thought that my right hon. Friend the leader of Her Majesty's Loyal Opposition made a fine speech and was on good form. I disagree with the hon. Member for Stockton, South (Mr. Devlin)—when last was there so vigorous, so savage and so comprehensive a response to a Budget statement? I only hope that my constituency party workers observed my right hon. Friend, because it would make them work even harder organisationally to deliver a Labour Government on 1 May, or earlier.

For the Government, the Chancellor of the Exchequer began in a smiling and jocular manner. He played the House with aplomb and great professional finish, as he always does and always enjoys doing. I heard him promulgate his five-year plan, but it was based on consumerism. I shall remember this general election Budget as the Budget that sold off the student loans book. Put in that context, we realise what a humbling predicament the Chancellor found himself in. The Chancellor's statement had a valedictory flavour. He was speaking for the record on exit from Government and hoping to put the best possible spin on his activities as Chancellor of Great Britain for the past four years.

I wanted a Budget to strengthen Britain's manufacturing industries. I wanted a Budget to make serious inroads into the long-term unemployment totals. I also wanted a Budget to tackle the disturbing youth unemployment totals.

[Mr. Barry Jones]

I had hoped for a Budget that would signal extra money for the hard-pressed county councils throughout Wales, and a Budget dedicated to stimulating the building industry, especially in terms of building houses at affordable rents, and the modernisation of the large, aging council estates that are so difficult and so cold to live in now.

I wanted the Chancellor's Budget to signal real assistance for the beleaguered hospital trusts throughout Wales, because they fear a winter of unremitting pressure on their beds and services.

I certainly wanted a guarantee that no local education authority in Wales would have to make even one teacher redundant, especially not in my county of Flintshire—but I fear that redundancies are on the horizon. I deplore the cuts in the training budget; those are folly. I also deplore the increase in prescription charges; that is unjust.

In their determination to create a lean and powerful economy for the next century, the Government have neglected the moral challenge of long-term unemployment. They have neglected to provide for the young unemployed. It is one thing to aim for and to boast of profitable industries—certainly those exist—but what of the huge cost of paying benefit to the 2 million unemployed people in our country?

That represents a ruinous charge of billions of pounds on the country. What of the financial consequences of the despair and alienation of the long-term unemployed and of young people who have left school and have no meaningful work? The Budget is silent on that question, which is so important for all the citizens of our country.

This summer, 870,000 people had been out of work for more than a year, more than 500,000 had been jobless for two years, and 370,000 for more than three years. We have to face the fact that, with 37 per cent. jobless for more than a year, long-term unemployment for men is at a scandalous level.

Those are grievous statistics for any nation in the western world, especially for our nation, with its previous record. I regret the fact that the Government appear to have no real determination to tackle the causes of deep-rooted unemployment.

Why do the Government not designate a named Minister to take special responsibility for such a large problem? I remind the House that the Conservative party once gave the right hon. Member for Old Bexley and Sidcup (Sir E. Heath), who later became Prime Minister, special responsibility for the north of our country, with the aim of reconstituting an ailing economy and tackling unemployment.

I conclude that Her Majesty's Government do not appreciate the terrible blight of long-term unemployment in the areas of our country that once sustained large, viable and profitable industries such as textiles, steel, shipbuilding, coal mining and brick making. Those industries have all but disappeared, or at least have substantially contracted.

However successful we are in building a new local economy in the regions—we are successful from time to time—there are never enough new jobs to cope with the people who are still out of work. The tragedy in the 1980s was that the Conservative Government let too many of our manufacturing jobs go to the wall. Within three years, when Sir Geoffrey Howe, now Lord Howe, was Chancellor and Sir Keith Joseph was Secretary of State for Industry, we let 2.5 million jobs go.

Too many willing but unskilled men have no work, and they lead a wretched existence. They are without a skill and without a job, having only a memory of their previous pride in their job and their previous status in their communities. For years, they have had no formal role in life whatever.

Neither the present Government nor previous Conservative Governments have addressed those people's predicament. That is unjust, and it is not good for our nation. It could be said that those tens of thousands of men, and some women, are rotting away. They exist, but the good things of life are not for them. They see, but they do not experience; they see, but they do not have.

The Government are not battling for those people, or aiming to get them into work in sufficient numbers. They appear to have no strategy, no plan and no commitment; they appear not to care. It cannot be right for Britain that that cancer in our midst is allowed to continue. A Government must tackle the problem.

The long-term unemployed and the young men and women who have recently left school have no real work. Not for them are the high wages of the skilled worker. They cannot share sufficiently in the good things of life in which most of us share. For them, there is only basic unemployment benefit.

I would be the first to say that I do not want a dependency culture; the Chancellor was right there. But I want a Government programme to get the jobless into work. I want to see a success in that sphere of policy, to save Britain the cost of providing benefits on such a mighty scale. My right hon. Friend the Member for Dunfermline, East (Mr. Brown), the shadow Chancellor, has pointed the way forward in that respect, and his policies are commendable.

I draw to the attention of the House some sobering figures—the social security benefit rates paid by the Benefits Agency. These are the most recent figures that the Library can give me. A person aged 16 to 17 who is out of work will have £28.85 each week. Someone aged between 18 and 24 has a total of £37.90 to exist on for a week. For a man or a woman aged 25 or over, the total is £47.90.

The challenge that I put to the House is: how can such people manage their weekly lives with so small a sum? Tens of thousands of people must face that daunting challenge. What is the House prepared to do for those who are in such a predicament? What are the Government prepared to do? Why did the Budget not address that problem?

It must be a harrowing experience to try to live on so wretched a sum for one year, let alone for two or three years, yet tens of thousands of people have to do it. That cannot be right. Nowhere are the Government addressing that problem that is so central in our communities. They are deaf to the cries of those who are poverty-stricken and unemployed. The problem must be tackled, for the sake of social justice and fair play. That is what I ask of the Government.

The Budget is for the whole nation; it shapes life for us all. But at the grass roots, among the common people, what helping hand does it extend to the millions who are

elderly, disabled, poor, ill or jobless? It does not, and it is a failure. It is on behalf of my jobless constituents that I make my protest. I believe that the Government must face our people soon, and I hope that the electorate will send them packing.

8.9 pm

Mr. Michael Stephen (Shoreham): As we have come to expect from my right hon. and learned Friend the Chancellor, this has been a well thought out Budget delivered with his customary skill and good humour.

We are constantly reminded by Opposition Members that before the last general election the Prime Minister indicated that he had no plans to increase the scope or rate of VAT. The Prime Minister is an honest man and I have no doubt that when he said that, he meant it.

Someone once said that a week is a long time in politics, but six months is an eternity in economic affairs. Nobody knows what the economies of the world will be like in six months or a year, and any Government who said at any time—before or after a general election—that they would never increase taxes would be wrong. No Government can, nor ever should, fetter their ability to manage the nation's economy and to deal with new circumstances that the world economy may present.

In my view, the Conservative Government had no choice but to increase taxes after the election. We could have increased borrowing—as the last Labour Government did—but that would simply have thrown the burden on to our children and grandchildren, and no responsible Member of Parliament could have done that. We could have cut spending on the national health service, on schools or on pensioners, but again, no responsible Member would have wished to do so. Certainly no Conservative Member wished to do that. The Government had to bite the bullet and do what Conservative Governments always do—they took a hard choice, even though that choice might turn out to be electorally unpopular. We raised taxes, and we should not apologise for that—it was the right thing to do in the circumstances.

Opposition Members forget that, at that time, Britain and the entire western world were going through the worst economic recession since 1929, which had flattened the economies of the United States, France, Australia, New Zealand and many others. In so far as any action by the British Government exacerbated that situation, I have to say that it was entering the ill-advised exchange rate mechanism.

We must remember, however, that at that time everybody was saying that we should enter the ERM—the Confederation of British Industry, the Trades Union Congress, the Labour party, the Liberal Democrats and pundits in *The Spectator* and *The Economist* all agreed that Britain ought to go into the ERM. It turned out to be a disaster, and I for one was extremely glad when the then Chancellor decided that we should come out. Since we came out, the British economy has not looked back and we are now in our strongest position for many years.

Dr. Lynne Jones (Birmingham, Selly Oak): Is the hon. Gentleman not being disingenuous in suggesting that the then Chancellor actually decided to come out of the ERM? After black Wednesday, he had no choice. Was not the reason why we had to come out the fact that we had entered the ERM at far too high a rate in the first place? The reason why the economy has improved since is because the pound has now fallen to a more reasonable level. Sadly, it is now rising again and the Chancellor had better beware of the effects that that may have on his much-vaunted recovery.

Mr. Stephen: I am grateful to the hon. Lady for making that intervention, because it shows how little she knows about the economy of the real world. There is no such thing as a correct rate to enter a system such as the ERM. If we had gone in at a lower rate, the dynamics of our economy and that of the world might—and probably would—soon have shown us that the rate was too low. The result would have been that interest rates would have been too low and inflation would have begun to stoke up.

Mr. Bill Walker (North Tayside): Is it not a fact that, at whatever rate one enters any exchange rate mechanism, it is the other activities that matter? One can never say with certainty that a country operating within a fixed exchange rate mechanism is invulnerable to the events of the market.

Mr. Stephen: My hon. Friend is absolutely right. King Canute could have told us that it was a mistake to go into the ERM. So much money crosses the exchanges every day as to be greater than the sum of money contained not only in our Treasury but in all the Treasuries around the world. No one can stand against those tides, any more than King Canute could stand against the tide, even though his courtiers suggested that he might be able to do so.

We are told frequently that this Conservative Government have put up taxes 22 times—that there have been "22 Tory tax rises". But when we look at them, we see that four of them were increases in vehicle excise duty, four were increases in tobacco duty, four were increases in petrol duty and one was something to do with gold and the way in which tax is levied on bullion dealers. Come on! No Conservative Member has shirked the real tax rises and the restrictions in allowances. But for the reasons to which I referred a moment ago, the Government were right to make those tax rises, however unpopular they were in electoral terms.

Would the Labour party have taxed less, had it been in power? As the Duke of Wellington suggested, "Anyone who believes that would believe anything." Those of us who listen to Opposition Members day after day and week after week realise that, if they had their way, there would be more spending on just about every left-wing interest group who approached them at their surgeries and in their offices here. Calculations have been made that Labour would introduce some £30 billion in extra spending. That is a vast sum of money which would have to be found by the Labour party.

Perhaps Labour would not have raised taxes, but would instead have gone back to its old habit of borrowing money as though there were no tomorrow. I have no doubt that, if Labour gets into power at the next election, it will go back to its old ways of taxing, spending and borrowing, and it will take perhaps another 20 years for the next Conservative Government to put matters right. I sincerely hope that the British public will not be misled by the press, the media and the nonsensical propaganda that we hear every day from the Labour party into making the dreadful mistake of putting Labour into power.

[Mr. Stephen]

One other factor that we must consider in terms of the "22 tax rises" is that interest rates have fallen. Interest rates are perhaps the biggest item in the budget of any family. They affect mortgage rates, which have now halved since their peak in 1990. That has done even more to benefit the average family than the tax cuts that my right hon. and learned Friend the Chancellor has been able to announce. When one looks at the overall picture, there may have been extra taxes but they are now coming down. The average family are now a great deal better off—after paying their taxes and national insurance contributions—than they were when we came into office.

The hon. Member for Alyn and Deeside (Mr. Jones) mentioned the training budget. It is hardly surprising that, at a time when unemployment is declining as rapidly and consistently as it is at present, the Government might think it appropriate to reduce the amount of spending on training. Any hon. Member who talks to business men, as I do, will have been told that the Government should not be in the business of training at all. Business men want the Government to send them well educated, numerate and articulate young people, and they—the companies—will train them to do the jobs. The problem in this country is not lack of training, but lack of demand for trained workers. Resources are always scarce, but such resources as we have must be put into creating a climate in which businesses will think it worth their while to create jobs, rather than into training people for jobs that will not be available.

I am glad that my right hon. and learned Friend the Chancellor was able to provide more money for the Home Office and that the police force is now better paid and better equipped than ever before. Those of us who remember the last Labour Government will remember that the police force was so demoralised that policemen were leaving in droves.

But all the policemen in the world cannot protect us against crime, because throughout the western world crime is an entirely different entity from what it was 20 or 30 years ago. The root of crime today is drugs, which cause people to behave in a deviant way and to commit crime in order to get money to feed their habit.

Drugs do not drop out of the sky. Hard drugs are imported and enter the country through our ports and airports. I do not care what the continental Europeans want to do: if they want open borders, and drugs, flooding across their countries, that is a matter for them. The English channel and the sea around us have given us a priceless defence against crime and drugs, and we must never let it go. I hope that my right hon. and learned Friend the Home Secretary will make that absolutely clear to his opposite numbers in Europe. Britain must maintain its frontier controls.

Drugs come in through our ports and airports, carried by passengers or in freight consignments. We have to wage a war on drugs and we must put into it the same resources that we put into the war in the Falklands. Galtieri could have taken the Falkland Islands, but he could not attack the heart of our community and corrupt and destroy our young people as drugs are doing. There is the strongest possible case for a war on drugs.

We should have not hundreds but thousands of sniffer dogs at our ports and airports. Every passenger entering the country should go through a screen that sniffs for drugs and detects other contraband. We have no such screens. Extra money is to be given to Customs and Excise to check on beer smugglers—that is welcome, because I know the damage that they do to our drinks industry—but catching drugs smugglers is more important. I would have been pleased if the Chancellor had been able to put more money into the fight against drugs. I hope that he will do so in his next Budget.

Those of us who visit prisons see the terrible destruction and blight that drugs cause to the lives of otherwise intelligent young people. When I visited Downview prison in Surrey, I sat with a group of prisoners who were there because of drugs. I was immensely impressed by the successful programme there, organised by the Addictive Diseases Trust, which forces young people to come to terms with their drug addiction and deviant behaviour. I know that the Minister of State, Home Office—my hon. Friend the Member for Maidstone (Miss Widdecombe)—has been to Downview to see the programme for herself, and I urge my right hon. and learned Friend—to put more money into the fight against drug addiction in our prisons.

It should be absolutely impossible to get drugs into prisons. I know that we have tightened the procedures, but any prisoner who is found to have drugs in his blood or urine should be denied any future contact visits. If prisoners cannot be trusted, they should have no contact visits.

Combating drugs is also a process of education. Companies spend millions of pounds on television advertising to persuade us to buy the latest products, but how much is spent on persuading our young people of the dangers of drugs or invested in a system that could turn 10 per cent. or 20 per cent. of them away from destroying their lives through addiction? Very little is spent, and I urge the Home Secretary to devote more money to a drugs education programme.

In my view, this has been a good Budget, but I wish that we would declare war on drugs and fund that war properly.

8.24 pm

Mr. Clive Soley (Hammersmith): It would be naive to assume that there was not a political agenda, just as there is an economic agenda, to every Budget, but many people outside the House will be surprised at the lengths to which the Government have gone to try to win the next election by manipulating the Budget to their political advantage. I do not believe that that strategy will work, but it will do considerable damage to our long-term economic recovery.

I do not believe that people will be taken in by the Budget, especially on taxation. My right hon. and hon. Friends have made it clear that there is no longer anyone who believes the Conservatives about taxation; but there are more serious problems than that. The hon. Member for Shoreham (Mr. Stephen) said that the Government faced a difficult choice—to put up taxes or to increase borrowing—and that they chose to put up taxes; in fact, they dramatically increased borrowing as well.

The Government have a dismal record. They have not only dramatically and unnecessarily increased public sector borrowing and taxation over the years, but they have maintained high interest rates throughout my 17 years in this place, doing enormous damage to our industry. That is a singular failure. The Government have

had all the advantages of North sea oil, of privatisation assets and of low commodity prices during the 1980s. That happy coincidence of events should have been of enormous advantage to a Government throughout the 1980s, and it was wasted.

Mr. Oppenheim: One of the many myths promoted by new Labour is that we have had a massive oil bonanza. Does the hon. Gentleman know what oil receipts were in real terms in the last year of the Labour Government and what they have been for the past five or six years?

Mr. Soley: What matters is that in the last year of the Labour Government they were rising dramatically. It was too late for that to influence the general election in 1979, but everyone knew that whoever won that election was likely to be in power for 10 years; after that, the oil revenues continued to increase, reached a plateau and then began to decline. Is the Minister really trying to convince me or anyone else that the Government had no advantage from North sea oil?

Mr. Oppenheim: I can help the hon. Gentleman with the figures. In the last year of the Labour Government, oil receipts in real terms, in today's prices, were close to £1.3 billion; this year, they are expected to be close to £1 billion. In the past three or four years, they have cruised at around £300 million to £500 million. The only time at which they were briefly higher than in the last year of the Labour Government was in the mid-1980s, for three or four years.

Let us hear no more of this myth about the great wasted oil revenues. They never existed: we are a very large country, so oil revenues as a proportion of gross domestic product are low, and United Kingdom oil is difficult and expensive to extract, which is why taxation on it does not yield as much as it would if the oil came from the Arabian desert.

Mr. Soley: It is a pretty desperate argument to say that North sea oil was not a great advantage to the Conservatives in the 1980s. The House, and anyone reading this debate, will notice that the Minister did not deal with the figures before 1978-79.

Mr. Oppenheim: I was referring to that year.

Mr. Soley: I agree that revenues were high in that year, but before that they were low. They rose in 1978-79, stayed high throughout the 1980s, with a couple of dips, and then declined slightly. If it is the Minister's case that North sea oil did not benefit this country, he is denying what every economist knows to be true. It was an enormous benefit. North sea oil receipts, combined with all the assets of privatisation and low world commodity prices, is the explanation. Together those three items gave any Government, however incompetent, an enormous advantage.

The problem is that the Government of the time kept interest rates so high that they damaged British industry—the Government know that, and so does British industry.

I acknowledge that the Labour party lost the argument over tax for a number of years, but the fact remains that the burden of taxation under the Conservatives has been historically high. Theirs is not a party of low tax. If any Conservative Member doubts that, he can turn to page 71 of the Red Book and see that throughout the 1980s, and, except for a short period, in the 1990s, the tax burden and social security contributions as a percentage of money GDP have been higher than under Labour Governments.

The difference between our two parties is that the tax burden for the very rich has declined under the Conservatives, but for the lower paid and those on middle incomes it has increased.

Mr. Oppenheim *rose—*

Mr. Soley: The Minister should be less keen to intervene, given that he does not seem to be able to get the economy right. Yesterday's "Panorama" programme revealed that the Institute for Fiscal Studies had assessed each of the groups that I am describing in such a way as to offer considerable support for my argument. The Red Book supports it too.

Mr. Oppenheim: I shall ignore the hon. Gentleman's catty remark. I see it as an important function of mine to put him right on certain key figures. He says that the tax burden now is higher than it was in 1979. Is he aware that borrowing under the Labour Government averaged 7 per cent. of GDP, twice the average rate under this Government? If we had carried on borrowing at the rate Labour borrowed at between 1974 and 1979, income tax would be 14p higher than it is now. That borrowing was merely deferred taxation; we have spent 17 years paying off much of the debt incurred by the last Labour Government.

Mr. Soley: The Minister is plain wrong, as page 65 of his Red Book shows. The public sector borrowing requirement is very high under this Government—

Mr. Oppenheim: Half Labour's rate.

Mr. Soley: The Minister should listen; he keeps seizing on particular statistics and then thinks he has won the argument. It is not like that.

The Government came to power in 1979 claiming that they were going to cut public expenditure. They failed to do so and they have failed to reduce the PSBR significantly over 17 years. The reason is simple: high unemployment. High unemployment inevitably entails high public expenditure. So the Government are paying the price in the form of public sector payments, even though they have cut the money for unemployment and have fiddled the figures. The PSBR and borrowing generally have been so high because of the Government's failure to deal with unemployment.

Mr. Bill Walker: Is the hon. Gentleman suggesting that, if people work for the state, it does not really matter whether they work at all? If the state, paid people to do that, we would be in the same position as the Soviet Union was—relatively no unemployment but broke.

Mr. Soley: The hon. Gentleman is over-simplifying. No one is suggesting that we give people jobs and print the money to pay for them. Henry VIII discovered that that did not work, although not for the same reasons. We need to create employment and set up training schemes that give

[Mr. Soley]

people jobs and skills that are relevant to a modern economy. What is impossible is to pay people to be unemployed and expect to have a low PSBR. Unless all the unemployment benefits paid to people are abolished, they will remain the biggest burden on the Exchequer.

Mr. Stephen: Of course we are all concerned about unemployment, but does the hon. Gentleman accept that the two main reasons for recent unemployment have been, first, the technological revolution that we are still undergoing—scores of men bent over workbenches are replaced by five or six robots—and, secondly, the world recession to which I alluded?

Mr. Soley: I agree that the world recession has been a factor, but not enough to explain the problem. During the 1980s, the Conservative Government simply pulled the plug on the old rust bucket industries, watched them sink and put nothing in their place. Mazda in Japan and AEG in Germany also owned rust bucket industries, but they turned them around.

I am happy to criticise the last Labour Government on one score: we subsidised industries with no clear idea of how to bring those subsidies to an end. But when the Conservatives took over in 1979 they just pulled the plug, and unemployment rocketed. Then they were surprised to see the PSBR go up and stay up. That should not have been surprising. Even the Conservatives do not deny that unemployment stood at 3 million—all those people had to be paid money and their taxes and productivity were lost to the economy. That led to high borrowing and the need to put up taxes. That, in macro-economic terms, is precisely what happened.

Page 71 of the Red Book shows that taxation will again be higher towards the end of the century, and that, from 1998 on, total taxes and social security contributions as a percentage of GDP will again be higher than under Labour. So it is not just a matter of a few blips; the Government themselves are predicting a higher tax burden.

That shows what is wrong with this Budget. It is a short-term effort to avoid defeat at the general election; and because the Government know that they are unlikely to win that election, they are not too troubled about the knock-on effects.

I shall not deal this evening with growth or investment, important though they are, because I want to mention a highly political issue which will be profoundly damaging. I refer to the Chancellor's clearly stated intent to increase council taxation by £4 billion over the next three years. So the Conservatives are making councils put up local authority taxes from the spring of next year—when there will be an election—to pay, over the next three years, for the tax cuts that the Chancellor has announced today.

The results will be deplorable, and not just for the council tax payer. This will be a body blow, too, to the ordinary person in the street in Hammersmith—but the Government will try to distance themselves from the increase, claiming that it is all the fault of Labour local authorities.

I am also troubled about the effect on services. In today's Budget, the Chancellor of the Exchequer imposed on local authorities additional duties for care in the community, but he has said that there will be no additional money for such programmes.

I know of numerous cases in Hammersmith of care in the community not working as well it should, sometimes because of lack of resources. I am not unique in that. People throughout the country, and I suspect some hon. Members in the Chamber, know of such cases. I know of cases of people who are regarded as a danger if they stop taking their medication after release from hospital, receiving minimal support, not because of lack of concern or of ability to do the job, but because the money is not there.

Care in the community is a good idea if it is well resourced, but without resources it is a disaster. At times, that disaster has been expressed in extreme forms of violence by some mentally ill people who do not have the support they need to survive in the community.

We are imposing on local council employees the burden of paying extra to ensure that that job is done, or not paying it and seeing the job left undone. As usual, councils will try to do their duty—whatever their complexion, although there are not many Tory councils left—but it will be done in a penny-pinching way, so care in the community will not work properly. The consequences will be very serious.

I shall now discuss an issue that we have not addressed properly for several years. It relates to the wider family issue, but I shall focus on the social security payment. I believe that most people accept that we need a radical reform of social security.

I have never understood how the Conservative party has managed to continue the crazy policy that puts people in a trap, so that if they earn a bit more money they lose benefits. They are faced with the unenviable choice between earning money illicitly and risking the knock on the door by the fraud investigator or whatever, and living off their benefits.

Let us suppose that, to give him a reasonable income, a person receives family credit to top up the money that he earns by working—usually part time, but perhaps full time. The taper is so steep that, if that person earns slightly more, family credit tapers off rapidly and other benefits are withdrawn.

I recently heard of a classic example of a woman who earns the maximum that she can without losing family credit, but by doing so she loses free school meals, so suddenly she must find £15 or £20 a month extra. What does she do? Should she work extra time and try to find extra work and not declare it? That is illegal, but we know that many people do it. Or does she not pay for school dinners, and perhaps give the child a packed lunch?

Is that a good family policy? When we speak about concern for the family, is that what we mean by a good policy? Of course it is not. It is no good the Chancellor of the Exchequer saying in the House, as he did today, "I care about the family because I shall treat married families slightly differently from the way that we have done." In that sense, marriage is not the issue.

What matters is giving families of all shapes and sizes enough support to make them a functioning unit, and a unit that enables people to get back to work. That should apply in the care in the community case of an elder son or daughter looking after an elderly parent, or of the mother at work who receives family credit but does not receive enough to pay for school meals.

As the hon. Member for Shoreham (Mr. Stephen) said, the change in the technology of this country has been dramatic and continuing, and as a result the nature of

work will continue to change. The dramatic change in family structure is not to do with the decline of marriage per se—that is merely a symptom. With the collapse of heavy industry, the set-up whereby the man went out to work and earned a living and the woman stayed at home and played the traditional housewife role has gone. It will not return, because the existing industry is seeking people to do part-time, short-term work—contract work and so on. That is often more attractive to a woman. It also often pays less, so it gets the woman into work, not the man.

If we really want a family policy, we had better work out our Budget in a way that helps families without moralising about whether they are one-parent, two-parent, married or unmarried. That is not relevant. The relevant issue is to help parents be good parents by providing the infrastructure necessary for good functioning as a parent. I shall end with a couple of examples of that.

How long will it be before we hear a Chancellor of the Exchequer says, "I want to help the family. There is no advantage to anyone in a parent trying to bring up a child in bed-and-breakfast accommodation or even temporary accommodation. We shall put an end to it"? I also want to hear a Chancellor of the Exchequer say, "We shall give support for nursery provision so that we can spot problems in the early stages and help parents manage the juggling that goes on between the modern structure of work and the problems of parenting, and we shall create a structure of financial, social security and other systems that support that." It will not necessarily cost more, although I accept that it may cost more during the transition.

The Chancellor is saying today, in all these wonderful documents, that he will spend to save. I am fascinated by that. We shall even have more customs officers. Only six months ago I was trying to save from the sack some customs officers who dealt with small businesses in my constituency. Perhaps this is a sudden about-turn to do with elections.

This is a sad Budget. It is a political one. The Conservatives have been rumbled by the public, and not before time; they could have been rumbled in the 1980s, but they were not. Fair enough; that is the way that these things go. But unless we address these issues in a more serious long-term way, we are destined to relive some of the problems with which we have struggled in the past few years.

8.47 pm

Mr. Peter Thurnham (Bolton, North–East): I felt some sympathy with the Chancellor of the Exchequer when he was called to the Chamber yesterday at a time when he obviously expected to be preparing for his Budget. I was not surprised when he let slip a remark referring to

"a country that is already struggling to cope with an excessive deficit."—[*Official Report*, 25 November 1996; Vol. 286, c. 30.]

We already knew that the national debt had doubled in six years, and we have learnt today how the national debt continues to rocket upwards. The country is not cutting its borrowing—far from it. Borrowing continues to increase at a frightening rate.

The figures for this year and next year come to a total of £45 billion of borrowing—two and a half times as much as the Chancellor projected in his 1994 Budget and £8 billion more than he projected in last year's Budget. I do not understand how he can honestly talk about reducing tax by a penny—and more than talk about it, do it—when our deficit continues to grow at such a rate. A Budget that cuts tax when deficits continue to increase at that rate—much faster than was projected two years ago or last year—is not honest.

We are all paying for it. We are all suffering because interest charges on borrowing are now reaching the prodigious figure of £26 billion per annum. That is a massive amount. If we were not paying it, we would have been able to have an honest Budget and have a tax reduction in that way, or to increase services in areas where they are hard pressed.

The Financial Secretary to the Treasury (Mr. Michael Jack): I could not allow the moment to pass when the hon. Gentleman spoke about the public sector borrowing requirement. Does he agree that in 1997-98 it is forecast to be 2½ per cent. of gross domestic product, dropping in the next two years to 1½ and ½ per cent., which illustrates that the Chancellor has the matter well and truly under control?

Mr. Thurnham: It is not possible to say that the Chancellor has the matter under control, when his projections were so far wrong. Two years ago he projected it at £18 billion, and it now comes out at £45.5 billion. That does not suggest that it is under control. He is now projecting a balance, but I do not believe that, as his earlier projections have not come true.

Mr. Mike O'Brien (North Warwickshire): Does the hon. Gentleman agree that the Chancellor's projections today must be considered as reliable as they have been in the past, which is not reliable at all?

Mr. Thurnham: Perhaps at one time people were prepared to give the Chancellor the benefit of the doubt, but that is running out with such massive borrowing figures.

Where will the blow fall? It is clear to me that the impact will be felt in local government, as the hon. Member for Hammersmith (Mr. Soley) said. There will be massive increases in council taxes; that is unavoidable. The Red Book shows the increase for the current year as the best part of £1 billion. There will be cuts in services, although households will pay an extra £1 a week.

In his speech the Chancellor made great play of increasing spending on education by £633 million or 3.6 per cent. Then he gave the game away with his comment that councils were reluctant to pass on education increases—they prefer to spend on other things. It is not a question of what councils prefer but of councils themselves reaching such decisions.

The figures show that there has been a considerable increase in the demand for and provision of community care services, again as the hon. Member for Hammersmith mentioned.

Spending on schools has gone down per pupil. In 1992 spending on each pupil was £2,988 in today's money. The latest figures for this year show it at £2,728. So there has been a fall in spending on education of £260 per pupil or some 8 per cent., even though that is said to be a priority for all the parties.

The figures prove that the expenditure is going elsewhere. As the hon. Member for Hammersmith rightly observed, the pressures are on community care. The

[Mr. Thurnham]

figures show that there has been an increase of 6 or 8 per cent. in the demand for those services and the provision of home care and home help. This year local authorities are spending £570 million above the standard spending assessment. That shows that the provisions are not sufficient and local government is forced to find the money elsewhere to provide the bare minimum of services. This year only a 1 per cent. increase is allowed in the SSA, whereas the figures show that it should be much greater.

Next year the joint local authorities submission shows that an extra £665 million or 8.9 per cent. is needed to maintain a satisfactory level of personal social services. Yet the figures suggest that nothing like that sum will be forthcoming. We shall have to wait and see the figures in the local government statement tomorrow.

It is already known that there will be substantial demands. The growth in the number of elderly means that there must be increased spending of 1 per cent. Cost shunting from health authorities will be over £100 million. The capital disregard figure which has been changed previously will be over £30 million. Inflation will lead to calls for an additional £200 million.

What will happen? It is clear that some of the most vulnerable people in our society will suffer. The elderly will be faced with even tighter eligibility criteria if they want to go into a residential home. Cruel decisions will have to be made. Increasing demands for intensive care in health authorities are being shunted into residential care, although that is not always appropriate. The disabled will suffer; there will be increased charges for home help services, and false economies if that leads to more people going into hospital than would otherwise have been the case.

With regard to children's services, as the hon. Member for Hammersmith said, there is a need for co-ordinated preventive services. False economies will lead to increased law and order budgets later. The voluntary sector will suffer and organisations such as Home Start in my constituency, which does an excellent job helping under-five-year-olds, are vulnerable if there are intense pressures on local government spending.

Far from an increase in spending on education, the number of teachers will be cut and class sizes will rise. Elderly people will be left to die alone and neglected in their homes because of insufficient funding for local authorities. We shall look keenly at tomorrow's figures, but in the present circumstances I do not see that there will be sufficient funding for the most vulnerable in our society. On that basis I do not see how the Chancellor of the Exchequer could say that this was an honest Budget. It is not; it is a dishonest Budget.

8.55 pm

Dr. Lynne Jones (Birmingham, Selly Oak): The Chancellor's Budget has been almost entirely as predicted. No wonder the *Daily Mirror* decided that there was no great scoop in publishing the leaked documents that it had obtained.

The Chancellor knew that very few people were clamouring for tax cuts. Business people do not want tax cuts; they want investment. According to a recent survey, even quite well-off members of the public see the need for increased spending on welfare benefits and public services. The Chancellor had to respond to the clamour on his Back Benches for tax cuts of some kind. The 1p cut in the standard rate was widely predicted.

This is not an honest or even a prudent Budget. It does nothing to address major concerns about growing inequalities, the fracturing of our society and the breakdown in the fabric of our public services. People want more investment in health, education and law and order, but when we examine the figures we will probably find that the Chancellor's promises turn out to be almost entirely illusory.

When the Chancellor quotes the number of additional police officers, I notice that he always refers to "additional constables", not to an increase in the overall police establishment. The Government have used that trick before. Last year's increase in education spending was entirely illusory. As usual, they gave with one hand and took away with the other. That summarises their approach. The tax cuts will be paid for through increases in council and other taxes.

I do not want to be entirely churlish. I welcome the Chancellor's air quality package, as he called it, the trend towards green taxes, and the slight reduction in taxes on employment through the employers national insurance contribution.

It is widely recognised that now is not the appropriate time to cut taxes, because of concern about the public sector borrowing requirement. Although the Chancellor predicts that we shall break even by 2000, why should we believe him? The amalgamation of independent forecasts predicts a deficit of about 2 per cent. of gross domestic product in 2000.

As we have seen in the past 17 years, the more the Government talk about cutting taxes and reducing borrowing, the more they increase them. Borrowing has exceeded Government estimates at the last election by £40 billion, and it is £25 billion more than was predicted in the 1995 summer economic forecast. As hon. Members have said, why should we believe the Chancellor's predictions now?

We must examine the nature of the PSBR. Government spending and borrowing has increased, largely because of high levels of unemployment and a lack of investment in this country. One of the few budgets that is set to increase in real terms is the social security budget. We are not seeing the reduction in welfare spending and the increase in tax revenues that should flow from the decline in the claimant count about which the Government proudly boast.

The unemployment figures are down because people are becoming economically inactive and moving from one type of benefit to another, or are starting training schemes. Analysis shows that 80 per cent. of those who undertake Government training schemes are back on the dole within 12 months.

The Chancellor seemed rather perplexed about the shortfall in tax revenues—he does not seem able to predict why tax revenues have not increased as forecast. Perhaps one explanation is the nature of the jobs created in our economy in the past 12 months—most of which were part-time and low-paid. One has only to look at the difference between the tax revenues generated by those types of jobs and those generated by full-time jobs with average male pay rates to see why revenues are down.

Tax revenues from part-time jobs are one thirteenth of the revenues generated by full-time jobs with average male rates of pay. The creation of low-paid jobs—many of which are temporary—has not provided the expected boost to the economy and to Government revenues, and has led to a larger than expected increase in the PSBR.

This is not a Budget for jobs, because it fails to invest in the sectors that will create work. Conservative Members have expressed concern about the proportion of jobs created in the public sector compared with the private sector. It does not matter where jobs are created, so long as we have a strong, wealth-creating economy.

New technologies have resulted in a loss of jobs in those industries that have invested in that technology. However, if we have a strong research and development technology base that generates wealth-creating industries, it does not matter whether the jobs are in the public sector or the private. Japan has shown that a strong manufacturing base and an efficient wealth-creating sector can support many jobs in the service sector.

It would be the same in this country if all of our industries were as effective as the pharmaceutical industry. That is the only industry with world-class British companies—Glaxo Wellcome is the No. 1 pharmaceutical company in the world. The industry is successful because of the symbiotic relationship between the public and the private sectors. The pharmaceutical industry has felt able to invest in research and development because it knows that there is a market for its products—mainly through the NHS.

Britain's other very successful industry, aerospace, also depends upon military contracts that are procured by the public sector. It is a pity that we do not see similar investment in civil engineering and technology, but perhaps we should look at what the public sector could do in that area.

When I visited GEC a couple of years ago, it proudly showed us a firefighter's helmet that it had developed as a spin-off from military technology. It was selling them to the New York fire service. Why cannot the public sector procure such development projects? Why are we not asking companies to produce better equipment for our firefighters in the public sector? I bet that we would create far more jobs in civil development than with the military procurement budget of £8.5 billion. Each job created for the European fighter aircraft costs £1 million. Such spending in other areas would create far more jobs.

Mr. Bill Walker: If the objective of buying the Eurofighter were to create jobs, the hon. Lady would be right. But the reason for buying it is to deter anyone from aggression against us. That is less expensive than fighting wars.

Dr. Jones: Which aggressors will such equipment deter?

Certain elements of the defence procurement budget are necessary. I mention Nimrod in particular: it is obvious that a maritime nation should have a coastal surveillance capability. Such expenditure can be supported, but an analysis of the expenditure on the fighter aircraft would show that we could probably do the same job much more cheaply by buying much of the military equipment that was left over after the demise of the USSR.

I am using this example to show the importance of Government spending for the wealth-creating sectors. It is wrong to suggest that Government spending is necessarily a bad thing: it can be very important for our industries, and for research and development.

As well as encouraging firms to invest, the public sector plays a crucial role in the creation of our science base. I read in yesterday's *Financial Times* that the leaders of the pharmaceutical industry have made representations to the Government about their deep concern about the rundown of the science base.

The £20 million so-called additional capital expenditure for science in the universities is merely a token gesture, because capital spending overall in the universities is still set on a downward trend. Coming after last year's massive 30 per cent. cut in capital spending on universities, £20 million is neither here nor there. There is still a steady decline in our science base, and that is not good for future investment.

The Chancellor says that the trade gap is pretty even, but I note that he declined to give the actual figure, which shows that we are still in deficit. We have a manufacturing deficit, and our manufacturing production is still only 2 per cent. above what it was before the recession. Those figures show the underlying problems of our economy, which the Budget fails to address. We should be introducing measures to increase research and development.

The Select Committee on Science and Technology, on which I serve, and the Select Committee on Trade and Industry have suggested tax incentives to increase business investment in research and development. I should also like to see more Government investment in research and development.

The Chancellor proposed the concept of "spend to save". I like that concept: it can be applied to the investments to which I have referred, and to much public spending. It is right that we should be looking to reduce the public sector borrowing requirement for Government spending on consumption, which should be paid for out of tax revenues.

Certain elements of public spending and public borrowing, however, are for investment, which pays for itself in terms of job creation and income revenue stream. I am thinking particularly of investment in public transport infrastructure and housing. A boost to Government spending in those areas would have paid for itself in a very short time, and would also have created jobs and increased demand in the economy. That would indeed have been spending to save, but we have been given the reverse. I have not had a chance to examine the figures, but it is widely predicted that the transport and housing programmes will continue to be slashed in the run-up to the election.

There is also the question of the growing inequalities in our society. A paper produced recently by Cambridge university showed that a penny reduction in income tax largely benefited the better-off: 89 per cent. of the benefit of a cut in the standard rate goes to those on the upper half of the income scale, while a mere 3 per cent. goes to the 10 per cent. who are on the lowest incomes. Cuts of that kind do nothing to deal with the growing inequality in society, or with the poverty in which so many people live.

A third of our children are growing up in poverty, and our pensioners are struggling to make ends meet following the consistent withering on the vine of the state

[Dr. Jones]

pension. As my hon. Friend the Member for Hammersmith (Mr. Soley) said, instead of reducing income tax, the Government should have targeted families, and the best way of helping them would have been to increase child benefit.

It is disgraceful that, rather than doing that, the Government are penalising children in one-parent families by cutting benefits. Last year, the Chancellor ruled out such a measure, on the basis that it would deter members of one-parent families from working. It is disgraceful that so few adult members of one-parent families in this country go out to work. This measure does nothing to provide incentives to work, or to deal with growing inequalities and poverty in society.

Despite what the Chancellor says, this Budget looks no further than the next general election. He has scrabbled around to try to find bits of extra money in an attempt to justify income tax cuts. There has been the sale of Ministry of Defence married quarters, we have heard today about the sale of the student loans debt, and the private finance initiative will ultimately cost the taxpayer far more: the debt charges will be higher, because the private sector will pay more to borrow than the public sector would.

These chickens will come home to roost after the next election, but the Government do not care about that. They have set their sights on winning the election. Unfortunately, like so many people, they are trying to fight the last election.

The public, however, have seen through a party that argues that the tax-cutting agenda is the way in which to establish a vibrant economy. They realise that that is not the case, and that what we need is a Budget that addresses the lack of investment in our economy, the lack of investment in our public services and the lack of investment in our infrastructure, along with growing inequalities that need to be reversed. That is what should be in the Budget, and I look forward to the implementation of such measures by a Labour Government.

9.13 pm

Mr. Hugh Bayley (York): I will speak briefly about one line in the Red Book: the control total for the Department for Education and Employment. The reason I rise to speak is that, at the end of last week, there was a serious and terrifying assault on a young girl in a York local education authority junior school. It was terrifying, obviously, for the girl who was attacked, for the other pupils and for parents, and I speak as a parent with junior school-age children in York.

Fortunately, a man has been arrested and charged with the assault, but that does not undo the damage. After Dunblane and the murder of Philip Lawrence, schools throughout Britain need better security, for the sake of children's safety and for parents' peace of mind.

Earlier this year, my local authority, City of York council, made a bid for closed circuit television for all York schools. It bid to a Home Office scheme—the CCTV challenge. After the murder of Philip Lawrence, the Department for Education and Employment and, I believe, the Welsh Office added funds to the scheme. Local education authorities were specifically encouraged to bid to the scheme for school security measures.

In June, the Government responded to my local education authority. Their letter said:

> "I am afraid that your bid has not been successful in this round of the competition ... The value of the bids—at almost £45 million—was three times the amount of money we had available.
>
> However, the Government has made it clear that it will provide a total of £45 million over the next 3 years to support the extension of CCTV . . . Local partnerships will therefore have a further opportunity to bid in the near future."

On the face of it, the letter sounded promising, but it now transpires that the money that is available for those future rounds of CCTV bidding is not available to schools. The current round is seeking bids for CCTV to monitor "open spaces". Local education authorities have been told that money for school security should come from GEST, grants for education support and training.

A Department for Education and Employment press release, issued today as part of the Budget pack, says that an additional £60 million of GEST money will be earmarked for school security, but the line in the Red Book that concerns me is that on the control total for education and employment. It shows that Government spending, excluding standard spending assessment expenditure borne by local authorities, will fall from this year's forecast outturn of £14.81 billion to £13.95 billion next year. The difference must be made up by local authorities in their council tax bills.

Will the local authorities be able to make up the money? Other hon. Members have already mentioned the fact that the taxation burden is being switched from central to local government. The simple answer is no. Political pressures stop huge increases in council tax, so they will not be able to make up the money in that way, but, even if they wish to brave the political pressures for funding a need such as school security, council tax capping will stop them doing so.

My local authority will have to reduce its expenditure next year by about 5 per cent. overall. It will protect the education budget, but the opportunity for increased spending out of the money available to the local authority from the combination of central grant and the council tax will simply not allow it to increase education spending.

The Government should therefore not be playing political games with children's safety in schools. They should not be requiring LEAs to make a choice between spending money on teachers, books, reducing class sizes and improving the quality of education, and spending it on the security and safety of children in schools.

The same Department for Education press release, in the Budget pack, stated that the Government intend to make £22 million of extra money available to expand the assisted places scheme. I urge Ministers to put the safety and quality of education for all children in all schools above their decision to buy a few more places for a small minority of children in selective schools. Ministers will make the wrong decision if they proceed with their policy of expanding the assisted places scheme for a few children at the expense of safety for all schoolchildren. I urge them to think again.

Debate adjourned.—*[Mr. Knapman.]*

Debate to be resumed tomorrow.

PETITIONS

Toxic Waste Disposal (Worcestershire)

9.20 pm

Mr. Peter Luff (Worcester): It is my privilege to present a petition of 3,738 signatures of the people of Worcestershire—largely from the Warndon villages area of Worcester city—compiled by an organisation known as Warchem, which is short for Warndon Residents Against Chemicals. The petition addresses one of the most pressing issues in my constituency. My constituents express grave concern about the grant of planning permission and the imminent grant of a waste management licence to Norchem Environmental Services—at its site at Shire business park, Warndon, Worcester—for a toxic waste transfer and oil recyling facility.

The petitioners believe that serious questions need to be asked about how we have reached the current situation with the application. They acknowledge that planning permission from the county and city councils has been granted, subject to certain conditions, and they are very fearful of the imminent grant of a waste management licence from the Environment Agency. They state:

"We believe that in granting these applications insufficient consideration has been given to the effects on and dangers to local residents whose homes are adjacent to this site (effected are approximately 4,000 homes).

The petitioners therefore request the House of Commons to urge the Government to investigate the procedures and decisions that have been undertaken in granting these permissions and very strongly urge that they be overturned."

To lie upon the Table.

Bourne Hospital, Lincolnshire

9.22 pm

Mr. Quentin Davies (Stamford and Spalding): I beg to present a petition signed by more than 8,000 of my constituents, urging the Secretary of State to save Bourne hospital.

Bourne hospital is almost the ideal type of local hospital, each year providing about 8,000 bed days and 3,500 to 4,000 out-patient appointments for a population of about 15,000 people. As more than 8,000 people in my constituency and in the area served by Bourne hospital have signed the petition, Mr. Deputy Speaker, you will realise that it is supported by an overwhelming majority of the adult population in the area.

Lincolnshire health authority proposed the closure of the hospital on clinical grounds, but the hospital's survival is supported by every general practitioner in the area, and by their patients. I believe that Bourne hospital is exactly the type of cottage hospital to which the Prime Minister recently paid very warm tribute. It is an absolutely essential part of the health care of the local community in a rural area such as Lancashire. The nearest general hospitals are 20 miles or more away, and it would be a major blow for the health of the people in my constituency if Bourne hospital were to close.

The health authority has made no financial arguments for closing the hospital that stand up to scrutiny. If it were closed, there would be considerable additional expenditure on ambulances, and the beds currently occupied by patients in the hospital would have to be purchased from acute hospitals elsewhere, most of which are a good deal more expensive. I urge the Secretary of State to do everything possible to preserve Bourne hospital.

To lie upon the Table.

Scottish Ambulance Service (Mrs. Susan MacKenzie)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Knapman.]*

9.24 pm

Mr. Bill Walker (North Tayside): I thank Madam Speaker for giving me the opportunity to have this Adjournment debate.

My constituent, Mrs. Susan MacKenzie, of Aspen, Fonah, Pitlochry, was an employee of the Scottish ambulance service. I have written to my right hon. Friend the Minister many times about the problems that Mrs. MacKenzie faced in her employment. She believes that her dismissal from the Scottish ambulance service was the result of a false picture of her as an employee, created by the shop steward and possibly others in the way in which they destroyed records.

Mrs. MacKenzie believes that several factors caused the problem. The first was that she would not become a member of the relevant trade union for the ambulance service. She also refused to take an ambulance on shopping trips—not shopping trips to pick up just a roll or a sandwich, but trips to buy five or six bags full of weekly shopping. The ambulance that she was responsible for was removed from the station and used for such trips. Written regulations in her contract of employment forbade that practice.

My constituent's refusal to accept such practices led to difficulties over injections to protect her against hepatitis B. She claims that some employees of the Scottish ambulance service criminally destroyed prescribed drugs that were sent to the ambulance station at Pitlochry for use by Mrs. MacKenzie to protect her against hepatitis B. She further claims that an employee of the Scottish ambulance service criminally altered or falsified the record and log books that were required to be kept in connection with immunisation records.

Mrs. MacKenzie also claims that an employee of the Scottish ambulance service criminally destroyed faxes, sent to the head office of the service, in which she repeatedly requested that the prescribed drugs held in her name should be released from the refrigerator so that she could take them to her GP for immunisation. She stresses that the Scottish ambulance service is a record-keeping organisation. It now admits that the second and third doses were sent to Pitlochry ambulance station. As they were not returned to the occupational health service, it was presumed that she had been in receipt—in other words, that she had had the injections. Presumption, as she says, is not in accordance with its status as a record-keeping organisation.

My constituent claims to have evidence that the logs and records were falsified to make her appear to be a bad timekeeper. She holds copies of faxes disproving that allegation. Mr. Duffy, an ambulance man at Pitlochry of 21 years' service, also confirms that that is not correct. He gave evidence at a disciplinary hearing at the Scottish ambulance service headquarters in Edinburgh. When asked if there was a troublemaker at Pitlochry station, Mr. Duffy replied that he thought that there was—someone who he felt held too much influence in the station. He thought that the wrong person had been dismissed.

He went on to say that the individual in question was a shop steward at the station, Mr. Alan Jamieson, who seemed to have a great deal of influence in that other staff would follow his lead. When asked whether he had been threatened before the tribunal, Mr. Duffy said that he had not, but when he was asked whether he had been told to be careful about what he said at the hearing, he said that Mr. Delpippo, the senior officer in Perth, had told him to watch what he said.

Mrs. MacKenzie says that the whole matter is being swept under the carpet by the Scottish ambulance service and that the Health and Safety Executive has been passing incorrect information to Ministers, who have therefore been misled. Mrs. MacKenzie sets out her concerns in her letters to me, as her Member of Parliament, of 4 February 1996, 28 March 1996, 8 April 1996, 1 May 1996 and 2 June 1996, copies of which have been sent to my right hon. Friend the Minister. She states that there are known to be 350,000,000 carriers of hepatitis B in the world, that it is spread not only through blood, but can be contracted through saliva and other body fluids, and that hepatitis B is more dangerous than hepatitis A.

Mrs. MacKenzie maintains that the Health and Safety Executive states in a letter to me, as her Member of Parliament, that it found no evidence that she was required to undertake work that would have necessitated immunisation against hepatitis B—emergency 999 calls. She asserts that that is not true and that the Health and Safety Executive never asked her what evidence she could provide. She claims that the evidence is recorded and that the ambulance man of 21 years' service would verify that.

Mrs. MacKenzie claims that the Health and Safety Executive refused to implement proceedings where she could prove breaches of the Health and Safety at Work etc. Act 1974. She claims that they included falsifying records and criminal malicious intent. She suggests that the Health and Safety Executive could question the long-serving ambulance man or investigate the trail of injectable material and find out where and how it disappeared, bearing in mind that she was in the service for 15 months after the material was sent to the station. I remind my right hon. Friend that Mrs. MacKenzie received her first injection during her training course.

The Health and Safety Executive has made more of an issue of the changed rules that the Scottish ambulance service has implemented since her problems arose than the events and circumstances involved in her case. Mrs. MacKenzie states that changes to procedures are of no interest to her and bear no relevance to what she calls "a previous criminal act". She asks why the Health and Safety Executive is satisfied with changes that have now been made, when she believes that she can prove criminal, malicious intent that exposed herself, her husband and her two children to hepatitis B.

Mrs. MacKenzie believes that the Scottish ambulance service purposely misinformed Ministers. For example, the chief executive of the Scottish ambulance service stated that Mrs. MacKenzie was employed as a patient transport ambulance care assistant and that immunisation against hepatitis B was not required for such staff, but that it was offered as it saved time when staff moved to emergency duties where such immunisation was required. Mrs. MacKenzie claims that that is simply not true, and that when she first joined the ambulance service she was given the first of three injections against hepatitis B during her first week at training school. She states that it

was also her personal desire to be immunised, and claims that the Scottish ambulance service had a duty of care to ensure completion of her course of injections and to act on her verbal, written and faxed communications stating that she had not received her last injection.

Mrs. MacKenzie was sent on 999 emergency cases, and records at Pitlochry and the local hospital on her attendance are there for anyone to see. In the course of those duties, she received staining of blood on her skin and clothes, which is, of course, the reason why staff are immunised against hepatitis B. She attended those 999 calls because emergency personnel were not available.

Mrs. MacKenzie says that my right hon. Friend the Minister was told that the Scottish ambulance service records show that immunisation is given in three doses over a period, that subsequent treatments were sent to the local ambulance station and that the Scottish ambulance service "presumed" that the procedure had been followed. She says that that is a blatant lie. The Scottish ambulance service was in receipt of a fax from her—she has a record of it from her fax machine—saying that she had not received her third immunisation dose despite her repeated requests. The fax was sent 15 months prior to the end of her service with the Scottish ambulance service and within the allocated time given for the completion of the three-part course of injections. She claims that the Scottish ambulance service has not told the Minister the truth by using the word "presumed".

Mrs. MacKenzie says that my right hon. Friend the Minister was told by the chief executive of the ambulance service that the settlement that she accepted at the industrial tribunal was the end of the matter and included aspects of her hepatitis B injections. She says that that is another lie. She provided me with a copy of the letter from her solicitor that clearly states that the industrial tribunal settlement is only connected to wrongful dismissal with regard to her contract of employment.

The letter, of which my right hon. Friend the Minister has had a copy, clearly states that the Scottish ambulance service's omission to provide her hepatitis B injection is a matter of "duty of care" owed to her by the service, and is based on "delict". She says that the matter settled at the tribunal is one of contract, which is entirely separate. She also says that the discharged papers that she signed at the tribunal did not prejudice her in any way with regard to matters concerning hepatitis B. She says that the letter that my right hon. Friend sent to me on 8 May states that she was not involved in any 999 calls, but that that is obviously a lie because the records show that she was. She says that he has not been told the truth and has been misled.

Mrs. MacKenzie says that my right hon. Friend the Minister should know that changed procedures bear no relevance to the criminal, malicious intent that was in force against her at the time. She says that he should also know that the destruction of prescribed drugs named for an individual is a criminal act, as is the refusal to provide prescribed drugs named for an individual. She claims that he has misled me by stating in his letter that the matter was settled at the industrial tribunal and that she accepted full and final settlement in respect of all claims under statute or common law arising out of her contract of employment and its termination. She says that that is simply not true. I repeat that Mrs. MacKenzie claims that her solicitor's letter clearly states that she settled only matters applicable to the contract of employment. She says further that the discharge she signed over the tribunal does not prejudice her in any way on the matters concerning the hepatitis B injections.

Mrs. MacKenzie says that my right hon. Friend has refused to acknowledge serious wrongdoings by the Scottish ambulance service and that attempts have been made to cover up and to mislead my right hon. Friend, and that the Scottish ambulance service is responsible for that. She asks that her claim, that proven criminal intent and incorrect procedures have resulted in a serious breach of the health and safety at work Acts, be acknowledged.

She also asks that an independent inquiry should be set up to examine and determine the evidence, which she claims is all there, and that the Health and Safety Executive question and investigate all the parties. It is not suitable or correct that the matter should rest with the explanations that have been provided by the Scottish ambulance service. She says that the Health and Safety Executive has now accepted that changed procedures are the answer, but she says that it is sweeping everything under the carpet; the solution to her complaints about criminal and malicious intent in the matter of her hepatitis B injections must be examined.

Mrs. MacKenzie claims that she is able to prove a clear breach of the health and safety at work Acts and criminal and malicious intent in those responsible for the matters. She asks that my right hon. Friend initiate an independent inquiry and that the Health and Safety Executive bring matters forward for prosecution. She further says that there should be a police or criminal inquiry.

In conclusion, I have in my possession a reference received from the Pitlochry festival theatre on behalf of Mrs. MacKenzie and I will give a copy to my right hon. Friend after I have finished speaking. The reference shows that she was employed by the theatre and that the managers think highly of her. It says:

"I would strongly recommend her for any job she would wish to choose".

That is only part of what is said in the recommendation from the Pitlochry festival theatre. I know the theatre managers well and I know that they would not write that if they did not believe it.

The allegations and charges being made by Mrs. MacKenzie are serious. The only way to resolve the matter is by having it thoroughly investigated by someone independent so that the truth can come out.

9.42 pm

The Minister of State, Scottish Office (Lord James Douglas-Hamilton): I congratulate my hon. Friend the Member for North Tayside (Mr. Walker) on his success in obtaining the debate. In response to his call for an inquiry, I may say that the Health and Safety Executive has investigated the matters fully on the basis of the evidence made available to it. The Health and Safety Executive can act only on the information it has and if Mrs. MacKenzie has further evidence that she has not yet made available, I respectfully suggest that she does so. My hon. Friend referred to the allegations of criminal activity, and again, if Mrs. MacKenzie has not already submitted all the relevant information to the procurator fiscal, I recommend that she does so.

I know that my hon. Friend has been exercised about this matter and we corresponded earlier in the year. I intend to take a few minutes to explain the role and

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function of the Scottish Ambulance Service NHS trust and how it goes about discharging its responsibilities and to demonstrate its treatment of Mrs. MacKenzie's case.

Established on 1 April 1995, the Scottish Ambulance Service NHS trust provides a 24-hour national accident and emergency service for the people of Scotland. It also provides an essential non-emergency patient transport service conveying patients to and from NHS trust hospitals, clinics and day centres across the length and breadth of the country. Consuming more than £74 million of revenue per year, the trust employs around 2,900 staff, of whom about 2,500 are operational ambulance staff, officers and control personnel. Collectively, those staff will respond to nearly 500,000 emergency and urgent calls each year and make 2.5 million non-emergency patient journeys. In more than 90 per cent. of emergency cases, the ambulance will be in attendance within the appropriate target response time.

The role of accident and emergency crews has developed dramatically in recent years. In the past, their prime function was to "scoop and run", the priority being to transport the patient to a hospital as quickly as possible. For some patients the time taken to reach the hospital was simply not quick enough, and it was recognised that what was essential to the chain of survival of a patient was how long it took the first response to reach the scene of the accident or emergency. For many, that first response was not a doctor or other clinician, but an ambulance man, and it was, as a result, acknowledged that the skills and capabilities of ambulance men and women needed to be developed.

The Royal College of Surgeons and the Royal College of Physicians, along with senior consultants in accident and emergency and in other specialties, were engaged in determining what range of skills and training should be given to ambulance personnel. Representatives of the colleges and of the key specialities involved with accidents and emergencies continue to play a significant role to this day as members of the services professional advisory group, routinely influencing the scope and content of the professional training given to front-line personnel. While the speed of transfer to hospital remains of course a priority, the product of that commitment is that, nowadays, ambulance men and women are highly skilled professionals who are capable of dealing with a wide variety of medical and traumatic emergencies on which they may be called to attend.

Despite the demanding and often very stressful nature of the work, each year sees many thousands of men and women applying for a small number of positions. However, the vast majority of entrants into the ambulance service will start initially as ambulance care assistants and will, following basic training, work on non-accident and emergency services. Even at that level there are more than 100 applicants for every vacancy. The trust is generally regarded as a good employer. Within 18 months of having achieved trust status, more than 85 per cent. of staff opted voluntarily for the locally negotiated trust terms and conditions of service, which are uniquely supported by all the major trade unions involved.

The trust's newly opened national training college provides a consistently high standard of instruction for staff at all levels, from ambulance care assistants through to ambulance technicians and paramedics, up to and including tutor training of instructors for ambulance training centres in England and Wales. Of course, being a good employer goes beyond induction and training and kitting out—it involves looking after employees on an on-going basis, being alert to the stresses and dangers facing ambulance personnel and taking action to eliminate those risks, or at least to minimise them, wherever possible.

That action can often be taken at what may be described as the "macro" level. For example, my hon. Friend may care to know that the ambulance service is actively involved in a working group that I set up to investigate and report into the risks and dangers to front-line emergency personnel and how these might best be mitigated across all the emergency services so as to safeguard personnel against assault. Such action can also take the form of the counselling services that the trust provides for personnel who have had to attend on major incidents and who have themselves perhaps been traumatised as a result; or it can be in the very specific and tangible measures taken to immunise personnel against the risk of infection from patients with whom they come into contact.

It is as a good employer and in recognition of the fact that emergency ambulance crews are at risk of coming into contact with members of the public who carry infectious diseases that the trust's policy is to insist upon the mandatory vaccination of all accident and emergency ambulance staff. I would, at this point, make it absolutely clear to my hon. Friend that, because medical advice is that there is no identifiable risk, hepatitis B immunisation is not required for non-emergency patient transport staff, including ambulance care assistants. Nevertheless, as a good employer, the trust provides immunisation to all those non-emergency personnel who wish to avail themselves of the opportunity to be immunised.

My hon. Friend's constituent, Mrs. Susan MacKenzie, joined the Scottish ambulance service as a trainee part-time ambulance care assistant in February 1993. Before leaving the ambulance service training school, she elected to receive the first of a series of three injections for immunisation against hepatitis B.

Mrs. MacKenzie was subsequently employed as a part-time ambulance care assistant located at the Pitlochry ambulance station. In accordance with the protocols that existed at that time, the second and third doses were sent by the Scottish Ambulance Service occupational health service to Pitlochry ambulance station for Mrs. MacKenzie to have administered by her local general practitioner.

There is no question about the matter of the second dose, which Mrs. MacKenzie had administered to her by her local GP. Nor at any time has the Scottish Ambulance Service NHS trust taken issue with the claim made by Mrs. Mackenzie that the third dose of the vaccine was not passed on to her. Indeed, following her subsequent departure from the service, under the full and final settlement that she and her legal advisers accepted and signed, all issues raised by Mrs. Mackenzie were considered closed. As a result, there was no requirement to hold the planned industrial tribunal.

Nevertheless, notwithstanding the settlement, the chief executive of the Scottish ambulance service acknowledged that there was a deficiency in the rigour with which the occupational health service procedures had

been operated at Pitlochry ambulance station, and he has, in co-operation and consultation with the Health and Safety Executive, taken steps to prevent any future recurrence of such a situation, while at the same time re-emphasising the lack of any identifiable risk of hepatitis B to non-emergency patient transport staff such as Mrs. MacKenzie.

Indeed, it was only subsequent to Mrs. MacKenzie's dismissal that the matter of her having failed to receive the third dose of vaccine was pursued by her in a manner that enabled the claims to be properly investigated by the senior management of the trust.

In case there remains any doubt about the clinical basis for the Scottish ambulance service's policy of mandatory immunisation against hepatitis B for accident and emergency ambulance staff, and the fact that immunisation for non-emergency personnel is optional, I shall quote from the established guidance on the matter, the book "Immunisation against Infectious Diseases", published jointly by all United Kingdom Health Departments. It states:

"The incidence of infection is not apparently greater than in the population as a whole for members of the police, ambulance, fire and rescue services. Nevertheless, there may be individuals within these occupations who are at higher risk and who should be considered for immunisation. Such a selection has to be decided locally by the Occupational Health Service or as a result of appropriate medical advice following the necessary risk assessment."

As we have heard, it is the policy of the ambulance service that immunisation against hepatitis B is mandatory for all staff on accident and emergency service duties. There is a theoretical risk that such staff may be exposed to the virus through cuts or abrasions that they could sustain when dealing, for example, with a patient bleeding heavily in a difficult environment such as a car crash. The use of gloves and safe working practices keep such risks to a minimum, but immunisation is considered an appropriate further safeguard.

I would also suggest that the particular incident should be kept in perspective. I mention to my hon. Friend the fact that there was and is no requirement for the service to provide immunisation against hepatitis B for personnel involved in the provision of patient transport services. That reflects a clinical recognition of the reality that the risks to such personnel of contracting the hepatitis B virus are considered to be so small as to be incalculable.

None the less, the ambulance service takes the most cautious view possible, and goes far beyond reasonable minimum precautions in offering non-emergency staff immunisation. I am very much aware of the fact that it is the view of my hon. Friend's constituent that the failure to provide her with the third injection was in effect a criminal act, and one which warranted the consideration of the procurator fiscal.

However, I remind my hon. Friend that that point was considered carefully by the Health and Safety Executive. Indeed, as the director general of the Health and Safety Executive stated clearly in the letter that my hon. Friend sent to me on 29 April:

"there is no evidence to support the assertion that the Scottish Ambulance Service failed to meet its responsibilities under Health and Safety Legislation in respect of Mrs. Mackenzie and therefore no case which could be put to the Procurator Fiscal."

The Scottish Ambulance Service NHS trust has accepted that, for whatever reason, Mrs. MacKenzie did not receive the third and final dose of vaccine to enable her to complete her course of immunisation against hepatitis B. Following consultation with the Health and Safety Executive, the trust has improved its recording procedures to prevent any future recurrence of such a situation. On the matter of all claims arising out of her contract of employment, I would remind my hon. Friend the Member for North Tayside that, following her departure from the service and her subsequent action against the trust, she and her legal advisers agreed to accept a sum of £2,500 in full and final settlement.

On Mrs. MacKenzie's claims regarding the course of hepatitis B immunisation, this matter was fully investigated by the Health and Safety Executive—the competent authority—which found that the Scottish ambulance service had not breached its duty of care. The Health and Safety Executive can, of course, only act on the evidence available. If Mrs. MacKenzie has evidence to support her assertions which she has not previously made available to the Health and Safety Executive, I strongly recommend that she does so.

Mr. Walker: The basis of Mrs. MacKenzie's case—which I probably did not put well enough—is first, that she disputes that she agreed to a full and final settlement and, secondly, that she attended emergencies, as the records at Pitlochry show. It is all very well to say that people in her job should not attend emergencies, but she did attend them and was exposed to the risks of hepatitis B. The service was not protecting her against that because she did not receive the third injection.

Lord James Douglas-Hamilton: It is standard practice in the ambulance service that, if no accident and emergency ambulance is available to respond to a 999 call, any non-emergency crew available will attend, pending the arrival of an accident and emergency unit. Training for non-emergency patient transport staff includes basic first aid and resuscitation. Such skills—whether provided by an ambulance care assistant or a member of the general public—can obviously save lives. On that basis, it would not be acceptable for the service to withhold any help that it could make available as soon as possible.

I understand that Mrs. MacKenzie was not required to perform any duties or procedures for which she was not suitably trained and equipped. I note what my hon. Friend the Member for North Tayside says about the final settlement. The information that I have received is different, but this is a legal matter and Mrs. MacKenzie is free to consult her lawyer on that point.

In concluding, I would like to take the opportunity to inform my hon. Friend the Member for North Tayside about the nature of the services provided by the Scottish Ambulance Service NHS trust. The trust provides three main services to the people of Scotland—the accident and emergency service, the non-emergency patient transport service and the patient air transport service, referred to as the air ambulance service.

The accident and emergency ambulance service is the one we see in action every day on the streets of our cities, towns and villages. This is the service which responds to 999 calls made by the public. It also responds to calls made where a doctor, dentist or midwife is already attending a patient and requests an ambulance to take them to hospital within an agreed time. These calls—

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known as urgent calls—form a major part of the demand on the accident and emergency service, although many people are not aware of this activity.

The accident and emergency service consumes by far the largest share of the considerable resources devoted to the service. By its very nature, demand for the service is largely unpredictable and a number of strategies have been adopted to optimise the use of resources. These include sector ranging, whereby ambulances, rather than operating from fixed ambulance stations as in the past, take up position at predetermined locations.

The changing demography of our towns and cities, as well as the development of the roads, can sometimes mean that ambulance stations which were ideally situated 20 years ago are now further than desirable from the populations they serve. Sector ranging is one solution to this, while another, of course, is the construction of new ambulance stations. There is currently an on-going programme of upgrading and replacing ambulance stations in Scotland and I shall, incidentally, be travelling to Glasgow tomorrow morning to open a new station at Clydebank on the west side of the city.

The special difficulties in urban areas also call for innovative solutions. In Glasgow, paramedics on motor cycles bring emergency help when a conventional ambulance cannot reach the patient. In other cities, paramedic response units also operate. They are designed to provide an emergency response as quickly as possible. We are determined to have the best ambulance service in the world.

Scotland has the only fully integrated air ambulance service in the United Kingdom and by far the largest, operating four fixed-wing aircraft and two helicopters in addition to the back-up provided by the Ministry of Defence and Coastguard services.

I congratulate my hon. Friend the Member for North Tayside once more on securing this debate. I hope that I have managed to address his concerns and to reassure him that these matters have been dealt with in a proper and professional manner by the Scottish Ambulance Service NHS trust.

If my hon. Friend's constituent has further evidence, it should be made available to the Health and Safety Executive, and if she has evidence of criminal activity, it should be reported to the procurator fiscal. With that, I hope that I have fully covered the subject.

Question put and agreed to.

Adjourned accordingly at Ten o'clock.

House of Commons

Wednesday 27 November 1996

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Education

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McLoughlin.]*

9.34 am

Mr. John Marshall (Hendon, South): I begin by congratulating my right hon. Friend the Secretary of State for Education on securing a wonderful settlement yesterday. She has acquired the tools that will enable the local authorities to finish the job—whether they will do so is a moot point.

A tragedy of education is that there is no correlation between the level of expenditure by particular authorities and the results achieved. One of the ironies of education in London is that those authorities that have done most to fail whole generations of pupils—the late and unlamented Inner London education authority and the London boroughs of Islington, Lambeth and Southwark—are among the highest spending authorities in the country.

Like the hon. Member for Birmingham, Yardley (Ms Morris), those hon. Members who serve on the Standing Committee considering the Education Bill have listened to lectures on standards by the hon. Member for Barking (Ms Hodge)—I told her yesterday that I intended to mention her in the debate. Islington has been mentioned so often in Committee that yesterday the hon. Member for Plymouth, Devonport (Mr. Jamieson) asked where it was—he said that most of his constituents did not know of it.

Islington is where new Labour was born, and where Labour has controlled education for 25 years. It has done such a good job that thousands of parents in Islington have their children educated outside the borough. The hon. Member for Barking was in charge of Islington when there was a proliferation of paedophiles in the social work department.

I raise the subject of education in the House for the second time in six months because there is widespread concern about our education system. Only a few months ago, the *Observer* said:

"It is clear that the system is at best inadequate—at worst failing."

There is widespread public concern about the absolute level of education standards in this country, the failure of some schools—such as the Ridings school—and the decline of education in this country compared with other countries.

Most of my remarks this morning will be non-partisan—

Ms Estelle Morris (Birmingham, Yardley): The hon. Gentleman has started well.

Mr. Marshall: I shall move on; the hon. Lady should not worry, as there will be Exocets in several directions.

Education is far too important for a partisan debate. Of course, I shall remind the hon. Lady which party destroyed direct grant schools and which party forced local authorities to demolish grammar schools. If the Conservatives had not won the 1979 general election, there would be no grammar schools left in this country, because the then Labour Government was forcing local authorities, by legislative diktat, to destroy them.

There is always a temptation to view the past through rose-tinted glasses. However, not everything in the past is wonderful. I condemn the educational vandalism of the 1960s and 1970s, which destroyed many good schools, including the direct grant schools, which were academically oriented and catered to a wide social mix. They provided the opportunity for bright children from poor homes to enjoy good education, but they were destroyed in an act of pure educational vandalism.

One of the tragedies of the 1960s and 1970s is that, although area comprehensive schools were introduced in the name of equality, those who introduced them failed to recognise that, under the area comprehensive system, middle-class parents could buy their way into good schools but that no such option existed for parents on lower incomes. I lived in Aberdeen for a time, and I remember a road where house prices on one side were thousands of pounds higher than those on the other side. Children on the affluent side attended the area comprehensive school, while those on the other attended a different school that achieved much poorer results.

The scandal of education in the 1970s, 1980s and the 1990s is that we have failed the children from the inner cities. We have failed all too often the children from the council estates, because education is the escape route from deprivation. It is the lifeline for those seeking to leave Brixton to go and succeed elsewhere. It is the escalator of opportunity that enables bright, hard-working children from deprived backgrounds to enjoy a full life.

By failing to educate children properly, we have condemned whole generations of children to the same deprivation from which their parents suffered—all in the name of social engineering. In the name of social engineering, we have decided that we would encourage social deprivation.

Some schools suffer from a crisis of low expectations. How often do we hear teachers say, "We can't be expected to do better, because of the children we have." That is a scandalous statement: if teachers have a low expectation of their children, those children will produce poor results. If teachers expect children to misbehave, by golly, children will misbehave.

From looking at the failing schools and the failing schools that then become successful schools, it is clear that, if teachers raise their expectations of their children, those children will deliver better results. Low expectations lead to low outturns. Expectations of bad behaviour lead to bad behaviour, and teachers must learn, in all schools, to have high expectations of their children.

The difficulty of our education system was summed up by a paper that I do not normally quote in the House. On 27 August, *The Guardian* said that the problem was that, within the same education authority, pupils at the best school were four years ahead in English and five and a half years ahead in mathematics, compared with the worst. It also said that one in eight 11-year-olds in

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maintained schools had a reading age of a seven-year-old, and that one in six 11-year-olds had a mathematics age of a seven-year-old. Those are terrible scandals.

In a school that I know very well, 20 per cent. of pupils are two years adrift at the age of 12 in reading, and 40 per cent. are one year adrift. How can a child be taught French if he or she cannot read English? How can the national curriculum in science be carried out if children cannot do mental arithmetic? How are they to learn geometry, algebra and trigonometry if they cannot do basic mathematics at the age of 11? We are presenting some of our schools with a hopeless problem.

Whenever people talk about education, there is always comment about the teachers. It is true that, at the Ridings school, the teachers had given up. When they said that 60 children had to be removed if the school were to succeed, one realised that their expectations were at the bottom. The wide variations in the performance of different schools with similar social characteristics, which I quoted, is in part a function of bad teaching and good teaching. We must condemn bad teachers, but, equally, we should recognise that the good results of schools come from well-motivated, hard-working teachers.

When I talk to teachers, they complain that we always accentuate the negative about their profession, and that we do not accentuate the positive. I pay tribute to the head teachers in many schools in Barnet who do their utmost to ensure that their children will do well. I recently visited a number of schools in the Finchley constituency, because, as the House knows, I am standing as the candidate for Finchley, in Golders Green, at the next election. I pay tribute to my hon. Friend the Member for Finchley (Mr. Booth), who is retiring, and who is, of course, Parliamentary Private Secretary in the Department.

At the Martin's and Tudor primary schools, the head teachers told me, "Our teachers escort children home at night, because we want to be certain that they will arrive safely." I spoke to another head teacher on Sunday, who said, "For some of our pupils, the only place where they are safe is in school." I said that that might be the only place where they were loved, and she said that that was true, too.

We have many dedicated teachers, and we do a disservice to the profession when we imply that the average teacher or head teacher wears sandals and jeans, perhaps with rather longer hair, and a CND badge. That is not typical of the profession, and it is deeply offensive to the vast majority of teachers.

In the schools that have failed, it is often, as inspectors have pointed out, because the teachers have too low expectations. While I praise the vast majority of teachers, a bad teacher is condemning a pupil for life. We should therefore do our utmost to ensure that they are rooted out of the profession as quickly as possible.

Mr. Roy Beggs (East Antrim): Reference has been made to bad teachers. Once a teacher has been identified by the inspectorate as having difficulty and being less competent than his colleagues, surely special provision should be made within the school to help the teacher to reach an acceptable level and standard of competence. If not, we should seek to provide them with an escape route or alternative training for another profession.

Mr. Marshall: Conservative Members are always happy to agree with Ulster Unionists, and I am happy to agree with everything that the hon. Member for East Antrim (Mr. Beggs) said. Everyone who goes into teaching does so with dedication and skill. Some who start teaching or lecturing—I speak as a former university lecturer—may find that other professions give them a more fruitful life. One can never say to someone, "You've got to stay a teacher, because that's what you've become," because, if a bad teacher is allowed to stay in teaching, it is the kids who suffer, and it is the kids from deprived areas who suffer most.

There has been a dramatic decline in the relative standing of education in this country. I used to live in Scotland, where the boast was that Scottish education was the best in the world. When my father was a visiting professor at North-Western university in America in 1960, he said that his students in Glasgow were two years ahead of the students in the United States.

When my own professor went to America in 1962, he received the essays of some of us and showed them to his American colleagues, who said that they must be the essays of 24 or 25-year-olds. He told them that they were from 21-year-olds, and the Americans could not believe it. I do not believe that the same is true today. As *The Times Educational Supplement* has said:

"British secondary pupils start from a lower level and then make less progress than students abroad."

A basic mental arithmetic test was given to a number of students, and I am sorry to say that one of the questions could be solved by only 5 per cent. of 13-year-olds in England; 20 per cent. in Germany; 10 per cent. in Finland; 42 per cent. in Poland; 29 per cent. in Holland; and 63 per cent. in Singapore.

In the United Kingdom, every kid has a calculator. In Germany, calculators are banned until the age of 14. I believe that, if we banned calculators from the classroom, more kids would be able to do mental arithmetic and end up more mathematical. When I go into a shop and buy two products, I mentally add up the bill and tell the assistant the total. The assistant presses the numbers on the calculator and comes up with the same figure, only two minutes later. It is a tragedy that shop assistants feel that they are in thrall to the calculator. I sometimes wonder what they would do if the calculator gave them the wrong answer.

One of the most important things to recognise in education is the need for diversity. Choice is not the enemy of quality, but its best guarantee. The more competitive pressure there is on schools, the more likely they are, as *The Daily Telegraph* has said, to adopt traditional teaching methods and place an emphasis on the excellence that parents require.

I commend the Government for having a policy of diversity in education. We have grant-maintained schools, city technology colleges, an emphasis on technology colleges elsewhere, grammar schools and language academies. I was pleased that my hon. Friend the Minister was able to go to Hendon school recently, in my present constituency, to open its language academy, where a range of languages will be taught which were unknown to schoolchildren a few years ago.

I read the other day that the hon. Member for Sheffield, Brightside (Mr. Blunkett) would introduce specialist schools to teach Latin and Greek. I do not know whether it would be in order to say, "timeo Danaos et dona ferentes", but I am slightly sceptical about that promise, bearing in mind that the Labour party destroyed so many good schools that concentrated on Latin and Greek.

It is important that the truancy rate in grant-maintained schools is lower and their academic records better than the comparable rates and standards in local authority schools. I do not, however, take a theological view on GM schools and say that all schools should become grant-maintained. That would be wrong. It would be wrong for the Government by legislative fiat to make all schools grant-maintained.

Grant-maintained schools have succeeded because of the enthusiasm of parents, teachers, head teachers and governors. I shall always remember—I have told the House about this before—taking my right hon. Friend the Member for South Norfolk (Mr. MacGregor), when he was Secretary of State for Education, to a grant-maintained school. During our visit, a teacher said, "I am a member of the Labour party." When that is said to a senior Minister, one wonders what will happen next. The teacher continued, "But the best thing that happened to this school was it becoming grant-maintained."

Let us remember that 20 of the 40 best performing comprehensive schools are grant-maintained and that only 20 per cent. of comprehensives are grant-maintained. We know that, in 1995, 44.7 per cent. of pupils at grant-maintained comprehensives achieved top grades in five subjects at GCSE level, compared with a national figure for comprehensive schools of 38.7 per cent. Sixty per cent. of grant-maintained schools have improved their relative performance in the league tables since they became grant-maintained.

The reason for the improvement is that grant-maintained schools are using their budgets more effectively. A recent survey showed that 87 per cent. stated that building services had improved since they had become grant-maintained, and 69 per cent. said that catering services had improved. Fifty per cent. said that cleaning had improved and 54 per cent. said that curriculum advice had improved. Eighty-five per cent. said that staff development had improved. Those are all remarkable achievements. As the National Audit Office found, and stated in its report, the reason is that schools, when in complete charge of their own budgets, manage to secure savings to which local authority bureaucrats were indifferent.

One school, for example, had renegotiated an onerous long-term photocopier lease, which reduced the cost per copy by 57 per cent. Two new machines had been provided in the process, and the result was a better service. Another school decided to bring cleaning and catering in-house, and produced savings of £11,000 a year. A good many school books can be bought for £11,000 a year.

In another case, a school had secured savings of £9,000 in its spending on ground maintenance and of £11,500 on catering. Those savings could almost pay for an extra teacher. Another school established a management partnership for catering services that produced savings of £19,000 a year. Again, a huge number of extra books could be bought with that amount of money.

Truancy is less of a problem at grant-maintained schools than it is at other schools, but we must ask ourselves why truancy is sometimes a problem. I think that we sometimes seek to give children who do not need or want an academic education an inappropriate education. I always remember visiting a school in Israel where children were being taught how to become motor mechanics or, alternatively, hairdressers. The head of that school said to me, "You may wonder why we do this, but we can guarantee that all our kids will have a job when they leave school." That is important.

If we say to children, "Vocational training—in other words, teaching you how to be a bricklayer or a motor mechanic—is suitable for you," we will find that they will adapt to such courses remarkably well. I know of the curriculum centre at Barnet, where young people are taught bricklaying and how to be a motor mechanic. There is no problem with truancy. The children enjoy what they are doing and recognise that there are career prospects for them thereafter.

Ministers are always tempted to quote figures at us. We are told that, instead of one in eight students going to university, the figure is now one in three. We are told of the record number of children passing GCSE examinations. Since the exam was introduced, the number of children passing it has increased by one third. However, people like myself find it difficult to associate the increased numbers to which I have referred with the general concern about standards elsewhere.

When the National Institute for Economic and Social Research, for example, tells us that we are two years behind Germany in mathematics, one wonders how it is that there are such remarkable GCSE results. We must ask whether, in having increased the number of universities from 18 at the beginning of the century to over 100, we have not debased standards. We were told that more does not equal poorer quality, but I have my doubts.

When we discover that some universities will take students with grade E A-levels and that others will take students with no A-levels at all, that Luton university offers £1,000 scholarships, and that even Oxford and Cambridge struggle to get science and engineering students, we must surely ask ourselves whether there are not real problems.

There are 33,000 applications for media studies at university and only 26,400 for mathematics. With that in mind, we must ask whether we are teaching the right subjects at universities and whether there is not something wrong with our standards in schools. When universities have to introduce remedial classes in maths, simplify science courses and lengthen their engineering courses, is there not something wrong with our education system?

A distinguished representative of the Institution of Mechanical Engineers has said that maths-based subjects are now offered with no mathematics, to make them more attractive to students. The Leader of the Opposition says that equality must not become the enemy of quality, but I suspect that it has.

Concern about education is widespread. It is shared by parents, employers and all who are concerned about the future of our country. Education is essential to ensure our future prosperity as a nation. Education is particularly important to those who are living in deprived cities. If we

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fail them, we condemn them to a life of mediocrity and squalor. If education is good, people can go on to the escalator of opportunity and succeed in life.

Lord Melbourne reputedly said to Queen Victoria:

"I don't know, Ma'am, why they make all this fuss about education; none of the Pagets can read or write, and they get on well enough."

That may have been true in the 19th century, but it is not true as we come to the end of the millennium.

9.59 am

Mr. Chris Davies (Littleborough and Saddleworth): I congratulate the hon. Member for Hendon, South (Mr. Marshall) on securing the debate. I agree with his preference for the abandonment of calculators. I am conscious of the fact that mental ability and the ability to calculate figures diminishes without practice. My generation was one of the last to use slide rules. I am sorry that I disposed of my slide rule, because it would probably now be worth a bit of money as a potential museum piece.

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Robin Squire): I happened to find out the other day that slide rules are still in use in A-level mathematics. I hope that the hon. Gentleman will be reassured by that.

Mr. Davies: I am grateful to the Minister for that information.

I was the beneficiary of an excellent academic education. Twenty years ago, I believed that, in practice, the spirit of learning and the development of well-rounded human beings were more important for schools than examination success. On reflection, I believe these days that we can have both. My strong conviction is that the acquisition of skills is essential if human beings are to develop to their full potential and if their minds are to flourish. They require a basic grounding for their intellect to thrive.

Last year's world competitiveness report made it clear that educational adequacy in Britain had slipped, and that we were now 35th out of 48 nations.

Ms Estelle Morris: We have now gone down further.

Mr. Davies: I note the hon. Lady's remark.

One in seven 21-year-olds in this country are said to have problems with basic literacy. Time and again, reports have shown that Japanese and German children are twice as likely to reach the equivalent of A-level examination success as their counterparts in this country. Why do some children achieve more than others? Could it be that German children are more intelligent than British children? At a local level, are children in one part of my borough more intelligent than those in another part? I am sure that the answer to those questions is firmly no.

I believe that there is no substantial difference across the world in the innate intelligence of human beings. The difference lies in social factors—the attitude of parents, funding of schools, organisation of education methods and the culture in which children develop, which varies from one country to another and even from one school to another within a local education authority area. We may not be able to change everything, but we can change much for the better. As legislators, we can affect the system in a way that benefits our constituents.

The introduction of league tables has helped to focus minds on academic performance and examination success. Some people moan and whinge about the tables. Indeed, I have reservations about the way in which the information is assembled, and I am concerned that head teachers may be tempted not to submit some children for examination, so as to avoid a poor performance being recorded at a later date. On the whole, however, I welcome league tables, because they have concentrated the minds of teachers and encouraged schools to ensure that every possible step is taken to improve their performance and that of individual pupils.

Earlier this year, the head teacher of Saddleworth school told me that its performance was just above average, and that perhaps it could do better. I am pleased to see from the figures for A to C grades at GCSE in five or more subjects that its performance has improved: it is up to 46 per cent. this year. I am sure that more progress will be made. Oldham schools generally, and schools across the country, have improved, and I suspect that league tables have played a part in that improvement.

I urge the Minister to ensure that, in the years to come, the goal posts will not be moved. Schools should be able to trust those results. There should be no weakening of the criteria for marking examinations and judging pupils. People should not have to suffer abuse in the tabloid newspapers, which say that standards have weakened and that teachers are not doing as well, and that improvements are due simply to the fact that examinations are being judged more leniently than before.

It is important that an element of competition is introduced. It was often said that only a certain percentage of pupils could attain an A grade at A-level. The league tables and the judging of GCSEs should be objective, so that schools currently below average can work hard to become above average, without feeling that the higher they climb and the harder they work the more difficult it will be to attain their goal. Consistency is crucial.

As hon. Members on both sides of the House have stressed in the past, it is imperative to introduce a value-added element in league tables. Entry level should perhaps be compared with performance at a later date.

Breeze Hill school serves many of my constituents, although it is just outside my constituency border. English is not the first language of many of its pupils, and it has had many problems in recent years. For some time, it was bottom of the league table. Last year it came well off the bottom: it moved up from a poor, some would say pathetic, 9 per cent. to 21 per cent. of GCSE passes at grades A to C, which is a significant improvement in one year.

I hope that that heralds great things to come. I am sure that it has been a great boost to the morale of teachers and to pupils and parents in the area. Such figures should be reflected in league tables by putting one criterion against the other, so that parents can compare the two.

It is particularly interesting that some schools perform better that others with exactly the same catchment area. The chief inspector's report for 1996 pointed out that some outstanding secondary schools are doing twice as

well at GCSE as other schools in similar circumstances, and six times better than schools with less advantageous social and environmental conditions.

The ideal must be to encourage schools to break away from the vicious circle in which teachers have low expectations of their pupils and there is downward peer pressure from pupils who drag down good performing colleagues, which results in poor achievement. We should establish instead a virtuous circle in which improvement is achieved because teachers and pupils work together in an upward movement and aspire to higher things.

On Monday, I visited Wardle high school in my constituency. It now achieves 64 per cent. A to C grade passes at GCSE: the figure for English is 80 per cent. That is a tremendous performance, and it is the highest in the Rochdale borough. We have come to expect such achievements at that school. There has been a tremendous input and it has a fabulous atmosphere. The whole school works together as one entity with a common purpose.

The personality of the head teacher can be crucial to such achievement. It is important to recognise how easy it is to expect too much. We hold up as an example the glorious head teacher who has transformed a school, but we often fail to recognise that the head who arrives at a school that is already performing well has a vastly easier job to maintain that performance than one who take on a school with low standards, where the obstacles seem insuperable. It is an exceptional person who can turn the situation around in such areas. We must find means of helping the head teacher who is no more than average to turn situations around. We need to help head teachers not to reinvent the wheel, but merely to learn from best practice and to employ methods that have been applied successfully in the schools that have achieved the most.

Discipline is also crucial. A well-ordered learning environment and control in the classroom are the essential prerequisites of good teaching. On that score, my borough of Oldham is no better and no worse than other areas throughout the country—which means that the vast majority of lessons are taught well and in ordered conditions. By and large, schools—including those in my borough—are well-disciplined places, but the national picture tells a disturbing story. The number of exclusions is growing nationally, and the number of head teachers taking retirement early, often because of stress-related illness, has grown by 50 per cent. since 1991.

In the past few weeks, I have heard from teachers in areas as diverse as Hackney and North Walsham in Norfolk—I believe that the Secretary of State for Education and Employment has some experience of that area—and, indeed, my own borough. Those teachers feel that conditions in their classrooms are deteriorating, and have decided to take early retirement rather than being forced to abandon their traditional desire to teach, and having to substitute crowd control.

We know that there are problems of indiscipline, although they tend to be the exception to the rule. The problem is growing across the country, and is reflected in Oldham as elsewhere. Recently, one teacher wrote to my local newspaper:

"there are children who's classroom behaviour falls far below any acceptable level . . . who swing from desks, rip pages from books, swear at teachers with no intention of . . . paying attention."

How can a teacher teach in such circumstances?

I have been criticised by my local chairman of education for pointing out that there are problems in a minority of schools. When I am rebutted, as I have been, I feel that, in pretending that there are no such problems and sweeping them under the carpet, the education chairman only earns contempt from teachers who must face the problems daily, and who do not feel that they are receiving the support they need.

Teachers need to be able to work within closely defined guidelines. They need to be able to rely on good disciplinary procedures, and they need effective back-up from head teachers; who, in turn, need effective back-up from local education authorities; which themselves need good back-up from the Government. We must never allow the education of the majority of children in any one classroom to be sacrificed because we tolerate to any degree the misbehaviour of the one or two who are disruptive. That should be uppermost in our minds.

Exclusions, although growing and although one means of allowing a school to retain discipline and control in the classroom, must be regarded as inherently bad. Apart from anything else, statistics now suggest that the child who is excluded today becomes the prisoner of tomorrow. There is a real danger that, by writing off children in this way, we will force people down and create great problems for the future.

Internal methods of discipline—internal exclusion, if you like—is, by and large, a better approach; but teaching on a one-to-one basis, or the teaching of three or four disruptive pupils by one teacher, is an expensive process, as parents have been pointing out lately. They have found that education resources are being diverted from their own children to the teaching of a single disruptive pupil by a single teacher. Obviously, schools need resources if they are to deal with problems of that kind.

Mr. Beggs: Is there not a real danger that, when pupils are excluded and education authorities are then responsible for allocating them to different schools, we shall start to create "dump schools"? That is the last thing that we need. It would be much better for children who are creating difficulties to be supervised internally.

Mr. Davies: The hon. Gentleman makes my point for me. On the one hand, we must have firm discipline and ensure that disruptive children are not allowed to disturb the education of those who seek to gain all the benefits of a school; on the other hand, there is indeed a danger that we shall create sink schools, which will generate and feed a growing underclass. There must be a way of preventing that: we have a responsibility to deal with the problem.

Final responsibility for discipline must rest firmly on the shoulders of parents, but, although the vast majority accept that responsibility automatically, we hear too many stories of teachers who are being abused by the parents to whom they would normally look for support. We need good home-school partnerships—school contracts on a one-to-one basis. Negotiating such arrangements, however—meeting parents individually in the evenings—puts a huge burden on teachers, who are already over-pressed and, usually, working in the schools in which conditions are least favourable.

All those things cost money. Yesterday, the Chancellor announced that education would be looked after in the Budget. I fear, however, that that was a rather cynical and

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shameful statement, for we know that in practice the total funding for local education authorities is less than the real rate of inflation. We know that exactly the same will happen as happened last year—that, far from seeing a boost in education and an increase in standards, we shall see primary school classes increase.

Mr. Robin Squire: The hon. Gentleman said that the education settlement would be less than the rate of inflation. The strong implication is that he expects settlements throughout the public sector—including Government settlements—necessarily to match movements in prices year by year. The Government, however, believe that authorities, like Government, should be looking for efficiency savings. Does the hon. Gentleman not agree with that?

Mr. Davies: I should have been happy if the Chancellor had said yesterday, "Social service budgets will be cut to the bone, so that I can stand up in the House and say that education will benefit." That would have been a more honest approach. If there is to be a real increase in education spending, local authority spending across the board—other than education spending—should be kept at inflation levels. If that happened, the increase would be real. In practice, however, it will be a matter of robbing Peter to pay Paul, and in this instance social service budgets will feel the brunt of the pressure.

I am still a member of Oldham council. I am one of those who will have to hold up their hands and make a decision when proposals to cut social services and close children's homes are made in my council. It is not an experience to which I look forward. There must be substantial investment, as my party has spelt out before. We have made it clear that investment of some £2 billion is needed—which, if necessary, should come from the general taxation system.

There are things that local education authorities can do to stimulate and support the work of schools. They should be challenging parents a little, and asking them whether they are doing as much as they could to support schools. My own local education authority, for example, should be asking parents, "Are you reading to your young children when they go to bed? Are you listening to them read when they are a bit older? Are you making sure that they are at school?" In many authorities, including my own, there is an unacceptable number of unauthorised absences.

The authority should ask, "Are you checking that homework is being done? If not enough homework is being set, are you beating a path to the head teacher to ask why?" The amount of work that is set and done, at school or out of school, is a crucial factor in students' eventual achievements. Given that not all homes can provide a place where homework can be done in peace, is the school offering "homework clubs"? Is it making facilities available to prevent pupils suffering disadvantage as a result of their social circumstances?

Within the past three weeks, I have had the chance to see some excellent schools in my constituency. I am conscious that they are working hard, and I want to see them achieve even more. Across the country, so much can be done. The enemy is complacency, because it holds back the development of our children, and it holds back Britain. It must be overcome.

10.20 am

Mr. David Porter (Waveney): It is always timely to discuss standards in education, and I agreed with much of what my hon. Friend the Member for Hendon, South (Mr. Marshall) said in opening the debate. Everyone wants higher education standards, whether we speak as parents, Members of Parliament or employers. Education and the system of assessing how it is progressing in each and every child must be the cornerstone of the building of our future citizens.

Equally, each of us can argue for education as a spending priority, which is why I welcome the broad outline of extra spending in yesterday's Budget. It must be said, however, that ever higher spending, by itself, does not guarantee parallel improvements in teaching standards.

As has already been said in this debate, we can all mention high-spending but low-achieving local education authorities. Some of us remember the grim days of the old Inner London education authority, which spent the most and produced the least. Spending is not the panacea. It is an important part of it, however, and parents will certainly have no confidence if they feel or are told that their children's education is suffering because of a perceived lack of funding.

We will not know the details of how the extra spending will be distributed until this afternoon's statement. However, parents in Suffolk, for example, have been hit by a concerted scare story—a worst-case scenario—presented to them by the Labour-controlled LEA, as if a 5 per cent. cut across the board in every Suffolk school was a certainty. It has been a disgraceful campaign. Parents would have to be alerted if there were to be a per cent. cut and it were to be translated into bigger class sizes, loss of key teachers, buildings not being repaired, the compromise of health, safety or any of the other myriad parts of the school's world that comprise our children's education.

Our children spend much time in schools. Some would argue that, if a curriculum, particularly at key stages 3 and 4, is to fit in all that it should—with more civic studies, driving lessons, social skills, family education and parenting—our children should spend even longer in school. The longer school day, the four-term year and the two-semester term are part of the continuing debate about the structures of education. In some senses, that debate is peripheral to the core issue of standards. In education, however, we must take account of all strands of the debate, because assessing achievement is such a complex business.

We are now beginning to achieve a consensus on a basic core curriculum and on some testing of it. We are also building a consensus on the publication of results—I hope, in an ever more sophisticated manner, providing ever more meaningful comparative information. There is a general feeling that weaknesses are shown through inspections by the Office for Standards in Education, performance tables and exam results. If so, drastic remedial action is needed—even if, ultimately, that means closing schools.

It has taken a long time for that consensus to be achieved, even if we still disagree on the details. It is a shame that the Labour party, with some of the unions, has spent nearly a generation fighting us at every turn, especially as so many of our children are now taught in Labour-controlled authorities.

We can make progress if we can build on what has been achieved, from curriculum in schools to reforms of teacher training, and if we can assume that parents want the best standards so that their children can achieve their potential, and that they want such standards at every stage of their children's education. Regardless of whether a child is starting school, sitting standard assessment tasks, doing GCSEs, staying on for post-16 education or going to university or into training, higher standards must be available at every stage. That benchmark will continue rising every year. In the same way in which we become healthier as a people, I believe that each generation can attain ever higher educational targets.

It is possible to build naturally on what has been achieved, unless what we have achieved is ruined. But we must go further. OFSTED should focus more on schools' weak points rather than conducting whole-school inspections. OFSTED should focus on particular subject areas or even on individual teachers, to weed out the bad and to learn from the best.

If OFSTED is not the right vehicle for the next stage of standard-raising in education and a general teaching council is, let us have one. I agree with my hon. Friend the Member for Hendon, South that we should enhance the teaching profession, boost its professional status and tap that huge fund of good will and—in the case of so many teachers—great talent, dedication and vision to praise teachers when they deserve it and criticise them when they deserve that.

Parents, of course, want choice of schools. They would like the full range of subjects to be available and for their children and teenagers to be safe and confident, harnessing the wonders of technology and learning the traditional values in literacy and numeracy. In reality, however, most parents in rural areas, and even those in urban areas, do not exercise or do not have a choice of school. Regardless of results and standards, the majority of children go to their nearest school, whatever the standards.

In my part of Suffolk, there is a three-tier system, with primary schools taking pupils up to age nine, middle schools to 13 and high schools after that. Even in a compact urban area, it is difficult for parents with children of different ages attending different schools to be in the same place at the same time. So they always, or nearly always, opt for the local school. We must remember that. Although I remain a believer in a wide freedom of choice and personal preference, I know that we must raise standards in all schools. Competition has a limit in education because of the reality of which school most children will attend.

Conservative Members believe that schools should take ever more of their own decisions, handle all their own budgets and be as self-governing as possible. However, there is sometimes a feeling that schools do not want any more deep-seated changes, such as becoming fully self-governing, if they are doing reasonably well on present indicators, children are confidently developing in a manner that is satisfactory to the majority of parents, and they are working in partnership with the LEA, other schools, local industry and the world around them.

Schools would like to get on with the changes and targets that they have already been set. That view finds a sympathetic echo in the hearts of many parents, particularly when the parents' own world of work has been subject to change and upheaval in recent years. I do not forget that, after children, parents are next in our order of priority and accountability. Next come employers and their requirements—now, and in the world of work in the next century. That belief is integral to our plans for higher standards.

If there is still a gap between young people's qualities and skills in basic reading, writing or more adventurous thinking and employers' recruitment needs, that gap must be dealt with. One of the great benefits of the past few years has been the ending of the idea that schools are ivory towers and isolated islands in their communities. They are now seen as part of the fabric of their communities, although, as has already been said, schools are considered a safe place for many children who live in tough home and community environments. The more links that business and the community have with education the better. The more each can respond to the needs of the other, the better for all concerned, especially for our children.

Regardless of whether I am at home with my own children or visiting schools, I never cease to be amazed at what children are capable of, given encouragement and responsibility. Like so many things in this country, however, we take education for granted. Until the Labour party modernised itself, we have taken it as read that education is a battleground. That is no longer so.

One of the keys to raising standards has been demonstrated by a pilot project in my constituency of Waveney. It is called "Caring for Education", and it is now just over a year old. It is about not taking things for granted. It is a partnership of all the schools in Lowestoft, the county council, the district council, police, retailers, the chamber of commerce and parents and seeks to tell the community that we all—children, parents, teachers, taxpayers and everyone else—value education and value the added value provided to children through their learning.

The project has been described, on one level, as a truancy watch, with the added bonus of reducing the dangers of drugs and crime. But it goes beyond that; it is an attitude. It is, for example, persuading doctors and dentists that routine appointments for children can be made outside school hours. If everyone thinks that school comes first and that what children are doing in school matters, is valued and cannot easily be replaced if missed out of the national curriculum—quite small changes in attitude—a real sense of valuing and owning our children's future can be engendered, with some very encouraging results.

At the other end of the scale, the project has resulted in that partnership developing ideas with other parts of the Waveney community and the creation of Futura—a centre for technological excellence that will wipe out the geographical isolation caused by poor roads into Waveney, harness the skill resources of our area, help train, retrain and continue retraining the work force of the future and provide us locally with an edge of advantage.

The project is all about wanting the best and thinking positively about the area, the people in it and the adults of tomorrow. That is what we need. We require from the Department for Education and Employment and those outside it a drive to build on the structures that the Government have put in place, and to keep raising standards and expectations and delivering them.

10.28 am

Mr. Graham Riddick (Colne Valley): I shall start by lobbying my hon. Friend the Under-Secretary of State for Education and Employment, the hon. Member for Hornchurch (Mr. Squire). An excellent school in Huddersfield in my constituency, the Salendine Nook high school, has applied for technology college status. Sadly, its application in the previous bidding round was unsuccessful, but I hope that it will be successful this time. It has made one or two changes to the bid and has improved it. I ask my hon. Friend to examine that bid closely, or, if it is not his responsibility, to ensure that his ministerial colleague does so.

Since the Conservatives came to power in 1979, we have had the massive task of driving up educational standards in this country. We started by extending parental choice. We believed that that would be sufficient to drive up standards, but we underestimated the task.

The Labour party has controlled many local education authorities, and it is fair to say that, the worse the educational problems in an LEA, the longer Labour has been in control. Progressive educationists have been in charge of teacher training colleges and the teacher training agenda for very many years; they were also entrenched in local education authorities.

In the 1960s and 1970s, drab uniformity was introduced into the system, with the blanket introduction of comprehensive schools. As my hon. Friend the Member for Hendon, South (Mr. Marshall) said, many excellent grammar schools and direct grant schools were destroyed. Those responsible should be ashamed.

Progressive educationists, supported by Labour politicians, have said that streaming and setting in schools are wrong. New, and often dubious, teaching methods have been introduced. In history teaching nowadays, there appears to be less emphasis on the teaching of facts and more emphasis on pupils knowing about the social experiences of people who were living at that time.

Local education authorities have undermined the authority of teachers and head teachers by meddling in the ways in which schools can impose discipline. I draw the attention of the House to a matter that was brought to my attention by a Conservative colleague in the city of Sheffield. I am pleased to see a Sheffield Member, the hon. Member for Sheffield, Attercliffe (Mr. Betts), in his place.

The hon. Member for Sheffield, Brightside (Mr. Blunkett), who speaks for the Labour party on education, says that he wants improved standards and more discipline in schools; yet, in 1981, under his leadership, Sheffield City council prohibited schools from insisting on school uniforms, despite massive parental and pupil opposition.

My hon. Friend the Minister might be interested to know that the hon. Member for Brightside wrote in the Sheffield *Star* on 6 October 1981 in support of the

"decision to remove the compulsion of wearing specific items of school uniform"

on the grounds of the

"freedom of the individual"

being

"a matter for city-wide concern".

At the Sheffield City council meeting on 7 October 1981, a Conservative amendment proposing that the decision on school uniforms be left to schools was voted down by the Labour group.

There we have it. It was the Labour party, and the hon. Member for Brightside, who ensured that schools in Sheffield were unable to insist on school uniforms.

The Education Reform Act of 1988 should have been the Education Reform Act of 1980. It is a shame that we waited so long. Of course, the Conservative Government had other priorities at that time. We underestimated the challenges that confronted us, but the 1988 Act was a key piece of legislation, which changed the country's education agenda. We introduced the national curriculum, local management of schools and grant-maintained schools. We gave parents more control.

Since then, we have introduced national tests and league tables. Every initiative that the Conservative Government have introduced to drive up standards was fiercely opposed by the Labour party and the Liberal Democrats. I was fascinated to hear the hon. Member for Littleborough and Saddleworth (Mr. Davies) support the Government's approach to tests. I am encouraged by that; it is a shame that we did not have his support when we introduced those changes.

In the time left, I shall discuss an issue that has been of special interest and concern to many of my constituents—class sizes. Last Friday night in my constituency, I attended a meeting of parents and teachers who were concerned about funding in education generally and class sizes in particular.

Class sizes are important, if only because parents believe they are. If parents believe that they are important, we must try to keep class sizes down as much as we can. I do not want classes to exceed 30 pupils. The Government and local authorities should do everything possible to reduce classes.

We would be deluding ourselves if we were to say that class sizes were the only thing that counted in education; of course they are not. We only have to consider the Ridings school, were class sizes were small yet standards of education, as we all know, were pretty appalling. Schools take the final decisions as to how the funds available to them are to be spent, but it is important that central Government make enough money available to local authorities and schools to ensure that they keep class sizes down.

Since the Conservatives came to power in 1979, educational spending has increased by 50 per cent. in real terms, but I welcome the fact that the Chancellor, in his Budget statement yesterday, announced an additional £830 million for schools. That is extremely important. I have pushed for that in my meetings with the Chancellor and in a recent meeting with the Prime Minister and my right hon. Friend the Secretary of State for Education and Employment. I have argued that we must make more money available for schools. I am pleased, therefore, that the Chancellor made that announcement yesterday.

As the Chancellor said, it is crucial that local education authorities pass on to schools the money that has been made available. That is the big challenge, and it has not always happened.

I draw the attention of the House to a recent document produced by the Centre for Policy Studies, which examined the method of allocating resources to schools. Of the national schools budget, £12 billion goes to schools, but about £4 billion goes to local education authorities. That means that LEAs deduct 26 per cent. of school spending in England. The method by which money

is sent to individual schools is confusing, so LEAs are able to get away with saying that they pass on 90 per cent. of funding. That is not the case.

In my area, Kirklees borough council claims to delegate 89 per cent. of its budget to individual schools. The true figure is 74 per cent. Kirklees LEA holds back 26 per cent. of funding for schools. Those figures appear in the CPS document, but, interestingly, they are also contained, albeit rather hidden away, in Kirklees council's own document, "Education Budget Matters", recently published for the benefit of local educationists, schools and so on.

Page 33 of the document reveals that, of the generous schools budget of £141 million, only £106 million is passed on to individual schools. There remains tremendous scope, therefore, for Kirklees council to pass on more money to individual schools. On page 39 of the document, we read that Kirklees passes on much less per pupil to individual schools than the average of metropolitan district councils throughout the country. Kirklees ranks 21st out of 26 for delegating funds to individual schools.

The final fact from the document that I wish to draw to the attention of the House relates to pupil-teacher ratios. It is fair to say that there has been a slight increase in those ratios across the country. However, the increase in Kirklees has been more than twice that in other local education authorities—a factor of 1.8 pupils in Kirklees against a figure of 0.7 across the country. That suggests that Kirklees, my local Labour-run council, is holding back too much money. It is spending too much on central services and administration. My message for the House and for my local education authority is that more of the money made available by the Government to Kirklees must be passed on to individual schools.

10.40 am

Ms Estelle Morris (Birmingham, Yardley): I congratulate the hon. Member for Hendon, South (Mr. Marshall) on giving the House another opportunity to discuss standards in education. Some of us have already been through this debate fairly recently, but it is an important matter, and we always welcome the opportunity to discuss it.

Having chosen a good topic for debate, the hon. Gentleman risked ruining it by falling into the trap that too many Conservative Members fall into, wanting to persuade everyone that excellence exists only in grant-maintained schools. I agree with the hon. Member for Waveney (Mr. Porter) that we must seize the opportunity to get together to raise standards in education and try to move forward.

There are some very good grant-maintained schools that have improved their standards. There are also an awful lot of good comprehensive schools that have improved theirs. There are good selective schools, technology schools and city technology colleges that have improved their standards. We do no one any favours by trying to score points and pretending that excellence exists only in the types of school to which we are ideologically committed. People know that that is not true. I welcome and praise excellence wherever it exists. Thankfully, it exists in a lot of schools up and down the country.

I am pleased to welcome the hon. Member for Colne Valley (Mr. Riddick) on board with his acknowledgement that class size is important and can make a difference. On behalf of my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts), who is the Whip and cannot participate in the debate, I should like to clarify the fact that the 1981 decision in Sheffield was only that schools should not be able to exclude students for not wearing uniform. The hon. Member for Colne Valley may disagree with that decision, but it was legitimate for Sheffield to decide that a child's education should not be interrupted, even temporarily, because of an issue such as uniform.

Mr. Riddick: Surely telling a school that it cannot insist on school uniforms totally undermines discipline in the school.

Ms Morris: The hon. Gentleman should realise that exclusion is not the only means of enforcing rules. If we reach such a situation, there will be real problems.

The hon. Member for Waveney made a thoughtful speech. I have listened to several thoughtful speeches from him on education in recent months. In particular, he mentioned partnerships, with people from all sectors of the community working together to raise standards. That is welcome and should be encouraged.

We have heard the normal attacks on local authorities. I do not excuse under-performing local authorities, but the notion that some are not achieving at a high standard and are not supporting their schools is far from the truth. Baseline assessment and targets were introduced by Birmingham education authority. Business partnerships were pioneered by Labour local authorities and others up and down the country. Community support has been promoted, bringing parents and communities together to raise standards. Out-of-school learning was also pioneered by Birmingham, Tower Hamlets and other authorities in London and elsewhere.

All those initiatives are important, and have been designed to raise standards. They all require people to work together, and they have had local authorities at their core in bringing those people together and facilitating joint work to raise standards. The Government have now recognised that local authorities have a role to play as one of many partners. A school will be better with the support of a good local authority.

Some Conservative Members will be sadly let down when they study the details of yesterday's Budget. No extra money will be going into schools. No extra money went to schools last year, either, when the Government increased the standard spending assessment. That does not put a penny in anyone's pocket. It is a judgment of what the Government think a local authority should spend on schools.

Even with the increase in the SSA announced by the Chancellor yesterday, local authorities spent £73 million more last year than next year's projected expenditure. The Chancellor's great announcement on education yesterday amounts to telling local authorities that the Government believe that next year they should spend £73 million less on education than they are spending this year. That is what the new SSA will mean.

It is all very well talking about increases in grant, but last year's sleight of hand involved announcing a so-called increase in grant for education, but at the same time adding not one penny to the total amount that could be spent by local authorities. We do not need a mathematician or a master of mental arithmetic—if I may

[Ms Morris]

say that to the hon. Member for Hendon, South—to work out that, if the overall size of the cake is the same and the Government think that more should be spent on education, money must be saved elsewhere. As one hon. Member said—I think that it was the hon. Member for Littleborough and Saddleworth (Mr. Davies)—the money this year is likely to come from social service cuts.

Mr. John Marshall: Does the hon. Lady accept that there is scope for local authorities to improve efficiency? My local authority in Barnet chose to award a refuse collection contract in-house despite the fact that it costs significantly more than the cheapest outside tender.

Ms Morris: I am amazed that the Government have not taken action if that is the case, because it is illegal. Of course some efficiency savings can be made, but we were told yesterday that there would be an increase in education spending. No one should believe for a minute that that will happen next year, because the Tories did not tell the truth on education expenditure last year. People will not believe it, because they know what happened in their schools last year.

I should like to raise an important statistic from yesterday's Budget settlement. Together with the Minister, I spent most of last year dealing with a Bill on nursery vouchers. It was the first time in 17 years that the Government had done anything to increase and expand nursery education provision. It was not much, with nothing for three-year-olds or the under-threes and an awful lot of bureaucracy, but some new money was made available for four-year-olds in those—mainly Tory—local authorities that were not providing any nursery education.

Yesterday, we heard that there was to be a £56 million cut in the money available for nursery vouchers. There will be no expansion in nursery education. That is a terrible indictment of the Tories' nursery voucher system and an admission that it will fail. If the Government make less money available for nursery vouchers, they must assume that fewer vouchers will be redeemed. Otherwise, they will not have the money to pay out.

Less than 12 months ago, the Government gave a commitment that £185 million would be spent on nursery education. We were promised new money. The Chancellor did not make specific reference to it yesterday, but that money has diminished, and part of it has vanished. The total will be £56 million lower.

The best way to raise standards—the best thing we can do for children—is to provide good-quality nursery education. That is the best start in life. Children and their parents are being badly let down again by the Government—a Government who had done nothing on nursery education for 17 years, and then spent £20 million on bureaucracy. They have now chosen to make a £56 million cut in a scheme that has not even started. That is a great deal of money. Many four-year-olds will be denied the nursery places that they were promised.

Finally, let me make some general comments about standards. We have good schools, excellence and some awfully bright kids, but the British education system has always had the same problem: the gap between those who achieve and those who do not is wider than elsewhere, and growing. Although the number of children achieving five GCSE grades A to C increased by 1 per cent. last year, the number of children who gained no examination qualifications increased from 8 to 9 per cent. Therefore, the worrying gap between those who do well and those who do not is growing.

I agree with the hon. Member for Hendon, South about the importance of the early years and the gateway skills of literacy and numeracy. If children go to secondary school without having mastered those skills, become part of the culture of learning and understood the importance of striving, there is not much that secondary schools can do for them.

That is why Labour has pledged to reduce class sizes to 30 for five, six and seven-year-olds, to set literacy targets, and to provide summer schools for those who fall behind. We have also pledged to make sure that children have the opportunity of a top-quality nursery education to give them the best start, so that they can achieve their potential and the nation can reap the benefit of a skilled and educated work force—which the Government have failed to achieve in 17 years of Tory rule.

10.50 am

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Robin Squire): It was rather unfortunate that, in a debate on school standards, the hon. Member for Birmingham, Yardley (Ms Morris) should do exactly what she condemned us for doing—raising party political points, particularly as hers were misleading.

First, on her specific point about nursery vouchers, if she has not yet understood the system, let me explain that, each year, the estimates are revised to take account of revised estimates of pupil numbers, among other factors. I give her an assurance today that the parents of every four-year-old for whom a voucher is presented will be able to spend the money with the provider of their choice. It is misleading and harmful for the hon. Lady to suggest otherwise from the Opposition Front Bench.

Ms Estelle Morris: Is the Minister saying that his Department had to revise the figure relating to the expected number of four-year-olds entering nursery education within a 12-month period?

Mr. Squire: It may come as a surprise to the hon. Lady, but population estimates constantly change, as do estimates of take-up. Although we are eating into a debate on standards, let me repeat the key point for the benefit of the hon. Lady: all nursery vouchers will be redeemed and met in full where they are presented.

Secondly, although the hon. Lady made three positive references to Birmingham LEA in the first minute of her speech, she did not refer to its record on truancy. Ten of worst 100 schools in the country happen to be in Birmingham LEA—an excellent example of standards to set for the country. Time does not allow me to reply to her comments criticising yesterday's Budget, beyond observing that, as in the past, increases in SSAs will provide extra money to local authorities. How local authorities choose to spend that money is a matter for them. As always, they determine their own priorities.

Let me move away from those unnecessarily contentious matters to join the hon. Lady in welcoming the speech by my hon. Friend the Member for Hendon,

South (Mr. Marshall). Not for the first time, he displayed his full and excellent knowledge of educational matters. He will understand that time does not allow me to respond to him as fully as I would have liked.

My hon. Friend was right to mention the importance of education as a ladder of opportunity for those from less fortunate households. As he said in passing, all too often that opportunity has been dashed by the policies proposed, and in some cases implemented, by the Labour party.

My hon. Friend rightly stressed the importance of basic skills, particularly in primary schools. When children move on to secondary school, we expect them to have reached or surpassed certain standards. My hon. Friend will recognise that, both in the revised national curriculum and in the greater emphasis on initial training for primary school teachers, we are stressing the importance of reading and arithmetic, and improving their teaching in primary schools. As my hon. Friend said, it is asking a lot to expect a child who cannot yet read properly to embrace the full curriculum post-seven, never mind post-11.

My hon. Friend praised teachers. He will have heard me do the same many times in virtually every speech from the Dispatch Box. Sadly, *The Guardian* or *The Times Educational Supplement* next week will probably suggest that there is a campaign against teachers in general. That is not the case. We unstintingly praise the enormous efforts of teachers up and down the country, year in, year out, to educate our children. When we say that some of them are not performing sufficiently well, that criticism should be taken in context.

My hon. Friend mentioned mathematics. He will know that much has been done to attempt to raise standards in that subject, including the establishment of numeracy centres and the emphasis on numeracy in teacher training reforms, baseline assessment, and various changes to the national curriculum. Not least is the introduction of calculator-free tests and mental arithmetic tests. Hopefully, in a few years, when my hon. Friend goes shopping, he will not calculate his bill significantly ahead of the person working behind the counter.

My hon. Friend rightly gloried in the diversity of schools, including grant-maintained schools. He did not say that the only good schools were grant-maintained schools or technology colleges, but rightly recognised that, for the umpteenth year, GM schools are outperforming comprehensive schools and those run by LEAs. That is a valid and interesting point.

The hon. Member for Littleborough and Saddleworth (Mr. Davies) spoke for the first time in an education debate, and I welcome much of what he said. However, I am sorry that he began by referring to the so-called world prosperity league. I am sure he knows that that league is produced solely on the opinions of business men in various countries, and that, on reflection, he will agree that the detailed surveys produced by the Organisation for Economic Co-operation and Development on a statistical basis are a more realistic assessment—good or bad—of the standing of any particular country.

Those statistics show that we spend a higher proportion of our gross domestic product on funding primary and secondary schools than any of our European Union partners, that our university graduation rates are second only to Denmark, and that in science we continue to achieve internationally at the highest levels.

The hon. Gentleman was absolutely right to welcome performance tables and to highlight the fact that they enable parents not to compare remarkably different schools with different intakes, but to look at schools with similar intakes and wonder why some schools perform worse than others in similar circumstances.

He was also right to stress the importance of discipline, and I trust that his party will welcome the measures in the Education Bill that give further powers to schools in that respect. Schools must have the right to exclude severely disruptive pupils, but, as I have said many times and am happy to reiterate today, permanent exclusions should be the last resort. We also spend significant sums of money assisting local education authorities in the whole area of dealing with disaffected pupils.

Before time runs out, I should like to welcome very much the comments of my hon. Friend the Member for Waveney (Mr. Porter), who made a thoughtful speech. My hon. Friend the Member for Colne Valley (Mr. Riddick) made his customary robust speech, which was particularly welcome because it reminded us that Opposition Members come to education matters with dirty hands from their past beliefs, policies and voting record. No one better exemplifies that than the hon. Member for Sheffield, Brightside (Mr. Blunkett). My hon. Friend the Member for Colne Valley also put the whole question of class size and its relevant importance to raising standards into a proper context.

The debate has been welcome, if short. The Government have demonstrated that they believe overwhelmingly in the importance of raising standards in our schools for all children, not just a selected few. Our policies that are now in place—

Mr. Deputy Speaker (Mr. Michael Morris): Order. We must move to the next debate.

Benefits Agency Offices (Wales)

11 am

Mr. Ieuan Wyn Jones (Ynys Môn): On 15 November, the Wales management board of the Benefits Agency published a consultation document on what it rather grandly called the agency's blueprint for the future. The document contains plans to close 14 of the agency's main offices and 39 public caller and one-stop offices and to reduce its staff by 715. As it was put to me this morning, such plans could well be a blueprint for disaster.

The document was produced in response to the "Change" programme announced by the Secretary of State for Social Security on 28 February. The proposed reforms of social security administration are intended to produce savings of 25 per cent. over three years. The Wales board is the first to respond to the Secretary of State's announcement: we are to be the test bed for change.

When the programme was first announced, dire warnings were given about the consequences of such drastic action. On 21 March, the Parliamentary Commissioner for Administration warned that civil service staff cuts would lead to a worse public service and more mistakes. His annual report, published on the same day, showed that he had received a 28 per cent. increase in complaints from hon. Members during the previous year. He said:

"There is a risk that fewer staff will lead to both a slower service to the public and to more mistakes . . . I doubt whether automation and technology will compensate fully for cuts in human resources."

We should all take that warning seriously.

A letter that I—and, presumably, all Welsh Members—received from the agency's director for Wales, Mr. Ian Watson, sought to justify the plan in two statements. The first I regard as rather spurious and the second much closer to the truth. First, the director said that the plan

"is consistent with our commitment to high quality customer service and the long term interest of our staff."

How can closure of offices and a 20 per cent. reduction in staff possibly be consistent with that statement?

Secondly, the director stated:

"The proposals also respond to the need throughout the Agency as set out in our Change Programme to drive out significant economies and efficiencies."

That statement is the real reason for this outrageous plan. The Secretary of State for Social Security has told the agency to cut costs by 25 per cent. The Wales board has simply done the Government's bidding, irrespective of the damage that it will do to the service that it provides for the people of Wales.

Let us consider the unique challenges that the agency faces in delivering services in Wales. Our country's geography represents a number of challenges. There are large urban populations located primarily in the south and the south-east and in the area around Wrexham and Deeside. Then there is the very large rural hinterland, where the population is much lower but where there are high pockets of unevenly distributed unemployment, and the valleys of south Wales, where even the agency accepts that there are areas of deprivation. In addition, there are demographic and other factors which are relevant to the debate. Wales has an aging population, and the percentage of people of pensionable age in many Welsh constituencies is above the United Kingdom average.

Mr. Dafydd Wigley (Caernarfon): Does the hon. Gentleman accept that one of the most essential aspects of the service that is particularly important to pensioners is the ability to call in at the office to discuss problems and receive assistance with filling in the ever more complicated forms that are coming on stream? If that facility is withdrawn, pensioners and widows in particular will find it extremely difficult to cope with the social security system, resulting in a lower take-up, which must be contrary to what we want.

Mr. Jones: I am obliged to the hon. Gentleman for that helpful intervention, which clarifies a number of the issues that are worrying us in relation to pensioners. About 150,000 pensioners in Wales qualify for income support, but only 100,000 of them claim it. It is more than likely that the changes will make it even more difficult for the elderly to get the benefits to which they are entitled. In many of the areas in Wales where the proportion of elderly people is higher than the Welsh national average, there will no longer be an office to which they can go to discuss their entitlements. Pensioners are the least likely to use the telephone or gain access to a Benefits Agency office.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): To illustrate the hon. Gentleman's point, I can tell him that the Merthyr office has 150 callers a day. Presumably, that service will be abolished in one form or another. Such a service is currently being provided from a brand new office that has all the best possible facilities in order to be able to receive such callers and has only recently opened.

Mr. Jones: Yes, that is the kind of number of callers that offices throughout Wales receive, as I am sure we shall hear during the debate.

Wales suffers some of the worst health problems in western Europe, with a higher than average dependency on sickness and incapacity benefit. It is also an area of low pay, with the lowest average incomes in the UK. According to the family expenditure survey in 1994-95, household incomes in Wales are about 75 per cent. of the UK average. A key reason for that is the number of households that are dependent on social security for income. According to the Low Pay Unit, 22.5 per cent. of household income in Wales is derived from social security, which is the highest proportion of any county or region in the United Kingdom.

I must comment on the language used in the consultation document, which is full of the worst kind of late 20th century management jargon. The document has adopted the language of privatisation, referring to claimants as "customers", talking of the need to make a "success of the business", mentioning the introduction of the concept of purchaser/provider and referring to exit policies instead of redundancies. In short, it creates an organisational structure and management philosophy that is only one step removed from a completely privatised service.

The document claims that a better service can be provided by centralisation in a number of locations, the better use of technology, and by customers, as it describes them, being willing increasingly to use the telephone as a means of "doing business".

Mr. David Hanson (Delyn): The hon. Gentleman talks about centralising. In my area, for example,

the centralising of the Rhyl and Flint offices will mean that Denbighshire and Flintshire—two large counties in north Wales—will have no personal caller office. How can my constituents and those who use the two offices depend on a centralised service when there are no bus routes, many do not have telephones and two major counties will not have a service that is currently provided by the Benefits Agency?

Mr. Jones: I totally agree with the hon. Gentleman.

The document says:

"By 1999, the primary means for customers to contact us will be using the telephone."

The agency claims that 75 per cent. of its customers contact them by telephone. I dispute those figures. One must discount calls to offices where the services are currently centralised. As the hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) suggested, a survey of individual offices that are currently processing a range of benefits would show, I suspect, that less than 75 per cent. of people are making contact by telephone. I know that that is true in my constituency. Obviously, many people resort to using the telephone only when there is no alternative. In any event, those figures do not tally with the figures quoted to me by the agency in June this year. I was told that there are about 5.75 million contacts with the agency annually, of which 4 million are by telephone and 1.75 million by personal call. Even on the agency's figures, the proportion of callers is much higher.

Let us examine the proposals on what the document calls "customer interface" in a little more detail. The document states that the changes will give

"the BA Wales greater control in determining the appropriate method of customer interface on a case by case basis."

What do those words mean? The customers, including some of the most vulnerable people in our society, will have no choice about how their claims are dealt with. So the aim of delivering high-quality customer service falls at the first hurdle. When challenged on that point, one of the managers was heard to say that the agency would have to teach the customers to use the telephone. Indeed the document states:

"BA Wales controls the contact, and therefore the costs".

Three telephone call centres are to be established in Porthmadog, Swansea and Blackwood. They will become the first point of contact for all customers. There will be no facility, at those units or at the processing units, for customers to walk in and be seen. Although the facility for appointments is built into the system, it is clear that they will be discouraged.

One section of the document states:

"Criteria will be set to help staff determine whether an appointment is appropriate, although customers who express a determination for a meeting will be accommodated".

Later in the document, the following comment is made:

"The proposal is to introduce a system whereby a member of staff agrees that a customer needs to be seen, usually because their problem could not be dealt with by telephone or post, and arranges an appointment for the customer to come to a BA site for an interview or meeting. The key objective of introducing an appointment system is to give BA control of the contact. Strict criteria will be set to determine if a customer needs to be seen or not, although customers who strongly assert the need for an interview will be accommodated."

The agency is institutionalising the concept that he who shouts loudest, gets. In other words, the appointments system will be run for the benefit of those who can express themselves forcefully, and not those in the greatest need. That is an utter disgrace and no public service should be allowed to get away with it. The agency states boldly that it wants to treat customers with respect, but what a way that is to show respect to their customers.

Mr. Llew Smith (Blaenau Gwent): The hon. Gentleman mentioned the need for customers to express themselves forcefully. Does he agree that the agency is dealing with some of the most vulnerable, sick and disabled people in the community? My community of Blaenau Gwent is not only one of the poorest communities in Wales, but 41 per cent. of all households has a member who is disabled or long-term sick. In addition, those same people have low levels of car and telephone ownership. All the problems arise in the same families, making it impossible for them to confront authority in the way that is necessary to obtain an appointment.

Mr. Jones: The hon. Gentleman makes the point for his constituency very well, and I am sure that his comments will not be lost on the Minister.

The figures given to me in June by the Benefits Agency confirm that there are 500,000 current claims for income support and incapacity benefit in Wales, and about 250,000 new claims every year for social fund payments. Those payments are for people who do not have the means to travel long distances for appointments. We have also seen the introduction of the jobseeker's allowance, which many of us believe will cause even greater problems.

The social fund receives a high proportion of emergency claims from people in desperate circumstances. They may have acute family problems, be experiencing personal hardship or have suffered a bereavement. In such cases, personal calls are more likely to be necessary, and the applicants often need immediate payment. The facility for personal calls and immediate payment is now available in our processing offices. The Civil and Public Services Association has told me that the Holyhead BA office deals with more than 1,000 callers a month. The lowest monthly total in the past 12 months was 1,057 and the highest 1,594. The annual number of private interviews is about 1,500 a year and counter payments were made in more than 3,000 cases in the past 12 months. Those facilities will be withdrawn under the proposals and there will be no Benefits Agency outlet to serve Anglesey at all. That is a scandal.

If the plans go through, the agency will effectively withdraw from regular face-to-face contact with members of the public. The agency itself will make decisions about whether claimants will be seen. The real danger is that the agency will become remote, unresponsive and unable to distinguish between genuine and bogus claims for assistance. The staff will lose virtually all their local contact and knowledge, and they will not be able to prioritise cases as between urgent and non-urgent claims. They will not be able to distinguish between genuine hardship cases and those who are simply trying it on. Worst of all, we shall not have what most people would recognise as a genuine public service.

The Benefits Agency is in business to provide a full service to the public—not the service that it thinks that the public want, but the service that the public are entitled

[Mr. Jones]

to expect. The agency does not seem to have taken the public's feelings into account at all in its proposals. Have claimants in Wales been asked what they want? Have any surveys been undertaken of what customers want? Of course they have not.

I wish to examine the way the agency claims that it will deal with cases of hardship. The document states that crisis loan applicants will be seen by appointment. If the customer is unable to go to a BA office, travel warrants will be issued at what the plan describes as a partnership site. It is not clear who will authorise the travel warrants, or what happens if there is no partnership site close to the customer's home. Somehow I find it hard to imagine a partnership site in, say, Llanfairynghornwy or Llanddeusant.

The plan states that in extreme cases a BA member of staff will travel to a third-party location to deal with a crisis loan application. For that scheme to work, there would have to be dedicated members of staff always available to deal with such emergencies. Given the geography of Wales, that plan is unrealistic, impractical and unworkable. Frankly, it is nonsense. It takes no account of logistical or geographical difficulties, and it is bound to fail.

The plans will increase cases of real hardship with fewer people claiming the benefits to which they are entitled. Often, they will be the people who have the greatest difficulty with filling in complicated application forms. Dealing with queries over the telephone is no substitute. In many cases, elderly people simply will not use the telephone and they are easily deterred from pursuing their entitlement. There is always a proportion of the population who do not take up means-tested benefits, and that proportion will increase.

We should deplore plans to deprive staff of face-to-face contact with the public. Most members of staff value that contact and have no wish to lose it. The proposal is to close 14 processing units all over Wales. In addition, 39 caller offices are to close—10 of them in January, just after the consultation period is supposed to end. What sort of consultation is that?

We are told that the work will be centralised. There will be three telephone centres in north Wales, two in mid-Wales and 13 in south Wales. Past centralisation of services has not been spectacularly successful. We know that in those offices in which services are currently centralised, the queue of applications is the longest it has ever been, because staff numbers have been cut.

If the plans come to fruition, pressure on the voluntary organisations that give benefit advice to people will increase dramatically. I have received letters from the citizens advice bureau and the women's aid group in my constituency deploring the proposed closures at Llangefni and Holyhead. I know that the unemployed workers centre in Holyhead shares that view, and other groups—those representing disabled people in particular—are appalled by the plan. People will have to turn to someone for advice, and many of those local voluntary groups are already working at full stretch. It may be impossible for them to take on the extra work load, given their current resources.

The scale of the proposed closures and staff reductions is horrendous. We are asked to believe that the changes will save the Benefits Agency £12.8 million per annum after implementation costs, out of a current budget of £69 million—a saving of 18 per cent. But the implementation costs are staggering. Having looked at the documents, I have calculated that the cost will be £21.5 million at best, and £32 million at worst. The total package for reducing staff—the agency has recognised that there must be redundancies and early retirement—could cost as much as £16 million. Would it not be far better for those people to be working in our offices rather than being made redundant or forced to retire early? In any event, it will take some years for any cost benefits from those cuts to come through.

The message from hon. Members in all parts of Wales is that the plans clearly have not been thought through. If implemented, they will spell disaster for those who depend on state benefits, and the Benefits Agency will cease to be a public service. I ask the Minister to assure us today that the consultation document will be withdrawn, and I call on the Benefits Agency to abandon its plans for Wales. Other hon. Members will want to lend support in this respect. I can tell the Minister that the plan has already had a hostile reception in Wales, and I expect him to respond to that today.

11.21 am

Mr. John Morris (Aberavon): In deference to my colleagues, I shall be brief. I want to make four points, appertaining in particular to the proposed closure of the Port Talbot office.

In following what the hon. Member for Ynys Môn (Mr. Jones) has said, I must ask whether this is a proposal. Is this genuine consultation or a fait accompli? Has a cut-and-dried decision been made? I will not add to his comments on the document, save to say that is written in the language of brazen technocracy, and contains not a whiff of the language of care and concern.

My first point concerns the method of the announcement. If the Minister cannot deal with my few points, perhaps he will be kind enough to write to me. I was called by the *South Wales Evening Post* and told that the Port Talbot office was closing. I could not believe it, given the number in the area who are deprived and need assistance, and given the throughput of that fairly new office. I told the newspaper to go back and check. I thought that even though one site might be closing, another would be opening, but that was not the case at all.

My constituency contains many of the most vulnerable people in society, including the old and those who most need help. In the industrial constituencies of south Wales—and mine in particular—we have some of the highest rates of dependency in the whole of the land. The figures from the Library show that, regrettably, we rank very highly indeed. For the vulnerable, the telephone is no substitute for a face-to-face discussion, and the size and number of forms that now have to be filled in make it difficult even for the most literate and numerate of people, let alone those who badly need help at a time of crisis.

My second point is that, usually, a substantial time is given for the consultation. That is why I question whether this is genuine consultation. We are able to register our views, but only last week my county borough had no idea of this proposal. It may well be that that council and the citizens advice bureaux will carry the can, as someone will have to provide the service on the spot. My hard-pressed county borough is very concerned about what will be the bottom line in terms of additional costs.

My third point is that promises were made in the past when we had a massive run-down at Port Talbot. We were told that major services were to be centralised first at Bridgend and then at Swansea, but we were assured only a short time ago—perhaps the Minister can check this before he replies—that there would be a counter service in Port Talbot. Under the present proposals, however, that service is to go and there will be nothing left but the telephone.

My fourth point is that I am concerned about the alternative provisions. This morning we received a document from Welsh citizens advice bureaux providing illustrations and examples of what will happen, particularly in rural areas. But the bad examples are not confined to rural areas. Industrial areas will also be affected. My colleagues and I receive calls week in and week out—particularly at the weekend—from those needing access to the social fund at a time of crisis. What is the alternative? How will the fund operate? The system of warrants to which the hon. Member for Ynys Môn referred will not work.

The Government will be able to save money by closing the drop-in facility, but they will make a much larger saving from people who will not be able to take up the benefits to which they are entitled.

11.25 am

Mr. Donald Anderson (Swansea, East): I congratulate my hon. Friend the Member for Ynys Môn (Mr. Jones) on his initiative, and this is an issue on which I can properly refer to him as "my hon. Friend". It is Wales on this side of the Chamber against the Minister and his parliamentary private secretary on the other. It is Wales against the Government and the outsiders who seem unconcerned about the social effects of the Government's policy.

I have read the letter in which the area director said that he was pleased to tell us the results of the exercise. I was not pleased, because it was only on 29 March this year that I opened the refurbished Morriston office in my constituency. Earlier that month—as my right hon. and learned Friend the Member for Aberavon (Mr. Morris) will know—the previous area director opened the Port Talbot office. Both are now scheduled to close. The refurbishment cost more than £700,000. Hundreds of thousands of pounds were also spent at Carmarthen and Pembroke Dock in preparation for the new computer links. I suggest that the National Audit Office should look at these plans as a possible waste of public money.

Much has been said about jobs. Those who believe that civil servants are unproductive and that the job of Government is to reduce their number will be pleased. But those civil servants carry out tasks that humanise the system and help people to claim that which is their own. We are indebted to *Wales on Sunday* for showing us that more than £200 million of benefit has been left unclaimed by those entitled to it—those people being the most deprived in Wales.

An interesting contrast is that, although no civil servant will be employed on the freeline service—which is to end—many are employed in the benefit fraud hotline service. Yet more than £206 million of benefit has been unclaimed, compared with £40 million in benefit fraud in Wales last year. People are being prevented from learning about their entitlement while the Government devote their attention to fraud to gain applause from their followers. It is quite proper for them to try to prevent fraud, but they are ignoring the other side of the coin.

The key factor is the reduction in service to the public. How can the service be maintained properly if the local district information offices are to be closed? How will the same appeals service continue to be provided? South-west Wales, for example, currently has tribunals at Llanelli, Swansea and Neath, all of which are to close, and it is proposed that there be appeal tribunals only at Cardiff and Wrexham. That is discrimination against people less willing or less able to travel. Those who appear at tribunals have a far better chance of succeeding, so perhaps part of the Government's motive is to deter people so that the elderly and the disabled will not come.

When I opened the refurbished Morriston office in March, it was a public relations signal from the agency to show that it cared. The new policy gives a very different signal—of unconcern for the disadvantaged and a reduction in the service to our citizens.

11.29 am

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): I congratulate my hon. Friend the Member for Ynys Môn (Mr. Jones) on securing this debate. The strength of feeling is obvious, and hon. Members from all parts of Wales are present, although I note that there is no Conservative Member other than the Minister, and, sadly, no Liberal Democrat.

The document that was so well described by my hon. Friend represents the challenge to be met by the Benefits Agency in Wales. The document claims to be

"the best strategic response to the challenge and opportunities facing us over the coming years."

I say frankly, and with some anger, that if this is the best response to the challenge that the Government can come up with, may heaven help us.

It is suggested that joint teams be set up with health authorities, social services and other authorities, but they are implacably opposed to the contents of the document and I wonder how they will be able to work in partnership.

Other hon. Members have forcefully made the point that an appointments system cannot work. Often, people in desperate straits cannot wait a week for an appointment to request help from the social fund, or crisis loans. They cannot telephone for an appointment; many do not have a telephone. They have no transport. The idea is abysmal and has not been thought out.

Under the heading, "Implications for Location and Staffing"— another example of clever techno-speak—there is an unfortunate admission, when reference is made to the need

"to ensure a presence in the significant centres of population in Wales".

How dare the Government turn their back on 90 per cent. of Wales? Who are they to say which population is significant and which is not? Every pocket of population is significant and should be served.

[Mr. Elfyn Llwyd]

The document also states that the changes will let down a certain number of people. On page 8, reference is made to

"enhancing the service for the majority of customers",

the implication being that a minority will be disappointed, even in the Government's sanguine view. The document is hardly worthy of any scrutiny, but I am glad to say that we have all studied it in considerable detail.

Three of the 10 offices scheduled for closure are in my constituency: Llanrwyst, Blaenau Ffestiniog and Dolgellau. If they close, my constituents will have no office to attend, and I cannot sit down and accept that. I am totally opposed to the idea, which is like throwing mud in people's faces, and disregards the most needy. It is absolutely disgraceful.

The proposals will mean no face-to-face meetings with agency people. Some of the offices that are to close were recently refurbished, at a cost of £250,000 each. I wonder where the cost saving is in that; but I always say that cost comes second to service to the public.

As has been said, it is difficult to get points across over the telephone. The home visit system is abysmal and stupid and will not work. At present, there are 27 social fund outlets, some of which deal with the most serious and urgent cases. The closure of 23 of those outlets will create extreme difficulties throughout Wales.

Mr. Wigley: May I refer to a matter of concern in my constituency? The Caernarfon and Pwllheli offices are to close, and social fund work will be centralised in Wrexham. The detailed knowledge that people in places such as Caernarfon have of the families that apply and the crisis that has led to the application will be lost in a centralised system, and the social workers dealing with a case will be in the local authority, and not available in Wrexham.

Mr. Llwyd: I absolutely agree. That is typical of the impact that the plan will have throughout Wales.

As has been mentioned, £206 million per year of benefits go unclaimed in Wales, and the proposals will make that worse. Many Benefits Agency staff will be forced to leave and will have to move to continue in employment. I understand that there will be a substantial cut in staff. The Civil and Public Services Association believes, as do all Opposition Members, that the document is ill thought out and will not be practicable.

I and other hon. Members will fight the proposals tooth and nail. If they are implemented in my constituency, the nearest office for a meeting will be one and a quarter hours away, and there is hardly any public transport. The whole concept is ridiculous from beginning to end. Let us remind ourselves that we are dealing with the most vulnerable members of society. The matter needs to be reconsidered.

The proposals would mean the most devastating cut in service that Wales has ever seen. Common sense, common decency and common concern for people who are less fortunate dictate that the cuts must be halted, and I am sure that they will be, because when Opposition Members join together as one, we shall defeat them. This ridiculous plan must be shelved as soon as possible.

11.36 am

Mr. Alan Williams (Swansea, West): I share the horror that other hon. Members feel at the problems that the changes will create for our constituents. I want to take a slightly different perspective and demonstrate that the proposals have nothing to do with improving service for our constituents and everything to do with saving money.

Earlier this year, there was a hearing at the Public Accounts Committee on the Benefits Agency. The Comptroller and Auditor General said:

"I have now qualified my audit opinion on each account since Income Support was introduced."

That means that a benefit introduced by the Government has been wrong every single year to such an extent that the Comptroller and Auditor General was not willing to endorse the accounts.

It is not only the Department that has got it wrong: the big problem is, if it is hard for Ministers and officials, how much harder will it be for our constituents to get it right? If I used my own words, I would be accused of scaremongering, so I shall quote from an official document, "Central Government Administered Social Security Benefits and Other Payments":

"Income support is a particularly difficult benefit to maintain correctly. The level of entitlement can vary from week to week and depends upon a large number of factors: income, family circumstances, dependants, capital, housing costs, disability and other factors."

Even with the closer contact that our constituents currently have, the Department is unable to control those variables. How much harder will they be to control on the end of a telephone, when people cannot explain their problems across a table?

The Comptroller and Auditor General estimates:

"16.3 per cent. of payments over the year had errors in them".

The errors involved £387.5 million of overpayments and £125.5 million of underpayments. Both are a problem for our constituents, and will be more so under the new system.

An overpayment does not at first sight seem to be a problem, but what happens when it is clawed back from people with no money? People who are on what is regarded as the minimum on which they can survive are expected to pay back money because of the Department's errors. Underpayments are even worse, because they involve people being assessed below their appropriate benefit level. That happens under the present system, which provides more contact than will the suggested new system, yet Mrs. Bowtell of the Department of Social Security told the Public Accounts Committee, referring to the changes that it plans to introduce:

"We want to end up with simpler processes that are more straightforward for us and the customer. That should enable us to be more accurate and less error prone."

How can anyone believe that a system that will produce the situation described by hon. Members, in which it is impossible for clients to make direct personal contact with the Department, will benefit our constituents?

I shall conclude by showing what has really been going on by quoting a letter about the public expenditure survey from the Secretary of State for Social Security to the Chief Secretary to the Treasury. It is a relatively minor leak compared with yesterday's. It is headed "Restricted", dated 24 October 1995 and says:

"Dear William

Social Security Expenditure

At our meeting on Thursday you handed me a proposed DSS settlement . . . You are aware of my views on the various measures and I have already ranked them in 'least worst' order . . . I must say I was surprised to see that your list included some measures which I had put right at the bottom of my list . . . I hope that EDX"—

the relevant Cabinet Committee—

"will accept my advice that any change of the kind envisaged in these areas is too great a risk at this stage in the Parliament."

He does not say that it is wrong or disadvantageous to the public.

To show how Ministers have approached the matter, on housing benefits the Secretary of State said:

"My officials have now identified a variation of this which would avoid a Bill."

They might have had to be accountable to the House of Commons for their measures. They had their officials devise a method of achieving their objectives without bringing them before the House, even through secondary legislation, which have would limited debate to an hour and a half.

My final quotation needs no embellishment. We are told that the savings involve running costs. The Secretary of State's letter states:

"Your proposed settlement on running costs fills me with despair. The impact on operations will be devastating. Quite apart from the political fallout as service becomes more chaotic I am convinced—for reasons I've explained—that we would be cutting off our noses to spite our faces."

I do not mind them doing that, but we object to the harm that they are willing to impose on some of our most vulnerable constituents.

11.44 am

Mr. Peter Hain (Neath): I appeal directly to the Welsh director of the Benefits Agency, Ian Watson, to stop doing the Tories' bidding in hitting so callously some of the most vulnerable citizens of Wales. I remind him that there is likely to be a change of Government at the next general election and he must be careful that he does not become one of the Benefits Agency customers he is seeking to punish.

The Parliamentary Under-Secretary of State for Social Security (Mr. Roger Evans): Disgraceful.

Mr. Hain: The Tories complain, but their decisions impact on some of our most vulnerable, down trodden, poverty-stricken citizens. Sometimes we need to speak bluntly in defence of our constituents.

My constituency includes important parts of the upper Swansea valley and lower Aman valley which will be punitively affected by the proposed cuts. I understand that the caller offices in the Dulais valley at Seven Sisters and at Pontardawe in the Swansea valley are to be closed. That means that for villages such as Gwaun-cae-Gurwen and Ystalyfera, the nearest place at which people will be able to get direct personal contact is Swansea. In some cases, that is a long bus journey of 20 miles away.

Mr. Barry Jones (Alyn and Deeside): Does my hon. Friend know that the closure of the Shotton caller office and of offices at Rhyl and Flint will be a great blow to my constituents?

Mr. Hain: My hon. Friend speaks eloquently, as always, for his constituents, and it is important that that point should be placed on the record.

We are talking about pensioners, people on benefits, people with disabilities—the people who are least able to protect themselves. The bus services up the valleys have been slashed in recent years because of Government cuts. The bus subsidies have been cut because of Welsh Office cuts in funding.

Mr. Deputy Speaker: Order. So far, every hon. Member has kept tightly to the benefits offices. I hope that the hon. Gentleman will do so, too and not cover the bus service in Wales.

Mr. Hain: I shall, Mr. Deputy Speaker, but the matter is relevant. To travel 10 or 20 miles instead of going to a caller office in their village means that people will have to take the bus. Such people often do not have cars or telephones. They are being hit at almost every point. It is unacceptable for this callous attack on some of our most vulnerable citizens to go ahead. I hope that the Benefits Agency will reject the Government's pressure to cut its budget and instead stand up for our constituents, who are its clients and some of the most deprived members of our communities.

11.47 am

Mr. Rod Richards (Clwyd, North-West): I shall be brief, because I realise that time is short. There are two major benefits agency offices in my constituency.

Mr. Ron Davies (Caerphilly): On a point of order, Mr. Deputy Speaker. You will be aware that the hon. Gentleman has been in the Chamber for scarcely 10 minutes. How he can make an orderly contribution to the debate when he was not here for the first part of it, and, in particular, for when the hon. Member for Ynys Môn opened it?

Mr. Deputy Speaker: In any debate, irrespective of when an hon. Member comes in, it is a matter for the judgment of the Chair at what point an hon. Member should be called. It is also a judgment of the Chair that all sides and views on a subject should be heard.

Mr. Richards: Thank you, Mr. Deputy Speaker. That was a disgraceful point of order.

Mr. Deputy Speaker: Order. I do not want any further comments on points of order.

Mr. Richards: I have constituents who are affected by the proposed reorganisation. As you correctly say, Mr. Deputy Speaker, I am entitled to represent their interests just as Opposition Members are entitled to represent the interests of theirs.

Two Benefits Agency offices in my constituency will be affected by the proposed reorganisation, the one in Rhyl and the one in Colwyn Bay. I understand that the agency in Rhyl is to be downgraded, while that in Colwyn Bay is to be upgraded.

Will my hon. Friend the Minister assure me that those of my constituents who use the Rhyl office will have access to the same level and quality of service as they have enjoyed thus far? I have visited the Rhyl office on many occasions, and I have always been impressed by the professionalism of its staff.

[Mr. Richards]

The second assurance that I would like from my hon. Friend concerns those who work at the Rhyl office. In any planned reorganisation, it is reasonable for people to expect as few forced redundancies as possible. As the proposed reorganisation has been on the cards for some time, I hope that there will be no forced redundancies at Rhyl. Given the size of the Benefits Agency, I hope that my hon. Friend can reassure me and those of my constituents who work at the Rhyl office that that will be the case.

I understand that the office in Colwyn Bay will be upgraded and expanded. Again, I have visited the office frequently and it is well and professionally run. It was a great pleasure for me to open its new service area recently. It is an excellent example of a modern service area not just for the Benefits Agency, but for any other organisation that services the public.

There is an upside for the Rhyl office, which many of my constituents who do not have to use it will welcome—like other holiday resorts in Wales and many other parts of the country, Rhyl suffers from a phenomenon which has led to it being popularly known as Dole on Sea.

I should be grateful if my hon. Friend the Minister would address those two specific issues so that I can reassure my constituents.

11.52 am

Mrs. Ann Clwyd (Cynon Valley): I, too, congratulate my hon. Friend the Member for Ynys Môn (Mr. Jones) on securing the debate, but it is disgraceful that we have to have such a debate at all. This is yet another harebrained scheme dreamed up by the Government.

I notice that the Minister likes to turn himself into a punchbag. The other week, he turned himself into a punchbag on the subject of chronic bronchitis and emphysema compensation. We managed to punch some sense into him on that occasion and I hope that we can do the same today.

It is clear that Wales is being turned once again into a testing ground for a scheme that will eventually lead to the privatisation of the benefits system. For example, page 8 of the blueprint document refers to

"the involvement of the private sector in the delivery of our business."

The proposed changes to the working of the Benefits Agency offices in Wales will affect people already claiming benefits and others in the future who want to know about their entitlements. If the proposals for Wales are implemented—I hope that they never will be—that will mean an end to the crucial face-to-face contact with Benefits Agency staff.

The Minister cannot be any different from other Members of Parliament. We spend a considerable amount of our time dealing with queries about social security payments. The present system is not working well, but the system that he is proposing will be even worse, and Members of Parliament will spend even more of their time sorting out the kind of queries that the Government should be answering.

What is being proposed as a replacement for the present arrangements is, effectively, nothing more than a Benefits Agency telephone chatline. It is no substitute for a proper dedicated benefits service. People in my constituency and throughout Wales deserve better than that.

Just over a year ago, the Select Committee on Social Security reported on the work of the Benefits Agency. It said that a claimant should be able to receive accurate advice and that a one-stop service, of the kind that we have at present, is the ideal arrangement for such a service. That is what the Benefits Agency should be required to provide, not something peppered with the appalling management jargon to which many of my hon. Friends have referred, such as "customer interface".

On Sunday, the Minister was quoted as saying that the figures show that benefit help for those on low income is continuing to reach those in greatest need. The Minister, of course, was referring to the figures for benefit take-up. The proposals detailed in the document that we are considering this morning are tied to the Minister's responsibility to ensure that benefit help is reaching those who need it most. Thousands of people in my constituency and throughout Wales can tell the Minister from personal experience that help is not getting through to those who need it most.

My hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) will remember that, in his constituency, the European Community set up the south Wales anti-poverty action project, the main aim of which was to tell people to what benefits they were entitled. I think that he will agree that it was an enormous success, but the European Community had to provide that basic information to people because the Government were not doing their job.

Why, according to House of Commons Library figures, does between £114 million and £168 million of income support go unclaimed in Wales each year? In the Cynon valley alone, between £2.6 million and £3.9 million of income support is unclaimed every year. If the benefit is really reaching those who need it, will the Minister explain to the widows and families of men in the Cynon valley and other former mining communities why hundreds will die before the new chronic bronchitis and emphysema compensation scheme takes effect next April?

Surely the Minister's primary duty is to ensure that benefit is paid to those who are entitled to receive it, and that people are made aware of their entitlement and given every assistance to take it up. That process relies on a proper network of local benefit offices run by dedicated staff. Let us hear no more nonsense about customer interface, and let us hear more about providing a proper face-to-face service at the point of need to people who are desperately in need of help and support.

11.57 am

Mr. David Hanson (Delyn): I am grateful for the opportunity to say a few words in support of the hon Member for Ynys Môn (Mr. Jones). He has raised an important issue, the significance of which is demonstrated by the good turnout of hon. Members from throughout Wales who have come here to oppose the Government's proposals.

I support the hon. Gentleman's call for the proposals to be withdrawn, but if the Minister is not willing to withdraw the proposals, will he propose an extension of the consultation period? It is unacceptable to the House for the closure date for comments on a document issued in the last fortnight to be 31 December and for some of the proposals to be brought forward in January and February next year.

If we are to have a meaningful consultation in which local authorities, citizens advice bureaux, user groups and benefit recipients can have a meaningful input, we need a longer consultation process so that people can express their views. Today's debate is a welcome beginning, but I urge the Minister to make such an announcement this afternoon.

I am particularly concerned about the effect of the proposals on the Benefits Agency services in my constituency and in my part of north Wales because they will mean the closure of the Rhyl office in the constituency of the hon. Member for Clwyd, North–West (Mr. Richards) and the Flint office in my constituency. As I said in my intervention to the hon. Member for Ynys Môn, that will mean that in my part of north Wales—in Flintshire and in Denbighshire—there will not be a Benefits Agency office. After the next general election, which will be held in the next six months, the Rhyl and Flint benefit office will cover three constituencies, and none of those Members of Parliament will have a Benefits Agency office in his or her constituency.

That is not acceptable to me or to my constituents. As is well known, my part of the world—Flint and Holywell—and that of my hon. Friend the Member for Alyn and Deeside (Mr. Jones)—are hard hit by unemployment. People there depend on the Benefits Agency services. In Prestatyn in my constituency, which is covered by the Rhyl office, there are many elderly people who depend on those services and who do not necessarily have recourse to public transport or telephones—the means which the Benefits Agency is touting as the way for people to receive those services.

I live in Flint, in the heart of my constituency. It would take me 50 minutes to travel by car to the benefits office in Colwyn Bay and 35 minutes by car to the office in Wrexham. If I travelled by public transport, it would be almost impossible to get to Colwyn Bay and an extremely difficult journey to Wrexham. Most of my constituents who need those services may not have telephones or telephone skills.

The proposals are outrageous. They should be rejected by the House and withdrawn. Failing that, the Minister should come to the House this afternoon and announce that he will extend the consultation period to March at the earliest.

12 pm

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): I have two questions for the Minister. First, will he clarify where responsibility and authority lie? In the letter of 14 November which launched the consultation document, there is no suggestion that the proposals require the approval of the Secretary of State or of Ministers. That is worrying. Can he give me an assurance that no such proposals will be implemented by the Benefits Agency board without ministerial approval? That would mean that at least there was democratic responsibility for the decision.

Secondly, if the ultimate decision is the Minister's, will he come to some of our offices and see for himself the work done there, before he makes any decision? Let him come to the Merthyr office, which is a wonderful new office with—to borrow the jargon—the most user-friendly environment possible, and let him see the stream of callers, the staff working behind the counters, the inquiries that are made and the interviews that are conducted. People call at the office not in ones or twos, but in dozens each day. Having sat there for part of a day, the Minister should ask himself whether all that can be taken over by a telephone service.

The Merthyr office is not to be closed; it is one of the major district centres. The Minister should see the caller facilities, which allow people to walk in and receive advice. I am sure that claimants would agree to his overhearing their conversation with staff. For example, a daughter may come in about her mother's problem or her own problem. She may seek advice on a variety of problems. Filling in forms is a major problem facing many elderly people. The forms have got longer and longer, and help in completing them is an important service. The centre offers a form of social service, in addition to being a benefits office, as the Minister would see if he visited it.

After the Minister had seen that, I should like to ask him whether he still believed that, as the document claims, the entire service could be provided by telephone.

12.3 pm

Mr. Dafydd Wigley (Caernarfon): I congratulate my hon. Friend the Member for Ynys Môn (Mr. Jones) on introducing this timely debate, and I thank hon. Members from the Labour party as well as my colleagues for making the case so effectively to the Minister. The Minister cannot help but be impressed by the arguments put forward today.

As the hon. Member for Delyn (Mr. Hanson) said, it is not acceptable for the consultation period to run over Christmas and end on 31 December, and for some of the plans to be implemented on 2 January. What sort of consultation is that? It is a sham.

The proposals will affect my constituency. The Caernarfon office deals with 150 people a day and it will close down. That is ridiculous. Throughout Wales, more than 1.5 million people a year call into benefits offices. Many will lose that facility and will have to make appointments. Distances are prohibitive and many of those people do not have telephones.

The Pwllheli office is to close down. The Porthmadog office will lose the facility for people to call in, as they do now. If people from Aberdaron must go to Bangor, they will have to travel a distance that would take an hour to an hour and a half by car, and many of the people who need the services do not have cars.

We know from the "Wales on Sunday" report last Sunday that more than £200 million-worth of benefit a year to which people in Wales are entitled is not being taken up. The changes will do nothing but worsen that situation. Vulnerable, elderly and disabled people who need help will not get it. I know of the assistance that is given in the Caernarfon office to a woman who has been widowed. She may call in and get help in filling in complicated forms that run to 10 or 20 pages. At probably the most vulnerable time of her life, she needs that support, but it is to be taken away.

Officially, there will be a loss of 700 jobs, but the true number of job losses in Wales may be nearer 1,000. The hon. Member for Clwyd, North–West (Mr. Richards) asked for assurances that there would not be redundancies. The whole point of the exercise is to cut 25 per cent. off the running cost of the agency. That will lead to

[Mr. Dafydd Wigley]

redundancies. Already some staff in Caernarfon are doing work at home. People are calling in on them at home for help in filling in forms. That shows the of demand.

Finally, I press the Minister: please will he extend the consultation period and give an assurance that, if the Government intend to go ahead with any of the proposals—which I hope they will not—none will be introduced before 1 June at the earliest? Equally, if that assurance is given, I ask the Labour Front-Bench spokesman for an assurance that the Labour party will give a commitment to keep the offices open.

12.7 pm

Mr. Win Griffiths (Bridgend): I congratulate the hon. Member for Ynys Môn (Mr. Jones) on his success in securing the debate, which is crucial for people in Wales. The contributions of my right hon. and learned Friend the Member for Aberavon (Mr. Morris), my right hon. Friend the Member for Swansea, West (Mr. Williams), my hon. Friends the Members for Swansea, East (Mr. Anderson), for Neath (Mr. Hain), for Delyn (Mr. Hanson), for Merthyr Tydfil and Rhymney (Mr. Rowlands), and for Cynon Valley (Mrs. Clwyd), and of the hon. Members for Caernarfon (Mr. Wigley) and for Meirionnydd Nant Conwy (Mr. Llwyd) have all shown the importance of the services provided by the Benefits Agency in Wales.

The hon. Member for Ynys Môn gave a graphic description of the dire consequences that the proposals would have.

Mr. Paul Murphy (Torfaen): Does my hon. Friend agree that the closure of the Cwmbran office would have a disastrous impact not only on the most vulnerable of my constituents in Torfaen, but on the Minister's constituency? For the time being, he represents part of Cwmbran, and if he goes ahead with the proposals, he will condemn his own constituents to immense hardship.

Mr. Griffiths: My hon. Friend makes a telling point. Each of the proposals for cutting the number of offices will diminish the service for our constituents and for the constituents—for the time being—of the Minister, the hon. Member for Monmouth (Mr. Evans).

We should consider the views of those who supervise the system and who try to ensure that it works efficiently and effectively. Several hon. Members—not least my right hon. Friend the Member for Swansea, West, who serves on the Public Accounts Committee and takes a keen interest in public expenditure efficiencies, and the hon. Member for Ynys Môn—mentioned the difficulties facing the Benefits Agency in ensuring that people receive their entitlements and the high number of complaints with which the ombudsman must deal. Every week, hon. Members receive complaints about the workings of the Benefits Agency, yet the Government propose to make the situation more critical and more difficult for agency staff who are obviously under great strain.

Why have costs risen so sharply? Although reducing expenditure is a laudable aim, we must ask why it has risen so dramatically under this Government. There are two fundamental reasons for that increase: first, the number of people receiving unemployment benefit has doubled, with a resulting rise in access to other benefits; and, secondly, the number of means-tested benefits has increased, leading to added complications and reduced service effectiveness.

The Government's agenda is not driven by a desire to improve the service for those unfortunates who are forced to use it—people do not use it voluntarily; they use it because they have needs. The Government are trying to turn the benefit service into a sort of Direct Line insurance agency operation, but there is no similarity between the two services. Complicated forms must be completed before benefits can be distributed and, given the Government's stated desire to reduce fraud, there is no way that the Secretary of State will agree to okay benefits via a telephone service.

Government policies have led to an increase in service costs and it is quite clear that the Government's hidden agenda is not to provide a better service, but to reduce the number of applicants by making it more difficult for them to apply. I ask the Minister to respond positively to the numerous complaints about the length of the consultation period and the way in which it is being conducted. It would appear to the outsider that the consultation process is meaningless because 10 offices will be closed within days of its conclusion.

The citizens advice bureaux have expressed concerns about the office closures. Their figures show that benefit-related inquiries have increased by more than 7 per cent. this year. Bearing in mind other Government changes to the benefit system, it is likely that the number of inquiries to CAB offices and to Members of Parliament will increase still further.

Perhaps the Minister will tell us what is happening behind the scenes. The Government have proposed a partnership arrangement with bodies in other areas, such as local authority social services departments or health trusts. However, such bodies are under severe financial pressure so where would they get the money to fund the services that it is suggested they provide under the partnership arrangement? The home visits service helps people to obtain their proper entitlements when they cannot go to a benefits office. Why do the Government propose to transfer that service to the fraud department? That gives completely the wrong impression to benefit applicants.

How will crisis loan applicants receive benefits if offices are closed in many places? Where will they travel to? Hon. Members have already referred to the travelling times involved with journeys to the restructured benefits offices. What about hardship payments for 16 and 17-year-olds which would fall into a similar category? The Welsh board's proposals are driven by a desire to reduce costs by 25 per cent. The consultation process is not about how to provide a better service, but about what sort of service may be provided with a 25 per cent. cut in administrative costs.

Why remove the benefit buses? It obviously costs more to run those buses than benefit offices but I believe that, at £3.65 per caller on the Wrexham-north Wales coastline, the bus service is cheaper than home visits. It is an effective use of funds if providing that service for those on the north Wales coast who cannot travel to an office will save the Benefits Agency the expense of home visits. Why do the Government want to abolish district information officer services? Such people visit pensioner and disabled groups and attend other meetings to explain

the sorts of benefits available. However, that service is to disappear and the free line advice service has already been abolished.

The thrust of the Government's proposals is to reduce the availability of services while giving the impression that the telephone line service will somehow make up for the loss of vital face-to-face interviews. Many hon. Members have mentioned their visits to local Benefits Agency offices which have become very user-friendly. The office in Bridgend is no exception. I visited that office earlier this year, when staff talked proudly of the many improvements to the service. However, after spending millions of pounds, the Government plan to close many user-friendly offices across Wales and replace them with an impersonal telephone line service.

I make it clear that, while Labour wants to see benefits administered more efficiently and effectively, the Government's proposals will not achieve that aim. We believe that the changes should be put on hold: let us wait and see whether the Government's mandate is renewed at the next election and, if it is not, let us consider how we can reshape the service in Wales to provide a better service and reduce costs. We could use new technologies to back up local offices with effective specialist advice services. The Government have blundered into making 25 per cent. cuts, which, as my right hon. Friend the Member for Swansea, West said, are being pushed through in spite of disagreement within Government ranks about their effectiveness.

We believe that the whole process should be put on hold. The review should be about how to provide a more effective service at a cheaper cost than at present. It should also be about getting people back to work, which is why we place such great stress on our proposal for a windfall levy on the privatised utilities, because getting people back to work will reduce the benefits bill.

The Minister has had some tough jobs recently—taking the flak for his Department, while his boss then strolls in and makes a more pleasant announcement—but I hope that he will be able to tell us today that he has the authority to halt the proposals in Wales, which are damaging to the interests of Welsh people. I am sorry that—apart from one who sauntered in halfway through the debate—no Tory Members were present to defend the rights of their constituents, but they will not be here after the election anyway, so perhaps that is no surprise.

12.20 pm

The Parliamentary Under-Secretary of State for Social Security (Mr. Roger Evans): I begin by dealing with the fundamental issue that has been put to me: the status of the document on the blueprint for the future of the Benefits Agency in Wales. I stress that it is a set of proposals—no more, no less. Ministers will in due time determine what, if anything, will be implemented. That is the first point that I wish to stress.

Secondly, the purpose of public officials—one of them, Mr. Ian Watson, was mentioned in a most unpleasant way by the hon. Member for Neath (Mr. Hain) earlier—

Mr. Hain *rose—*

Mr. Evans: No, I shall finish this before I deal with that particular point.

The purpose of expert advice is to advise Government of the management arguments and to make proposals. I should make it clear that there was extensive in-house consultation before the publication of the documents for general consultation last week. The purpose of all this is to give advice, and in these days of open government, the cards are placed face upwards and everybody is given an opportunity to see what they are and to make something of them. No decisions have been made. It will be a question of consultation.

The third point that I wish to stress is that the hon. Member for Delyn (Mr. Hanson)—not only in the debate but by parliamentary question, which I am about to answer—asked a specific question: can we extend the consultation period, because the end of December is too short? I have listened to the arguments that he and other hon. Members made. I see the force of their arguments and am prepared to say here and now that we will extend the consultation period to the end of February. There will be further opportunity for the proposals to be examined in detail. Every hon. Member who is affected has either written to me or spoken in the debate—or no doubt will shortly if he or she has not done so. Individual representations and particular problems will be looked at individually before any decisions are made.

Mr. Llwyd *rose—*

Mr. Win Griffiths *rose—*

Mr. Evans: I will give way at this point, but I have quite a lot to say and I have only eight minutes left.

Mr. Llwyd: Will the Minister assure me that my three offices—Blaenau Ffestiniog, Llanwryst and Dolgellau—will not close on 2 January?

Mr. Evans: Yes, is the simple answer.

Mr. John Morris: We are very grateful to the Minister for the extension of the consultative period. It is very sensible and wise of the Minister. If it is extended to the end of February, when does he expect a decision to be made—before the election on 1 May or after?

Mr. Evans: That will depend on the decision that is made at the time. I am not able to help further on that.

Mr. Hain: Is the Minister saying that he will take personal responsibility for all the decisions, or are they the decisions of the Benefits Agency? My point about the Benefits Agency's director is that agencies have a lack of accountability to the House. If the Minister is taking personal responsibility, I withdraw my remark. If he is not, I do not.

Mr. Evans: I suspect that the hon. Gentleman deeply shocked most of us with an attack on a public official on the basis of "Do the Tories' bidding, and if you do, you'll be sacked." I am, of course, delighted to hear that it was a misapprehension on the part of the hon. Gentleman. I shall clarify the situation for him, although I had hoped that it would have been understood by everybody. Mr. Watson and other public officials at the Benefits Agency are civil servants, and Ministers are accountable

[Mr. Evans]

for their actions. Officials propose; Ministers have to make decisions in due time. It is important that there is a full, informed public debate.

A number of strands in the argument have not been developed this morning. I do not say that that is not understandable in the sense that it is right and proper that individual constituency Members raise their constituency concerns, but there are a number of striking features.

Mr. Murphy: Does the Minister agree with the Bishop of Monmouth that the closure of the benefits office in my constituency, which would also affect that constituency, would have an appalling impact on both of them?

Mr. Evans: The views of the hon. Gentleman, and, indeed, the distinguished bishop, will be taken into account when the consultation period is concluded, when matters are evaluated and decisions made.

A number of factors were not mentioned this morning but have a significant effect on the Benefits Agency's business. The first and most significant is the introduction on 7 October of the jobseeker's allowance. Whatever the faults, strengths and triumphs of that system, the most important difference, for the purposes of this discussion, is that the allowance is available from jobcentres. There are 93 jobcentres in Wales.

The hon. Member for Delyn said that, under the proposals, the Benefits Agency would be withdrawn from his constituency. I remind him that there are four jobcentres in his constituency. If someone is part of the unemployed list, he or she will get the JSA from the jobcentre. Previously, 70 per cent. of the unemployed were on income support and would have had to visit a Benefits Agency office. Now the system has changed, and it is a fundamental change in the operation of the Benefits Agency.

I stress that there are 93 jobcentres in Wales, which are more evenly and widely spread and more numerous than the existing Benefits Agency offices that we have been talking about. In some cases, the number of callers to Benefits Agency offices will drop. I have had one example in another part of the United Kingdom where the number of callers during October dropped down to about 15 per cent. of what they were. The statistics are only recently available—

Mr. Rowlands: Fifty per cent. or 15 per cent.?

Mr. Evans: Down from 700-odd callers to just about 100 in a month. That was the result of a particularly large employment case load for that particular Benefits Agency office.

I stress that the figures in Wales do not appear to be anything like as striking, but there will be a reduction in the caller load, which will affect some offices more than others, simply as a result of the service being streamlined and delivered through jobcentres. That is an important factor that responsible public officials have to bear in mind when advising Ministers on the importance and significance of particular Benefits Agency offices.

The second management issue, which is also extremely important, is the roll-out of the benefit payment card, which is under way and should be completed by 1999. A computer change in the central system will effect the payment, and then the customer or claimant—whatever one prefers to call them—can go to the local sub-post office, perhaps in rural Wales, and draw the amount awarded, whatever it may be. We do not have the current system of individual personal girocheques and order books, which have to be kept available in a wide range of offices. That in itself will have some influence on the way in which the Benefits Agency operates.

I use as an example a social fund loan. Hon. Members commented about doing things by telephone, and some things have to be done by post and by telephone in some circumstances, but what really matters is that, if someone has a benefit payments card, he or she does not have to collect the giro or the order book. It is simply a matter of authorising payment under the card. That is an advance in the way of doing business, and it will produce a better service.

A number of trends are significant. I shall deal first with the use of telephones. The right hon. and learned Member for Aberavon (Mr. Morris) said that telephones are no substitute for the vulnerable who are in difficulty. I respectfully agree with him, but that does not alter the fact that an increasing number of members of the public who come in contact with, and make claims on, the agency prefer to use the telephone. We can, of course, have an argument as to precisely what the quantification of that is. The hon. Member for Ynys Môn (Mr. Jones) mentioned 4 million telephone calls and 1.7 million personal calls. There is a tendency for personal calls not to increase quite apart from the introduction of jobseekers' allowance. In some offices, quite apart from JSA, the number of callers is diminishing quite rapidly.

There are two other factors, and I have literally only half a minute to deal with them. The 34 caller units in Wales are not linked, any more than the benefit bus or the old freeline, with the computer system to authorise payment there and then. That is obviously a matter of concern and—

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): Order. Time is up.

Traffic Law (Keepership)

12.30 pm

Mr. Steve Norris (Epping Forest): First, I congratulate warmly my hon. Friend the Minister for Transport in London, the hon. Member for Battersea (Mr. Bowis), on his appointment. I imagine that it must have been a matter of great regret to him to leave the Department of Health, where he had had an extremely distinguished tenure of office, to come to the Department of Transport. I know that the people of London believe that my hon. Friend has made an enormously valuable contribution already to transport matters in the short time that he has been in his present post.

I know also that he will find the job, to my sure and certain knowledge, one of the most fascinating that is available to any Minister of the Crown, not least because he is dealing very much with real issues. The issue which I wish to raise is probably one of the least readily penetrable of all the titles of Adjournment debates that one sees on the Order Paper, but it deals with a very real issue.

I say by way of outline that, under the Road Traffic Act 1991, parking offences in London were decriminalised. The scheme has been working extremely successfully during the past few years. I pay tribute to the work of Nick Lester, the parking director for London, who had the responsibility of co-ordinating the activities of 33 individual London boroughs, drawing them into some coherent whole and establishing a framework for parking policy in London, one which has proved to be enormously workable and effective. Bearing in mind the huge pressures on London, which my hon. Friend will recognise in representing Battersea, it is fair to say that London's control of parking is a remarkable success.

As my hon. Friend knows, part of the 1991 Act was the introduction of the parking appeals service. It is a mechanism by which there can be appeal against the issue of parking notices by those who feel that they were not justified. It is essentially a two-part process. There is appeal in the first instance to the local borough. If the local borough that issues the ticket in the first place insists on the ticket remaining in force, there is then an appeal to the parking appeals service, a specialist tribunal of adjudicators that considers appeals against the liability to pay a penalty charge.

From the inception of the service, the chief adjudicator has been Caroline Sheppard, whom I have known since she first took up office, before the scheme was formally instituted. She has done an excellent job in gathering around her a marvellously eclectic mix of adjudicators. They are all extremely well legally qualified and they come from a range of backgrounds. That means that parking adjudication is practical, rapid and effective.

My hon. Friend will not have had in his postbag—nor did I over the many years when I was the responsible Minister, during which time the 1991 Act was in force—any complaints from members of the public in a city of nearly 8 million people about the way in which the parking system works. I think that it is perceived that the system is fair. It is fundamental to the scheme that the public have confidence in it, and that they do perceive it to be fair. I fear that a recent case in the Court of Appeal may mean that the benefits of the 1991 Act will be substantially undermined. That is what I want to describe.

In October, the Court of Appeal made a decision that gave guidelines on the definition of keeping a vehicle. That resulted in a curious state of affairs, in that individuals who take their cars to a garage for repair and subsequently find themselves liable for a penalty charge notice—in other words, a parking ticket—that had been issued on the vehicle because the garage had, unbeknown to the owner, left the car in a position where it incurred the penalty, find themselves facing substantial charges.

The issue came before one of the parking adjudicators, who had to determine appeals under the Act. He consolidated a number of different cases. One case involved the London borough of Bromley, where a garage habitually left its clients' vehicles in the street outside the premises. Many members of the public received notices requiring them to pay the penalty. I know that my hon. Friends the Members for Beckenham (Mr. Merchant) and for Ravensbourne (Sir J. Hunt) have been in correspondence about the matter.

There was also a case in the London borough of Hammersmith and Fulham. A vehicle had been left with a garage for a considerable period, and ultimately it was disposed of. It is ironic that my hon. Friend the Minister will know the third case extremely well. I understand that the person involved is one of his constituents. I am sorry if that causes my hon. Friend any embarrassment. As my hon. Friend will know, the lady concerned left her car with a garage for three weeks for repair. When she collected the car, she found herself facing £240 in penalty charge notices.

To underline the fact that the three cases to which I have referred are not the totality of the problem, I understand that the adjudicators have received about 100 appeals where this situation has occurred.

It must be obvious that, when the 1991 Act was introduced, it was never intended that a member of the public should pay for parking tickets incurred by a garage that leaves vehicles clogging the surrounding streets. It was of course intended that local authorities should be able to collect the penalties due from whomever was responsible for committing the offence, without motorists passing the buck from one to another.

The Act therefore made the owner liable for payment of penalties issued in respect of the vehicle. However, under the Act, the expression "owner" is defined in the same way as it is defined in the Road Traffic Offenders Act 1988, which relates to criminal offences, and the Vehicles Excise and Regulations Act 1994, which governs the Driving and Vehicle Licensing Agency.

For the purpose of all these Acts, an owner is the person by whom the vehicle is kept. So, in the garage parking cases, the adjudicator highlighted the difficulty that there is no statutory definition of a keeper. He said that it was a matter of fact and degree. He considered that the length of time for which a vehicle is in someone's possession is an important element in deciding who is the keeper of the vehicle, but suggested that other factors might have a bearing on the issue.

In the case of the garages, the adjudicator concluded that, as the garage was clearly in possession of the vehicle under a contractual agreement, it could be subject to a workman's lien, in so far as the owner of the vehicle had no right to remove it until the repair bill had been paid. That relationship obviously affected the keeping of the

[Mr. Steve Norris]

vehicle, and the garage could be said in those circumstances, so said the adjudicator, to be the keeper for the purposes of liability for penalty charges.

The adjudicator explained that he was mindful of the purposes of the relevant legislation, particularly the Secretary of State's traffic management and parking guidance, which was issued by the Department when introducing the legislation. A passage in the guidance reads:

"Local authorities should ensure that the new system of parking control is effective in their areas so that it makes a significant contribution to helping the movement of traffic, reducing accidents and improving the environment and managing the overall level of traffic".

The adjudicator also took account of the part of the guidance that places local authorities under a duty to act fairly. He made it clear that whether a person is the keeper of a vehicle should be construed in the spirit of traffic management issues.

In both the 1991 and 1988 Acts, there is a presumption that the person who is registered as the keeper at the DVLA is the de facto keeper of the vehicle. The Court of Appeal said that, where that presumption exists, local authorities, parking adjudicators, and presumably magistrates when dealing with criminal jurisdiction, must go first to the person named as the keeper on the DVLA register, and then decide whether there has been a disposition or acquisition of the vehicle that would render a change of registration at the DVLA necessary. That implies that, even if an authority knows perfectly well that a vehicle is in someone else's keeping—it may even have issued that person with a resident's parking permit—it has to ignore that information, and approach the registered owner at the DVLA.

The Court of Appeal applied that principle, and decided that a garage having a vehicle for a short time does not constitute an appropriate disposition to merit a change of registration at the DVLA. The registered owner would be liable for parking tickets incurred by the garage.

If I allowed my hon. Friend the Member for Sheffield, Hallam (Sir I. Patnick)—a jewel in the Sheffield crown, if I may say so—to drive my extremely valuable car, although he would think that I had taken leave of my senses, he would not constitute a "keeper" for the purposes of the 1991 Act merely because he happened to be driving the car at the time. If he incurred a ticket while driving my car, responsibility for paying it would be a matter between him and me.

The point about the workman's lien is that I would not be able to take my car away from the garage until I had paid for the work done. The relationship between the person who has control of the vehicle and the registered owner—the "keeper" for DVLA purposes—is quite different. That is the nub of the case.

I do not pretend that this is an easy matter. Nor am I asking my hon. Friend the Minister to come up with an instant solution. I am drawing the problem to his attention, and am asking him to take on board the issues involved. I know that he will be keen to do so, because he represents a London constituency.

The Court of Appeal said:

"The whole concept of ownership for the purpose of this part of the 1991 Act is related to what is or what should be the position in the public record. One starts with what is the position because of the presumption in section 82(3). One then considers what ought to be the position at the time of the offence if there were instantaneous registration"—

that interesting concept was introduced for the purposes of this judgment—

"of a material disposition or acquisition."

How do parking adjudicators, local authorities, the police or magistrates apply that test? Must they decide whether the vehicle has been sold or bought? If "owner" means the person by whom a vehicle is kept, should they consider whether the keepership of the vehicle is being disposed of or acquired? How do they decide who should be registered?

I shall give examples from cases that have recently come before adjudicators for a decision as to who is liable for payment. In one case, the registered keeper was in prison, but the vehicle was kept by someone else for the duration of the prison sentence. In another case, the vehicle belonged to a parent who lived outside London, but was kept and used by an offspring in London. Another vehicle was owned by a couple, but was registered in the name of one of them. On the break-up of the relationship, it was taken and kept by the other one at an address that was unknown to the initial owner.

The registered owner of another vehicle went abroad and allowed a relative to keep and use it while he was away. Two families swapped vehicles for a time, because the ever-increasing family needed the use of the people carrier, whereas the other family was reduced to two elderly parents who preferred to use a smaller sports or family car.

Those are real, practical cases, and such events happen every day in this city. Surely Parliament intended that the people who keep and use the vehicle, not the registered owner, should be liable for parking tickets. The Court of Appeal test of the imaginary instantaneous registration, far from helping, merely complicates the issue.

Problems should be identified at an early stage. I accept that the Court of Appeal was faced with tricky law, and that my hon. Friend will not have an instant answer. These problems were recognised by Parliament and the Department of Transport, because they allowed the presumption of keepership created by DVLA registration to be rebutted by evidence provided to parking adjudicators or magistrates to show that, notwithstanding the DVLA register, the vehicle was kept by someone else. That practical concept should be capable of interpretation by the parking appeals system.

As the parking adjudicator in the garage case emphasised, whether a person is the keeper of a vehicle at a particular time is, ultimately, a matter of fact and degree. The High Court agreed with him that the matter should be determined by the adjudicator, but the Court of Appeal's decision to overturn the initial decision has strengthened the DVLA presumption of keepership, and has imposed a stringent test for parking adjudicators and the courts.

During the passage of the 1991 Act, did Parliament intend that upright citizens who take their responsibilities seriously by maintaining their vehicles in good order and with current MOTs should be liable for penalties incurred by a garage that, entirely without their knowledge, acts irresponsibly and refuses to disclose the fact it has received a parking ticket, and refuses to pay the penalty? One could argue that one would never go back to a garage

that took that attitude, but garages in London's crowded streets behave in that way. It is a problem, and people have a right to a fairer system.

Was it ever intended that the drivers of company cars should have their statutory rights ousted? Was it ever intended that the police should make three inquiries before they can ascertain who is driving a vehicle? Having grappled with this issue for several years, I believe that we should acknowledge and clarify the dual purpose of the DVLA register, so that the real keepers of vehicles are liable for payments of penalties incurred by them for infringements of road traffic law without that prejudicing the DVLA's task of excise duty collection.

12.46 pm.

The Minister for Transport in London (Mr. John Bowis): I thank my hon. Friend the Member for Epping Forest (Mr. Norris) for his kind opening remarks. I could not be more pleased to take on the role that he carried out with such distinction for four years. To step into his shoes—or to lower myself on to his saddle—is awe-inspiring.

I am grateful to him for bringing this matter to the House's attention. He has been typically robust, but has considered the issues calmly, coolly and collectedly. When I read about the case to which he referred, I thought that it seemed odd. I examined the issues carefully, and I hope to respond to the points that have been raised, to set the context, and to keep an open mind about whether we need to change the law.

My hon. Friend asked about a vehicle taken in for work. He referred to the workman's lien. The issue is whether the subject of the contract is the work on the vehicle or the vehicle itself. That is a matter for lawyers to examine carefully, and neither he nor I come into that category.

On instantaneous registration, when a car is taken to a garage for sale, either by part exchange or for cash, the contract shows that the vehicle has changed hands and that the garage has taken ownership. That is instantaneous registration, because the vehicle has ceased to be the property of the vendor. If the car is in the garage on a sale and return basis, that is different, because the vendor retains ownership.

Let me begin with the genesis of the Road Traffic Act 1991, which my hon. Friend will recall well. It provided for the transfer of responsibility for the enforcement of most non-endorsable on-street parking offences from the police and traffic warden service to the London boroughs. Since then, the arrangements have been extended to Winchester, and they may well apply to other centres now; but, for the time being, we are concerned with London boroughs. Such offences then ceased to be criminal matters, so the Act had to establish civil enforcement arrangements.

The system introduced by the Act replaced enforcement by fixed penalty notice, issued by a police officer or traffic warden and payable into court, with enforcement by penalty charge notice, issued by a parking attendant employed by the borough. Income from that is retained by the local authority to finance the enforcement process.

When a penalty charge is not paid within 28 days of issue, a notice is served by or on behalf of the borough on the person who appears to have been the owner of the vehicle when the alleged contravention occurred. Service of the notice to owner triggers a period during which representations may be made to the borough, setting out reasons why the notice should not be allowed to stand.

When the borough concludes, after studying the representation and any other evidence supplied, that the grounds upon which the appeal is made have not been established, there is a further right of appeal to a parking adjudicator employed by the parking appeals service, an independent body funded through the Parking Committee for London.

My hon. Friend paid tribute to the committee. When I visited it recently and sat through some cases, I was very impressed by the quality and efficiency of its proceedings. Like my hon. Friend, I commend in particular the work of the chief parking adjudicator, Caroline Sheppard, and the parking director for London, Nick Lester.

Two principles underlay the development of the decriminalised parking enforcement system. First, it was important to ensure that the public regarded the new arrangements as credible and equitable. Secondly, the new regime should as far as possible be self-financing, the costs of the enforcement and adjudication systems being met from the proceeds from penalty charges, supplemented by income from legitimate on-street parking.

My hon. Friend drew attention to a possible cause of tension between those two principles—the ability or otherwise of the owner of a vehicle to transfer responsibility for payment of a penalty charge to another party. Where parking has not yet been decriminalised, there is provision for an owner to pass on responsibility for a fixed penalty notice to a named individual alleged to have been in charge of the vehicle at the time of the offence.

It was clear to the Government when they drew up the proposals that became the 1991 Act that, if applied to a civil case, the system was capable of abuse. Cases could be protracted, and expensive to resolve. When a possible criminal record and even loss of liberty is at stake, that is a price that must be paid; but we concluded that different considerations applied to a decriminalised enforcement regime.

The proposition put to Parliament was therefore expressly based on the principle of owner liability. Exceptions were deliberately kept to a minimum, being limited to cases in which the person responsible for the contravention was in control of the vehicle without the owner's consent, and in which a formal statement of liability had been signed by a person entering into a hiring agreement with a vehicle hire firm.

Section 66(2) of the 1991 Act states that any penalty charge issued in respect of a parking contravention is payable by the owner of the vehicle. Section 82 states:

"the owner of a vehicle shall be taken to be the person by whom the vehicle is kept".

In the determination of who was the owner of a vehicle at any time,

"it shall be presumed that the owner was the person in whose name the vehicle was at that time registered".

The parking adjudicator has argued that that presumption is rebuttable. She took the view that it should be a question of fact and degree in each case whether someone other than the person registered was in fact the

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keeper of the vehicle at the time of a contravention. My hon. Friend gave examples of circumstances in which that might be an issue.

The particular case taken through the High Court and the Court of Appeal related to the responsibility for penalty charge notices served on a vehicle while the owner had entrusted it to a garage for repair. I understand that the parking adjudicator believes that similar considerations about whether the registered keeper should invariably be deemed to be the actual keeper at the time of a contravention apply more widely; my hon. Friend gave examples. Her initial judgment that the garage should be held responsible was upheld in the High Court, but overturned in the Court of Appeal.

While we must be careful about referring to particular cases, I know that the borough concerned made it clear in its affidavit to the Court of Appeal that there was no question of the individual in this case being charged any fine, and that it was being taken as a test case because of its wider implications.

I shall say more about the position regarding vehicles left in garages in a moment; but I think that my hon. Friend would agree that, in most cases, it is reasonable that, if someone other than the vehicle's registered keeper—a friend, or a member of the family—is able to use it with the keeper's actual or implied consent, any penalty charge should be statutorily payable by the keeper. It is then for the two parties involved to sort out any subsequent repayment between them.

One would certainly expect that, in most cases, the person who had caused the fine to be levied would, according to natural justice, be the one to pay it, rather than letting the owner or keeper of the car pay it for him. That, I think, is common ground between my hon. Friend and me.

It seems to me that similar considerations must apply to other types of non-contractual relationship. My hon. Friend, freed from the shackles of office and resuming his successful career in the private sector, might take up an appointment carrying with it an official car—or even an official lorry—but one that remained registered to the company or organisation.

If, heaven forfend, my hon. Friend were to commit a parking contravention and did not pay the penalty charge himself, I suspect that the company would receive the notice to owner and would be legally responsible for paying it; but it would then take such steps as it considered appropriate to recover the amount. I have no doubt that there would be no need for that in the case of my hon. Friend, who would already have put the cheque in the post.

If owner liability had not been introduced in the Act, the company would have had the option of writing back to the authority that issued the penalty charge notice, passing the buck. That would seriously undermine the efficiency of the enforcement system. It would require the serving of a further, duplicate, notice, and additional administrative time and cost would be involved.

That would not be in the interests of the majority of drivers, particularly if it led to penalty charge levels or on-street parking fees being raised to cover the extra costs, and I do not think that it is what Parliament intended when it considered how best to marry protection of the interests of the individual with administrative efficiency.

I understand that the parking adjudicator in this case has yet to decide whether to seek to petition the House of Lords. That might affect the situation, but it seems to me that the relationship between a garage and a customer is qualitatively different from that between a keeper and his friend. It is much more similar to the position of a vehicle hire firm and its customers, for which the Act allows an exemption.

The Court of Appeal was categorical that handing over a vehicle to a garage would not, in the normal run of things, count as a formal transfer of keepership. It took the view that to be keeper of a vehicle involved

"both a degree of permanence and the right to use the vehicle for the purpose for which it was manufactured, namely use on the road".

The House might rightly take the view that no reputable garage would knowingly risk incurring a parking ticket on a client's car, and would pay any charges that were incurred by accident or oversight—to do otherwise must be bad for business—but the Government will consider the position further. If there is a genuine problem, some form of agreed transfer of liability, statutorily backed or otherwise, may be possible.

One case has been brought to the House today, but I would need to be sure that there were many such cases, and I must say that I do not consider some of the cases listed by the adjudicator to be in that category. Nor would I include cases such as that of the couple who divorced, or perhaps separated: I think that, if the car is given to the owner's partner, the owner is making a clear decision. If there is a widespread problem in this narrow sphere, however, we will certainly consider whether we should do something to close the gap.

I conclude by urging a sense of proportion. As my hon. Friend has acknowledged, decriminalised parking enforcement, since it began in 1993, has brought clear benefits to London and to all those who work, live and shop there. Higher levels of enforcement, more closely directed at supporting the traffic management priorities of the boroughs, are delivering improvements in traffic flow and road safety.

Drivers are less likely to risk overstaying on parking meters, so it is easier to find legitimate parking spaces. Residents' and disabled persons' parking spaces are better protected, and responsibility for setting and enforcing restrictions is now clearly regarded as belonging to the boroughs.

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): Order. Time is up.

King George's Hospital, Redbridge

1.2 pm

Ms Margaret Hodge (Barking): I have been a Member of Parliament for barely more than two years, yet this is the third Adjournment debate in which I have spoken on the health service in Barking. That fact reflects the importance and, tragically, the failure of the national health service as it is delivered locally. People in Barking are getting a raw deal from the NHS, and I shall continue to argue their cause, publicise the facts and act as their voice until someone, somewhere does something. Access to high-quality health care should be based on what one needs and not on where one lives, but the experience of my constituents suggests otherwise.

I know of many dedicated doctors and nurses who work in King George's hospital and provide the first-class service to which we are all entitled, and for which my constituents are immensely grateful. But the story that I have to tell is one in which too many people wait for too long, too many people experience poor-quality care and too many mistakes are made—all of which leads me to think that something deeper and more serious is going wrong. When a school is thought to be in trouble, it is inspected by the Office for Standards in Education; when a children's home or an old people's home is failing, the social services inspectorate intervenes; but when a hospital appears to be failing, no inspector intervenes on our behalf. The purchaser has little muscle and, with all the closures, nowhere else to buy. My constituents have nowhere else to go.

The hospital advisory service appears to have experienced a stillbirth. Inspection is not the job of the Audit Commission, and my constituents are not helped by complaining after the event to either the trust or the ombudsman. Today I ask the Minister immediately to carry out a detailed inspection of King George's hospital and to consider setting up a national inspectorate for all hospitals, whose job it would be to monitor quality standards in every hospital in the country. I am not in the business of pursuing a narrow party political campaign on that issue in the run-up to the general election, because my constituents' well-being is too important to me. I am representing the genuine concerns and interests of local people, whose voices are not being heard.

The Minister will be well aware of the context in which King George's hospital is operating. Barking residents have been starved of hospital beds. In 1988, Dagenham hospital was closed. Between 1990 and 1994, we lost more beds than any other health authority area, and more than one in 10 of our hospital beds went. In 1993, Barking hospital—which was originally built not through taxpayers' money but through the voluntary efforts of my constituents—was mothballed, despite having a brand-new maternity wing added a few years earlier, at a cost of £6 million to the taxpayer. Those buildings and that site are now owned by the Redbridge trust, which runs King George's hospital. Those facilities lie idle, while King George's hospital cannot cope.

In 1995, Rush Green hospital was condemned to oblivion, and then, most recently, the undoubtedly wrong decision was taken to close the accident and emergency unit of Oldchurch hospital. Inevitably, that placed new and additional burdens on King George's. I well remember a meeting with other local Members of Parliament, one of whom is in the Chamber today, when we urged Ministers not to close yet another accident and emergency department in our area. We predicted that the closure would place an intolerable burden on the remaining hospitals, including King George's. However, those with whom the buck must stop at King George's—the chief executive and the chairman—colluded in that last, disastrous closure decision. They reassured me, as they must have reassured Ministers, that King George's could cope with the additional work load created by the closure of yet another accident and emergency department.

In the market, the pressure is on individual hospitals to compete. No doubt the bosses at King George's saw the proposed closure of Oldchurch accident and emergency as an opportunity to grow bigger and, like any business, as an opportunity to grab a larger slice of the market. Barely a year later, however, they cannot cope. The victim of their desire for aggrandisement and power is not the hospital business or the personal income or status of those who run it; the victims are the helpless people in my constituency, who are at their most vulnerable moment when they put their lives and well-being in the hands of hospitals. All too often, they are being let down.

I am not expressing the view of only one Member of Parliament. There is now a substantial body of evidence that should give Ministers—who hold ultimate responsibility for our hospitals—great cause for concern. The record of King George's on the patients charter is poor. It is the worst in its group in operations cancelled, it is the second worst in percentage of patients who are assessed within five minutes of arrival at the A and E, and it is seventh worst in its group in percentage of patients who are seen within 30 minutes of their appointment time. As if that were not enough, more cases have been referred to the ombudsman from patients at King George's than from any other hospital. Yet in the wake of all those signals, the chairman and the chief executive demonstrate an utterly inappropriate, arrogant and complacent attitude, rejecting all criticism.

No one who has expressed concern about King George's has criticised the dedicated doctors and nurses. Neither I nor any of my colleagues would dream of using our concern about King George's as a political football; a good hospital service for our constituents motivates us. The fact that the only response from the management is to blame the messenger simply reinforces my belief that something is badly wrong at King George's.

I have published a dossier, which represents the human reality behind the statistics. It contains the testimonies of my constituents who have endured pain and poor-quality care. In some cases, such poor-quality care could have been avoided, and in most cases, the pain could have been lessened. The stories are the tip of an iceberg. Most people do not come to see their Member of Parliament or use the complaints procedure, and only a very few, persistent and dogged people will go to the ombudsman. To measure quality solely by the number of people who complain is mistaken. People are scared to complain, too compliant to pursue their rights, too distraught to relive the experience, or simply too relieved to be out of the situation.

We therefore need to take those stories seriously, because they are not the gripes of an irrelevant, minuscule minority. What do the stories tell us? Among them, of course, are the stories of people who, like those elsewhere,

[Ms Margaret Hodge]

are left in pain because of delays caused by lack of funding—elderly people waiting for hip or hernia operations, for whom the delays are the difference between dependence and independence. Only last week, my constituency caseworker—who had been told that the removal of her gall-bladder was classified as urgent—was told that "urgent" meant a nine-month wait, with continual pain and discomfort.

In the dossier are the stories of those who experience poor service in the accident and emergency department, such as a 79-year-old woman who was left waiting for a morphine injection for 17 hours, and for whom it took 34 hours to find a bed. There is the story of an elderly patient left in a wheelchair for five hours waiting for an ambulance, of a pensioner suffering from angina, left for seven hours before she was seen without being given any food or drink, so that she did not even take her angina tablets; of a mother who was forced to burst into tears before she could get anyone to look after her ill baby.

Perhaps most worrying are the cases of those who experience poor standards of care and those who are victims of too many mistakes. The elderly, the confused and the uncomplaining are most likely to suffer from poor-quality care. Relatives of one woman said that their mother was left unattended on a commode for three-quarters of an hour. A man was left unwashed for three days, despite the fact that he had soiled himself in the bed, and when he struggled alone to get a urine bottle, he fell on a radiator. Another woman was left unsupported in a chair and fell, bruising her face and arms. For members of one family, pursuing their complaint after their father died proved too distressing, so they dropped it.

Finally, there are stories of things going wrong and mistakes being made. The scale of those errors suggests that there is something wrong at a deeper level—more seriously wrong than the occasional avoidable mishap. Last week, I met a woman who became wheelchair-bound after an operation for a hip replacement went wrong.

One woman went into King George's hospital for a termination. During the operation, her womb was perforated, something that occasionally happens, but in her case, while the doctors were repairing her womb, some instruments became entangled in her intestines and she lost part of her intestines. When she first visited me, she was unsure whether it was her intestines or her bowels that had been removed. I advised her to contact lawyers without bothering with the complaints procedure.

The tales from Barking, the experience of other Members of Parliament, the complaints to the ombudsman and the patients charter record suggest that problems at that hospital are caused by more than a lack of resources, although I have no doubt that that is an important factor. I urge the Minister to act.

I reiterate: we need an independent inspector for our hospitals. At present, we depend on a reactive, not proactive, set of structures. People can complain, but only after things go wrong. The purchaser is not equipped to measure quality. The Audit Commission is not the appropriate body. To me, the patients charter represents just the start of a clear set of quality standards. We must build on that to include a range of quality measurements, and then we must establish a strong, rigorous and independent inspectorate to intervene where necessary.

The alarm bells are ringing at King George's hospital and an inspection is essential. Only when that takes place will I, the other local representatives and, most important, the people in Barking feel reassured and certain that their health care is safe in the hands of the local hospital.

1.12 pm

Mr. Mike Gapes (Ilford, South): I congratulate my hon. Friend the Member for Barking (Ms Hodge) on her success in obtaining this Adjournment debate. Since I became Member of Parliament for Ilford, South in 1992, many anxieties have been brought to my attention about the way in which King George's hospital operates. It is a new hospital, opened in September 1993. I received so many complaints that in May 1995 I called for an independent inquiry into the administration and running of the hospital.

In previous debates, including the debate on the Queen's Speech on 25 October 1996, I have drawn attention to problems of funding, staffing and morale at that hospital. Regularly, matters have been drawn to my attention by staff who are afraid to speak out—a national problem.

I do not criticise the hard-working, dedicated staff at the hospital. They work under enormous pressures in difficult circumstances. Anyone who, like me, has visited the accident and emergency department at half-past 10 on a Friday evening knows how difficult those circumstances are.

I am especially worried that there is no flexibility in the system. The constituents of my hon. Friend the Member for Barking come to King George's hospital because it is the nearest hospital to where they live. It is estimated that, when Oldchurch hospital accident and emergency department is closed, 20,000 additional people will come to a hospital built for 50,000, which deals with 70,000 a year. Those extra people cannot be accommodated in an extra large facility because of lack of space.

A report in this week's *Ilford Recorder* is based on a telephone call to the newspaper by a nurse who does not wish to be named. The nurse said that

"hospital governors were discussing drastic ways of combating overcrowding this winter"—

before Oldchurch is closed.

"Each ward is equipped with a day room designed solely to offer relaxation and a place for patients to sit with their families.

But Redbridge Health Care Trust . . . is considering turning them into bedrooms.

The nurse claims that without adaptation the rooms would leave patients with no means of alerting staff in an emergency.

She said: 'It's disgusting that trust head office should even think about this. All the beds in the wards have their own alarm bells, and beds in the day room would not have them.

There is already a great deal of pressure on staff without the addec pressure of having extra patients put out of sight in the day rooms.'

She and colleagues are also concerned about . . . shortages"

of staff and about

"whether extra staff will be taken on to cope with the new beds.

The trust said no decision had been reached: 'However, we are anticipating extra patients this winter and we will be trying to accommodate for this.'"

Last winter there was a crisis in the accident and emergency departments, not only in Redbridge but in neighbouring hospitals throughout north-east London and

Essex. That is one of the reasons for the poor patients charter record of hospitals in the region. League tables show that Redbridge Healthcare NHS trust is the sixth worst in the country, and that the other hospital in the Redbridge and Waltham Forest health authority area, Forest Healthcare NHS trust, is the second worst.

The pressures are intolerable. A few weeks ago, it was reported that 12 nurses in the accident and emergency department at King George's hospital had left in the space of a few weeks because of problems and their anxieties that management was not tackling their problems adequately. We face crisis today; in a few weeks, the position could be far worse. The problems highlighted by my hon. Friend the Member for Barking are such that, in the long term, unless something drastic is done about funding, administration, management and help for hard-pressed staff, we face unmitigated disaster.

I urge the Government: please do something now about King George's hospital before it is too late.

1.17 pm

Sir Michael Neubert (Romford): As the Member of Parliament for Romford, I share the anxieties of the hon. Member for Barking (Ms Hodge), to whom I am grateful for allowing me to contribute briefly to this important debate.

King George's hospital is not in my constituency either. It is several miles down the A12 for my constituents, but as a consequence of the mistaken strategy to abandon Oldchurch hospital for accident and emergency purposes in future and as a district general hospital—something that I opposed at the time and still believe to have been an error—several hundred of my constituents already attend King George's hospital. Understandably, the stories that emerge from that hospital worry me deeply.

The decision to build King George's hospital pre-empted the possibility of Oldchurch hospital being available to serve my constituents, as it has for many generations. Under the present proposals, Havering Hospitals NHS trust will cede about 6,700 finished clinical episodes, up to a maximum of 8,600 FCEs, to King George's hospital in future. That will reduce the work load of Havering Hospitals NHS trust to 56,000 FCEs and call into question the training function.

It is obviously of the greatest interest to my constituents that King George's should function well. Recent reports have not been encouraging. I seek reassurance from my hon. Friend the Minister.

1.19 pm

The Parliamentary Under-Secretary of State for Health (Mr. John Horam): I am pleased to have the opportunity to respond to the hon. Member for Barking (Ms Hodge), and I congratulate her on securing time to debate King George's hospital, Ilford. Although it is located in the constituency of my hon. Friend the Member for Ilford, North (Mr. Bendall), whom I am glad to see in his place, it provides services for Barking and other surrounding areas. It is right and proper for hon. Members to represent the concerns of constituents who fail to receive proper and adequate health care from the national health service.

King George's hospital, part of the Redbridge Healthcare NHS trust, has been the subject of considerable attention in recent months. The health service commissioner detailed two cases from King George's hospital in his report, published on 14 November, on a selection of the 95 investigations that he carried out in the six months to September. A week later, representatives of the trust appeared before the Select Committee on the Parliamentary Commissioner for Administration to answer on two separate cases arising from criticism by the commissioner in an earlier report. We are therefore talking about a total of four cases in recent times.

I do not seek to defend or make excuses for the trust on any of those cases. In each case, the hospital was judged according to due process and found wanting. However, to give the trust its due, it has responded promptly to the commissioner's findings and made attempts to prevent similar cases arising in future.

As the hon. Member for Barking will concede, the services provided by the hospital are, for the most part, very good. The facts speak for themselves. King George's is a new hospital with modern facilities. Hundreds of dedicated and caring staff work there. Each year it treats around 35,000 in-patients and 150,000 out-patients, with 4,500 mothers giving birth in the maternity department. Only one patient in 1,000 has complained.

Waiting times at the hospital have been dramatically reduced. Eighteen months ago, 1,000 patients had been waiting more than a year for treatment. By April this year, the figure was down to 52. The hospital had inherited a serious backlog of surgery waiting times, so the improvement is a remarkable achievement. The quality of much of the work is high, and Redbridge and Waltham Forest health authority has moved work to the trust recently. For example, the district chiropody service was run previously in two separate centres. When it was unified as one service, the contract was put out to tender and the trust won. The fact that work from other areas is going into the hospital shows its quality.

We must remember that King George's is a new hospital. It has a new coronary care unit and cardiology department. It has an enlarged dedicated day care unit. It has developed a level 2 neo-natal intensive care unit for sick babies. It has a large, modern intensive treatment unit, double the size of that at the previous King George's hospital. Its new oncology unit was recognised by the award of Nurse of the Year in 1996. It also has leading-edge gynaecology services. That shows that it is a modern hospital providing good services.

Mr. Vivian Bendall (Ilford, North): I have listened carefully to my hon. Friend the Minister. Like the hon. Member for Ilford, South (Mr. Gapes), I have visited the hospital at the weekend, at times when the accident and emergency department is extraordinarily busy. Having considered the problem for the past 12 months, I believe that the main problem lies in the accident and emergency facilities. The problem has been caused by the fact that the hospital is new, which has attracted a lot of people from outside its natural catchment area, including many from the constituency of my hon. Friend the Member for Romford (Sir M. Neubert).

Another dramatic cause of trouble is that, when accident and emergency facilities at Oldchurch, Forest and King George's have been pushed, King George's has often stood in for the other two, but when King George's is pushed, the other two do not stand in. I ask my

[Mr. Vivian Bendall]

hon. Friend the Minister to give careful consideration to the problems of the accident and emergency department, because I do not think that the hospital can cope.

Mr. Horam: I am interested in my hon. Friend's remarks. A great deal of what he says is accurate, particularly his comments about the attractions of a new hospital with new facilities. The accident and emergency department has clearly been extensively and generously utilised. The hospital trust has behaved extremely well in taking on patients from other parts of the neighbourhood and referrals from other hospitals.

Of course, the process is reciprocal. Having considered the experiences of accident and emergency departments last winter, we now have a more co-ordinated system. The chief executive of the NHS has an emergency team to look at the co-ordination of accident and emergency departments throughout the country and co-operation between neighbouring departments. I hope that the problem that my hon. Friend the Member for Ilford, North referred to will not occur this winter and that there will be good co-ordination between the various accident and emergency departments.

To complete the point that I was making about the quality of health care at King George's hospital, we should also remember that health care is not just about buildings and services, but about people. The hospital now has 20 consultant posts—a 30 per cent. increase over the past four years.

The hon. Member for Barking referred to the hospital's performance in the patients charter tables, but she selected only three areas in her dossier. There are performance indicators for more than 40 areas. In all the other areas, the performance of the hospital was much better than in the three that she singled out. It is easy to pick on some areas where the hospital is clearly not performing so well and to neglect whole swathes of performance indicators that are clearly much better.

The hon. Lady also brought up the old issue of underfunding. She knows that the money follows the patient in the NHS these days. For those of her constituents treated at King George's hospital, her health authority of Barking and Havering pays the bill either directly or indirectly, through GP fundholding. Barking and Havering health authority has more to spend on health care than ever before. Its revenue allocation this year was £173 million—£6.3 million more in cash terms and £1.7 million more in real terms than in the previous year. As the hon. Lady and the hon. Member for Ilford, South (Mr. Gapes) know, a huge increase of £1.6 billion was announced in yesterday's Budget.

Ms Judith Church (Dagenham): Will the Minister give way?

Mr. Horam: I shall not because I have only four minutes left. Four hon. Members have already spoken.

An increase of £1.6 billion for the health service was announced. We wait to see whether the Opposition will match the real-terms increases that we have made year after year after year for 17 years and that we are committed to continuing year after year after year after year after year for the five years of the next Parliament. That is a huge commitment to the national health service that the Opposition cannot match. They do not say a word. They are like Trappist monks on NHS funding.

Ms Church *rose—*

Mr. Horam: I shall not give way because I have only three minutes left now.

Ms Church: Trappist monks?

Mr. Horam: The hon. Lady is objecting to being called a Trappist monk. Perhaps we should call her a Trappist nun, but Labour Members are saying nothing about the crucial issue of funding. That is a great pity.

The treatment of the problems by the hon. Member for Barking has not been helpful. She has attacked the hospital by publishing a dossier at the same time as it has had the commissioner cases. She says that her dossier shows that the local health service is in crisis. She should think how the doctors and nurses must feel when a local Member of Parliament criticises their hospital. As a result, the hospital is vilified in the media. Patient confidentiality and professional ethics prevent the staff from responding, even though they know that her dossier is riddled with inaccuracy. They hold their heads up high as best they can and get on with their jobs, reassuring their patients. The dossier mentions 40 cases out of 750,000 attendances over the past three years.

Some of the cases in the dossier are simply a restatement of those in a dossier that the hon. Lady produced 12 months ago. We are not talking about new cases. The hon. Lady is simply recycling old news. The cases are anonymous, as they must be, but that makes it difficult for the trust to investigate them. The ones that the trust manages to investigate often contain implications and allegations that are simply not true.

When the hon. Lady was leader of Islington council, she reacted with outrage to the campaign by the *Evening Standard* claiming that there was child abuse in Islington council homes. Those claims were subsequently proved true.

Establishing the truth in the particular circumstances that the hon. Lady raised today is a complicated matter, and she should take a balanced view in the interests of the patients involved. She should also consider the morale in the hospital and the care of the patients. It is not good enough—

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): Time is up.

A2 (North-west Kent)

1.30 pm

Mr. Bob Dunn (Dartford): I am grateful for the opportunity to bring to the attention of the House the problem of traffic congestion on the A2 in north-west Kent. I am grateful too for the presence of my hon. Friend the Minister for Railways and Roads, who will respond to the debate. I am also pleased to see my hon. Friends the Members for Erith and Crayford (Mr. Evennett) and for Gravesham (Mr. Arnold), who share my concerns and anxieties about the A2, as it runs through our constituencies. They hope to catch your eye, Mr. Deputy Speaker, later in the debate.

The A2 and its problems were the subject of an Adjournment debate initiated by me. On 15 February 1991, I raised the problem caused by continual and continuing roadworks. Many of the descriptive passages that I used in that debate are relevant today, although this debate focuses on a different matter. However, it would be wrong to imply in any way that roadworks and their associated problems are a thing of the past. They most certainly are not.

The House will appreciate that the A2 trunk road is one of the most significant roads in Britain. It provides access to and from London and Dover and the channel ports and cuts across the M25 orbital route near the Dartford crossings. It is also a major access route for Bexley, Dartford, Gravesham and the Medway towns. As a major road, it carries a huge volume of domestic and international traffic, including the private car, passenger carriers and heavy commercial vehicles.

It was stated in 1991, and is certainly true today, that the A2 carries far more traffic than it was built to take. Indeed, my right hon. Friend the Secretary of State for Transport, in a letter to me dated 18 November, stated:

"Kent County Council, on behalf of the Highways Agency, recently carried out an accident study of the A2 between the M25 junction with the A2/A282 and the M2 which confirmed that the accident rate along this stretch was relatively high".

He continued—this is relevant to north-west Kent—

"Contributory factors include the very heavy traffic flows, the large number of HGVs using the route, and the number of junctions and accesses to premises."

Hon. Members may point out that our arguments and concerns apply to many roads throughout the region, given the increased car ownership over the past decade and more. However, the A2 is a nightmare for my constituents and, although much is being done to improve conditions, it is still an accident black spot in north-west Kent.

I congratulate the editor and staff of the *Dartford Times* on the responsible and public-minded way in which they have mounted their A2 campaign, which has my full support. Local Members of Parliament are grateful to them for the dossier of sad and tragic events that they have published in recent weeks. It gives me no pleasure, but, out of necessity to enlighten the debate, I remind the House that, in five months, five people have been killed on the A2 in north-west Kent and there have been countless more non-fatal accidents. The accident toll is published by the *Dartford Times* and certainly makes grim reading.

We all extend our condolences to the families of those who have died in accidents on the A2. We would be failing in our duty as Members of Parliament for north-west Kent if we did not bring our urgent concerns to the Government's attention. I am grateful to my right hon. Friend the Secretary of State and my hon. Friend the Minister of State for the way in which they have responded during Question Time, in meetings, in letters and in reply to today's debate to our concerns about the nature, incidence and growth of traffic using the A2.

Safety is an important issue and much of what has been done and needs to be done will depend on the ability, tolerance, understanding, expertise and wisdom of individual drivers. However, much can be done, and initiatives are in hand to improve road safety along the A2. When accidents occur, there is a sudden shock for the individual and an immediate and devastating shock for the bereaved family, but we also have to consider the delays in access to work and leisure and in access to the continental ports and the channel tunnel for our goods and services. Any such delay has a huge cost to the national health and industrial well-being of our country.

I wish to make four points to my hon. Friend the Minister. First, I suggest that accident black spot signs be installed at Swanscombe cutting and elsewhere, as appropriate. Secondly, will he consider having anti-speed cambers constructed? They would retard the high speeds that some motorists insist on reaching and thus prevent accidents from occurring. Thirdly, will he consider placing speed cameras—which I know are expensive and a drain on resources—in Dartford and Gravesham to prevent motorists from committing speeding offences? Finally, I suggest that teams of experts from his Department and other agencies conduct investigations on access and sight lines for junctions in particular, building on work already in hand.

The A2 is a matter of huge concern in north-west Kent, given our juxtaposition between London and the continent and the rest of the country. Any attempts to improve matters on the A2 will be gratefully received by me and by the people I represent.

1.38 pm

Mr. David Evennett (Erith and Crayford): I am grateful to my hon. Friend the Member for Dartford (Mr. Dunn), who is a good friend and constituency neighbour, for allowing me to participate in his debate. I also congratulate him on securing a debate on the A2, which is extremely important to the people of south-east London and north-west Kent. The issues affecting the A2—traffic conditions and the problems for travellers and residents—remain relevant today. I am delighted that my hon. Friend the Minister of State is listening so intently, as I know of his concern about the A2. In his excellent speech, my hon. Friend the Member for Dartford highlighted many of the problems affecting that road.

The A2 cuts the borough of Bexley in half. It is without doubt one of the most important and busy roads in the country. It has seen a dramatic increase in usage during the past decade and is now a motorway in all but name. The level of traffic is way beyond anything that could have been comprehended, let alone estimated, when the road was opened as a dual carriageway in 1971. The road increased in importance and usage following the 1988 opening of the Rochester Way relief road. The opening of the QE2 bridge at Dartford has

[Mr. David Evennett]

further increased the A2's importance and usage through the borough of Bexley.

I regularly use the A2 while travelling home to Crayford from Westminster at night. Ten years ago, the road was relatively quiet outside the rush hour, but today, through Bexley, it is busy for 20 out of every 24 hours each day of the year. The traffic seems ceaseless. The speed at which vehicles travel is worrying; juggernauts and others go far too fast, are a real threat to safety and cause problems on the road. There are also concerns about bottlenecks, cones, repairs and tragic accidents—some of them fatal or serious, as my hon. Friend the Member for Dartford has highlighted—and there is a lack of facilities on the road for motorists, as my hon. Friend also pointed out. The installation of SOS telephones along my part of the A2, the improvement of lighting between Falconwood and the Black Prince interchange and the planting of shrubs and trees along the road have all been welcome improvements in the recent past. Environmental issues and the consequences and problems of safety for the houses that are close to the A2, however, remain of great concern.

In Bexley, the A2 environmental campaign was established in March 1995, and under the chairmanship of Ian Linden, it has endeavoured to promote improvements to give local residents some respite and at the same time considered traffic conditions and safety on the A2. Responses to the questionnaire "Living with the A2" highlight the residents' concerns and problems, which relate especially to safety, pollution, traffic volume and noise.

Accidents, hold-ups, congestion, increasing traffic levels, delay and safety problems concern and infuriate not only motorists who regularly use the A2, either to go into London to work or socialise or to go out of London into the beautiful Kent countryside, but local residents in my area who live alongside that important road.

More needs to be done to assist traffic flow and co-ordinate maintenance and lane closures. Higher barriers should be erected where there are houses at the side of the road in Bexley to improve safety for local residents. Like the M25, the road is heavily used, and traffic conditions and residents' problems need to be addressed further. Rubbish and refuse comes off the back of huge lorries with open tops as they travel along the road and ends up in my constituents' back gardens. That safety problem has not been addressed. The barriers in Bexley are far too low and not as safe as local residents need and demand them to be.

I am concerned primarily about improving the safety and well-being of residents whose houses adjoin the A2, as well as about improving the safety of motorists who encounter problems of speed and usage day after day. I hope that my hon. Friend the Minister has been listening to all those points. I am trying to be constructive and helpful. I am grateful to my hon. Friend the Member for Dartford for allowing me the opportunity to participate in the debate and hope that my hon. Friend the Minister will think seriously, long and hard about the problems of the A2.

1.43 pm

Mr. Jacques Arnold (Gravesham): I thank my hon. Friend the Member for Dartford (Mr. Dunn) for raising this extremely important matter. During the past two years, five people have lost their lives on the A2 near Northfleet and Gravesend in my constituency. Among those five people was a personal friend of mine. It is no coincidence that Members who represent constituencies through which the road runs—my hon. Friends the Member for Erith and Crayford (Mr. Evennett) and for Dartford, as well as other Members who represent areas in Kent, such as my hon. Friend the Member for Dover (Mr. Shaw)—are present for the debate.

The accidents that have occurred—five of which, as I said, were fatal—have been noticed by the local residents and highlighted in the local newspaper, the *Gravesend Reporter*, the sister paper to the *Dartford Times*, to which my hon. Friend the Member for Dartford referred. I am grateful to the Government for responding to our concerns and representations, and for commissioning a report on this stretch of road.

I should like to stress especially to my hon. Friend the Minister the problems caused by heavy goods vehicles. The report clearly states that the A2 in my constituency has a very high proportion of heavy goods vehicles passing through. The stress must lie on the words "passing through". North-west Kent is a densely populated area. Ordinary residents use the road in their cars, as do vast tonnages of heavy goods vehicles. It is no coincidence that so many of the fatal accidents have involved HGVs.

I have been encouraged by the Government's response this financial year, as they have given instructions for improvement of the access roads at the Tollgate in Gravesend and at Pepperhill in Northfleet in my constituency. Obviously, the exits and accesses that bring traffic off and on the road can cause accidents through inadvertence or lack of drivers' concentration.

I should also like to highlight the matter of the Little Chef restaurant on the westbound carriageway in the parish of Cobham. Only a year or two ago, there was an accident there, when a sheep transporter proceeding westwards at great speed quite naturally built up speed down the hill with a view to coasting uphill. The difficulty was that the Little Chef was midway. A driver turned into the transporter's path from the access road, the transporter turned over, and sheep—dead and alive—were scattered all over the motor road. That highlights the fact that exit and access roads need adjusting. I hope that my hon. Friend the Minister will look at the matter of the westbound carriageway and access to the Little Chef.

I was encouraged to learn of the Government's intention to upgrade the road considerably, to four lanes in each direction between the M25 junction and the commencement of the M2 at Three Crutches in my constituency. I know that design consultants have been appointed and I hope that they will look carefully at the problems of HGVs, with a particular view to isolating such vehicles on carriageways of their own. At first glance, that may seem pretty well impossible, but if HGVs were kept separate from smaller passenger traffic, accidents might be avoided. It is a novel idea and, who knows, perhaps the Department of Transport design consultants will come up with such an innovative solution. I thank my hon. Friend the Minister for the considerable time that he has spent looking into the issue and hope that we shall hear more about it in this debate.

1.48 pm

The Minister for Railways and Roads (Mr. John Watts): We are all grateful to my hon. Friend the Member for Dartford (Mr. Dunn) for bringing this important subject before the House. Its importance is underlined by the presence of my hon. Friends the Members for Gravesham (Mr. Arnold), for Erith and Crayford (Mr. Evennett) and for Dover (Mr. Shaw), whose constituency is a little further along the A2. I thank all my hon. Friends for their constructive suggestions and comments. My hon. Friend the Member for Erith and Crayford referred to rubbish falling from heavy goods vehicles; clearly, that is unacceptable. He also mentioned what appears to be a fairly thick tome—the report called "Living with the A2". It may be rather rash of me, but I should be delighted to receive a copy and to consider it, perhaps when I am on a long journey to a more distant part of the country than Kent.

As my hon. Friends know, that stretch of the A2 trunk road forms part of the strategic A2-M2 route between London, the M25 and the east Kent coast. Although the M20 is now signed as the main strategic route between London and the M25, the A2 remains an important route to the port of Dover. I was pleased that in our road programme announcement yesterday we were able to reinstate the improvement of the A2 between Lydden and Dover. Recent disruption of cross-channel traffic by other means underlines the importance of ensuring that our ports have good access.

Mr. David Shaw (Dover): May I say how grateful the people of Dover are that the A2 is to be dualled between Lydden and Dover? We are, however, extremely disturbed that the French lorry drivers' dispute is getting ridiculously out of hand. I heard from the police this morning that some 500 lorries were backed up outside Dover; that could threaten all the roads in Kent with enormous inconvenience. We must ensure that British roads are free for people to travel on and that we are not drawn into that outrageous dispute.

Mr. Watts: I must not be sidetracked into a foreign industrial dispute, but I can tell my hon. Friend that my right hon. Friend the Secretary of State for Transport will be in touch again today with his French counterpart.

The A2 also provides access to the important industrial areas of south Thamesside and the Medway towns and, further east, to the tourist centres of Canterbury and the Isle of Thanet; it is also the main link to the rest of the national road network for the ports of Chatham, Sheerness and Ramsgate. It is hardly surprising that it carries such heavy volumes of traffic, as my hon. Friends have mentioned already.

The traffic is fast-moving and flows are high. The A2 carries up to 92,000 vehicles a day and, as my hon. Friend the Member for Gravesham said, some 13 per cent. of that traffic between the hours of 7 am and 7 pm consists of heavy goods vehicles. In recent years, accident and scheme identification studies have been carried out on that length of the A2. The most recent was undertaken earlier this year by Kent county council for the Highways Agency; it shows that the accident rate on that route is relatively high compared with that on a road of motorway standard, which is the nearest type of road with which comparisons can be made.

That comparison, however, is slightly misleading, since, unlike motorways, the A2 provides direct access to adjacent premises, and motorways have relatively fewer junctions. Access and sight lines were two of the issues that my hon. Friend the Member for Dartford asked me to consider further, and I undertake to do so.

Between 1 January 1993 and 31 December 1995, there have been 285 reported injury accidents on the A2 between the London boundary and the M2. Of those, there have been 12 recorded fatal accidents, involving 13 fatalities, 51 serious accidents and 222 slight accidents. Today, my hon. Friends have reported further, more recent, fatal accidents. Although those figures are higher than the national average rate for motorways over a three-year period, the overall rate for 1995 was lower than in the previous two years. That does not make me complacent, because high accident levels must be tackled.

Many factors have contributed to the cause of the accidents on the A2, including the heavy traffic flows, the large number of HGVs and the high frequency of junctions and accesses to adjacent premises. I am not sure whether it would be feasible to segregate HGVs from other traffic, but I shall take account of that constructive suggestion from my hon. Friend the Member for Erith and Crayford when I consider long-term ways in which to improve the road and to enable it to operate more safely. Having said that, the accident study also suggests that many of the accidents could be attributed to driver errors, for which there are no simple engineering remedies. It has been suggested that such errors tend to be more concentrated on the A2 because of the density of traffic and the lack of room for manoeuvre between junctions and accesses, particularly at congested peak times.

The study identified a wide range of options for improvement throughout that length of the A2. Many would require extensive work and would be costly. My hon. Friends will know that the Highways Agency's budget for both national schemes and local network enhancement and safety schemes is constrained, although they can take heart from yesterday's settlement, which took not one penny from trunk road funding and ensured that we will be able to carry forward a £6 billion main programme in the next few years with sufficient funding for three or four major schemes each year.

During the current year, the Highways Agency's funds are fully committed to schemes already in progress to provide low-cost safety improvements, so there is little scope for further major improvements in the short term. However, my hon. Friends will know that we are fully committed to reducing the number of accidents on roads, and we will take action to implement urgent low-cost safety measures where necessary. I am pleased to record that, despite the heavy constraints on our programme and because of the priority that we attach to safety improvement on the A2, the Highways Agency has been able to include some low-cost safety measures for the A2 in its programme of local safety schemes—as my hon. Friend the Member for Gravesham pointed out—in this constrained financial year.

At the Pepperhill junction, the on-slip roads, related merge areas and signing are being improved; at the Tollgate junction, similar works are being carried out to the westbound on-and-off slip roads; and at Cobham junction and Marling Cross junction, improved signing is being provided. The persistent and persuasive

[Mr. Watts]

representations from my hon. Friends may have contributed to the priority that we have given to that work. As part of the package of improvements, the agency has also arranged to carry out improvements to the road markings at the exit from the Little Chef—to which my hon. Friend the Member for Gravesham referred—and the petrol filling station at Cobham services. I hope that my hon Friends will be pleased to learn that those works should be carried out early in 1997.

My hon. Friend the Member for Dartford suggested that we should consider the use of black spot signs and speed cameras in addition to a review of access and of sight lines. I shall give those suggestions further consideration.

My hon. Friends will be aware of the more major improvements now under way between Bean and Pepperhill. Those are associated with the development of Blue Water and are largely being funded by the developer, Lend Lease. The work is being carried out in two phases. Phase 1, which started on 11 November, involves the widening of the eastbound carriageway. The work will take about two years to complete. Phase 2, to improve the A2-B255 junction, is due to start early next year. It will run in tandem with phase 1 and will take about 15 months to complete.

The Highways Agency also has a number of more major proposals to improve the A2 between the A282-M25 junction and the M2. First, the current programme contains the A2-A282 Dartford improvement scheme to improve the M25-A2-A282 junction. If a junction requires such a complicated description, one can understand what the problems are for road users. The junction is becoming more congested and delays are increasing. The main problem arises from the conflict between through traffic bound for the Dartford crossing and local traffic wishing to gain access to Dartford. Also, on the A2 east of the M25 junction 2, there will be insufficient capacity to accommodate existing and predicted traffic demands.

Our scheme will provide for the widening of A2 up to the Bean interchange, and that will complement the schemes to widen the A2 from Bean to Cobham. The Dartford scheme will also provide for an increase in the traffic capacity of the M25-A2 junction, and will address the road safety problem by reducing queuing on the slip roads. It will do that by providing two dedicated slip roads, one of them on a viaduct above the junction, which will cater for traffic travelling between the Dartford bridge and tunnels and the A2 to the east. That, in turn, will reduce the risk of accidents from through traffic running into queuing vehicles.

Secondly, I announced earlier this year a scheme for inclusion in the national roads programme to widen the A2 between Bean and Cobham. I am sure that my hon. Friend the Member for Dartford will be pleased with yesterday's announcement by my right hon. Friend the Secretary of State that, following the Budget settlement, that scheme remains in the main road programme. The first phase of the scheme will increase capacity to four lanes each way on a six-mile stretch of the A2 between Bean and Tollgate. In addition, a second phase between Tollgate and Cobham could, subject to the outcome of statutory procedures, be completed in time for the opening of the Ebbsfleet channel tunnel rail link station.

My hon Friends will also be pleased to hear that the M2 widening scheme between junctions 1 and 4—

It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

PRIVATE BUSINESS

Scottish Borders Council (Jim Clark Memorial Rally) Order Confirmation Bill

Western Isles Council (Berneray Causeway) Order Confirmation Bill

Orders for Third Reading read.

Read the Third time, and passed.

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

European Union

1. **Sir David Knox:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he proposes to have discussions with his European Union partners concerning the strengthening of intergovernmental co-operation on foreign policy. [4585]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Malcolm Rifkind): This subject is high on the agenda of the intergovernmental conference. We also discuss it regularly on a bilateral basis with our EU partners. I expect it to be raised when the European Council meets in Dublin on 13 and 14 December.

Sir David Knox: Have any particular areas been identified in which European Union collective co-operation might be helpful in the next few months?

Mr. Rifkind: Clearly, there is a lot of discussion on the immediate issues. For instance, at the meeting of the General Affairs Council on Monday we had an important discussion on the situation in Zaire and on the ways in which western European countries could work with other members of the international community to help with the difficult problems of that country. That is an example of how Europe can very often make an important contribution.

Mr. Grocott: Will the Foreign Secretary join his European counterparts in condemning the rigged referendum in Belarus which gives near-dictatorial powers to the President? Will he send a message of support from the British Government to the chairman of the Parliament, Mr. Sharetsky, who has been so determined and courageous in standing up for democracy in that country? What steps can the right hon. and learned Gentleman take with his European colleagues to ensure that a country so newly independent is able to move again down the democratic path?

Mr. Rifkind: We are deeply concerned by recent developments in Belarus. That is true not only of the United Kingdom and western Europe. Russia has also expressed concern, and a very senior Russian delegation went to Minsk before the referendum to try to encourage a more restrained and constructive approach. Sadly, that has not happened, and we must watch carefully to see how the situation develops. If Belarus does not act in a proper and constitutional way, it will damage its relations with western Europe and will cause increasing concern in Russia.

Mr. David Shaw: How can we possibly co-operate with France on anything while the French lorry drivers' strike is causing enormous inconvenience to my constituents? There are 500 lorries backed up outside Dover and the French have still not paid compensation for the previous strike. Will my right hon. and learned Friend seriously consider altering the arrangements for co-operation with France in Europe unless we get compensation this time around?

Mr. Rifkind: I can understand my hon. Friend's deep concern, and we are gravely disturbed by the serious inconvenience to British lorry drivers and others as a result of the industrial action. My right hon. Friend the Secretary of State for Transport has written to his French counterpart, and I know that my right hon. Friend would agree with my hon. Friend's observations.

Zaire

2. **Mr. Llwyd:** To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Government of Zaire to alleviate the current situation in Zaire; and if he will make a statement. [4586]

3. **Mr. Turner:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent developments in Zaire. [4587]

Mr. Rifkind: I met Prime Minister Kengo of Zaire on 22 October and our ambassador to Zaire is in regular contact with the Government there. We welcome the return of many refugees from Zaire to Rwanda and will continue to work closely with all Governments in the region, the United Nations and other interested parties in seeking lasting solutions to the problems of the region.

Mr. Llwyd: I thank the Foreign Secretary for that reply. I am sure that he will be aware that there is still a desperate humanitarian problem in many parts of Zaire and a pressing need for a political settlement in the great lakes region. What measures does he believe that the international community can take to ensure that humanitarian organisations, which do an excellent job in extremely difficult circumstances, are assisted in targeting the aid to reach the most needy?

Mr. Rifkind: I agree with the hon. Gentleman that the objective must be to assist in a humanitarian way those who face the possibility of starvation or great suffering in Zaire. On 20 November the United Kingdom announced further aid of about £10 million. Indeed, after the United States we have made the largest response in terms of aid to people in Zaire.

I believe that we also need much more effective co-ordination in the international community. Much of the problem is in the innermost parts of Zaire, and we simply do not have the information as to its scale. A Royal Air Force Canberra aircraft is carrying out reconnaissance work which we hope will provide some of that necessary information.

Mr. Turner: I, too, welcome the Foreign Secretary's statement, but may I press him a little on the subject of the refugees returning to Rwanda? What do the Government propose to do, especially about adequate housing? Hundreds of thousands are returning from eastern Zaire and a catastrophe is taking place. I should like to think that our Government were doing something positive about providing housing.

Mr. Rifkind: As the hon. Gentleman said, approximately 400,000 to 500,000 Rwandan refugees

have returned to Rwanda. That poses a major challenge both for the Rwandan Government and for the international aid agencies. We are co-operating closely with those agencies and, as I said earlier, we have announced extra financial help. I am sure that help will also come from other sources. We stand ready to be a party to any improved co-ordination that is required to ensure that the large sums available for the provision of food, medical aid and shelter get to the people who need them.

Sir Sydney Chapman: Can my right hon. and learned Friend give the House any more up-to-date information about the situation in the area south of Lake Kivu? On the very welcome announcement—albeit only a week ago—of an additional £10 million for humanitarian aid, can he tell the House when that aid equivalent will be distributed, if part of it has not already been distributed, and will he bear in mind the urgency of getting it to the recipients as soon as possible?

Mr. Rifkind: Yes. I should emphasise that the £10 million is in addition to the large sums of aid previously given. Since 1993, both directly and through its contributions to the European Union, the United Kingdom has given about £140 million for humanitarian aid in the great lakes region.

On the situation in south Kivu, one of our military personnel visited Bukavu and we understand that the town is relatively quiet. There is no concentration of refugees there, but there are thought to be substantial numbers of people of Rwandan origin further inland. What is not known is either their physical condition or whether they want to return to Rwandan or prefer, for their own reasons, to remain in Zaire. We hope gradually to piece together such information as it becomes available through reconnaissance and other means.

Mr. Riddick: With the recent apparent easing of the refugee crisis, would it be sensible to send troops in? Should we not be careful before committing troops in a complicated civil war from which it might be difficult to extricate them?

Mr. Rifkind: My hon. Friend raises important points. There is no obvious military rationale for an international military force either in Rwanda or in Goma, from where the refugees have largely departed. More uncertain is south Kivu and inland Zaire, where there is an absence of the sort of information that one would require to know what the mandate and purpose of a military force might be. We are very proactive in this respect.

As I have said, a Royal Air Force Canberra aircraft is providing invaluable information. We are co-ordinating closely with other countries. There is discussion on whether there is a continuing need for a multinational force. While we do not rule it out, the case for it has been transformed by developments in the Goma area in the past 10 days. It is difficult at present to identify the purpose of such a force, but we cannot rule out the situation changing again, as it has done in recent times.

Mr. Ernie Ross: As the Foreign Secretary knows, in September 1994 the World Service started broadcasting to the region in Kinyarwanda and Kirundi, giving messages of instruction to the refugees and linking families who had been separated by the crisis. In welcoming that, will the right hon. and learned Gentleman note that, when the United Nations High Commissioner for Refugees asked refugees how they found out where to go, they said that they regarded the World Service as the prime source of reliable news? Does the Foreign Secretary welcome the fact that, as a result, the UNHCR has given a contract to the World Service to extend its service to 30 minutes from December, and is that not one reason why the Chancellor was right to make up the World Service's funding shortfall?

Mr. Rifkind: I welcome the hon. Gentleman's comments, including his final sentence. The BBC World Service was good enough to issue a statement yesterday congratulating the Government, and the Foreign Office in particular, on their support for the service, and confirming that the allocation to be provided meets its requirements.

Miss Emma Nicholson: The Foreign Secretary has rightly said several times that the free flow of accurate, unbiased information has been instrumental in guiding humanitarian aid to the right places and in ensuring that returning refugees knew that it was safe to go home and that they would be assisted in settling back in their villages. How, therefore, can he continue to support Britain's withdrawal from the United Nations Educational, Scientific and Cultural Organisation, which is playing such a crucial role?

Mr. Rifkind: I am not sure that I agree with the hon. Lady about the crucial role that she says UNESCO is playing. I do not want to enter the wider discussion about UNESCO, but the information that I have given the House demonstrates that our non-membership of UNESCO is in no way inhibiting, preventing or limiting our ability to assist in the humanitarian crisis. The United Kingdom is providing more help than most and can hold its head up high; it does not need membership of UNESCO in order to provide help for the starving in Zaire.

Mr. Robin Cook: The Foreign Secretary knows that many hon. Members are concerned that a British company has been implicated in the supply of arms to the Hutu militia, both at the time of the genocide in Rwanda and while they were terrorising the UN camps. Can he confirm today's reports that the Isle of Man was not instructed by the Home Office to make its law consistent with the UN embargo? Will he at least express regret at that omission and accept that it is especially embarrassing for Britain, which, as a member of the Security Council, might have been expected to be particularly vigilant in enforcing a UN embargo?

Mr. Rifkind: On the allegations about a company registered in the Isle of Man, as the right hon. Gentleman knows, Customs and Excise is investigating whether there has been a breach of the law which might require a prosecution. In addition, as I have said—and as I am sure the right hon. Gentleman is well aware—one of our interdepartmental committees has been asked to look at the precise allegations that have been made. I expect a report in the next few weeks. The time to comment will be when we know the facts, as opposed to press speculation.

Tunisia

4. **Lady Olga Maitland:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on United Kingdom relations with Tunisia. [4588]

The Minister of State, Foreign and Commonwealth Office (Mr. Jeremy Hanley): We have excellent relations with Tunisia and we are looking forward to developing them further, particularly in the commercial sector.

Lady Olga Maitland: What progress has been made in convening an investment conference next spring? Does my hon. Friend agree that, outside of tourism, there are tremendous opportunities for British business men in Tunisia? Bearing in mind that Tunisia is keen to broaden its base away from France, Britain as an English-speaking country is its bridge to a wider world. Tunisia is undergoing economic reform and there are opportunities for us to assist with privatisation and much broader infrastructure projects. British Gas is leading the way. Would it not be wonderful if our business men could now follow?

Mr. Hanley: My hon. Friend is absolutely right. As part of the United Kingdom's contribution to the EU-Mediterranean dialogue, we are financing an in-depth study of Tunisia as a destination for inward investment and, as my hon. Friend says, organising an EU-Mediterranean investment conference in London next March. Plans are well in hand for that conference.

In all our contacts with Tunisians, we are encouraging them to send a high-level delegation and to take full advantage of the conference as a shop window for Tunisian business opportunities. Tunisians at all levels have told us that they are keen to broaden their economic base and to diversify trade beyond their traditional suppliers. In addition, the learning of English is now a regular part of Tunisian education at every level.

Nuclear Test Ban Treaty

5. **Mr. Llew Smith:** To ask the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in preparing draft legislation in respect of a comprehensive nuclear test ban treaty. [4590]

The Minister of State, Foreign and Commonwealth Office (Mr. David Davis): Following the commitment in the Queen's Speech to ratification of the comprehensive test ban treaty, preliminary work on the preparation of legislation has begun.

Mr. Smith: For the comprehensive test ban treaty to come into force, it obviously needs the support of countries such as India. Can the Minister not understand India's reluctance to sign when it sees that we are not serious about nuclear disarmament but are developing our nuclear weapons, particularly Trident, and when just this weekend we launched another Trident submarine?

Mr. Davis: To my surprise, the hon. Gentleman is remarkably uninformed on the matter. In the past 25 years, Britain has reduced the explosive power of its nuclear weapons by some half and the number of warheads by about 21 per cent. In that time, several tactical, maritime and land-based systems have been completely removed from operation. In due course, we shall be down to a single system, the absolute minimum deterrent that it is possible for us to have—the Trident system. Any comprehensive test ban treaty should take on board every country that is capable of testing a nuclear weapon, and India is the one country in that category which has refused to sign the treaty.

Sir Peter Emery: Following the problems on the Indian continent, I gather that, if India does not sign the treaty, Pakistan will not do so either. As every other nation is willing to move in that direction, should we not put every possible pressure on the Indian and Pakistan Governments to join at the start?

Mr. Davis: I understand the point that my hon. Friend is making. The treaty is devised in such a way that it will enter into force when all the relevant countries have agreed. At the moment, seven of the eight countries have signed, so only one remains. My hon. Friend is right: we must get India to sign. That is why, among other reasons, the entry into force mechanism is designed in the way it is, and that is why the vast majority of the United Nations voted for and signed up to that in the negotiation process.

Pakistan

6. **Mr. Heppell:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on British relations with Pakistan. [4591]

Mr. Rifkind: We have good relations with Pakistan. We have been closely monitoring the situation since the President's dismissal of Ms Bhutto's Government. We call on all parties to act responsibly and within the constitution in preparation for the elections announced for 3 February.

Mr. Heppell: I see from my right hon. and learned Friend's reply that he shares the concerns of hon. Members on both sides of the House that at a democratically elected Government have effectively been dismissed by the President. I hope that he can assure us that he will do everything in his power to ensure that the democratic elections go ahead in February to try to bring some stability back to Pakistan and the region.

Mr. Rifkind: Although the dismissal of a Government must be a matter of great regret, it is encouraging that on this occasion the action was taken by the President under the constitution and did not involve the intervention of the armed forces, as has happened on previous occasions in Pakistan. I agree with the hon. Gentleman that the overwhelming priority now is to ensure that genuinely free and fair elections take place, as promised, on 3 February.

Mr. Fatchett: The House will be encouraged by the Foreign Secretary's statement. Will he express to the President of Pakistan the concern of all Members of the House that free and fair elections should take place in early February? Will he make the point that any return to

military rule in Pakistan will damage that country's status and standing? Will he also convey to the President that it is important for Pakistan's future and status that it should have a free and democratic Government with a true respect for human rights so that it can play its full and proper part in the politics of the region?

Mr. Rifkind: I saw President Leghari when I was in Islamabad a few weeks ago. I am satisfied that his objective and intention is, as the hon. Gentleman suggested, to try to ensure a return to an elected Government through free elections in February. One hopes that all in Pakistan will enable that to come about. At this time I have no reason to believe that it will not.

Intergovernmental Conference

7. **Mr. Sheerman:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the latest progress with the intergovernmental conference. [4592]

Mr. David Davis: The intergovernmental conference is progressing extremely well.

Mr. Sheerman: That is very good news indeed. Would it not be better, however, if we had a positive message for our colleagues in Europe that the British Government saw Britain at the heart of Europe? It should be made clear that we mean that and are not just using it as a throw-away line. Is the Minister aware of the recent remarks of the chairman of BMW, who said that the company's decision to invest in the midlands was connected not with our opt-out from the social chapter but with the fact that Britain was seen as a partner in Europe in the coming years? He expressed the view that Britain should sign up as soon as possible not only to the social chapter but to economic and monetary union.

Mr. Davis: On the first part of the hon. Gentleman's question, we do have a positive vision of Europe. Britain wants a decentralised and deregulated Europe which will succeed where it has failed for the past 10 or 15 years—in creating employment. Unlike virtually all the other countries in Europe, Britain has done that extremely well. The hon. Gentleman cites BMW. That company brought that investment to Britain, not to any other European country. It came here, presumably, because of the industrial and labour market environment that we have created in the past 15 years. Many German and other industrial leaders around Europe are clear in their minds that Britain is the best place to invest in Europe. In Jacques Delors' words, Britain is an investors' paradise.

Mr. Wilkinson: Can my hon. Friend tell the House whether there will be any change in the Government's attitude at the intergovernmental conference, following the deposition by the permanent representative of the United Kingdom to the European Union of a protest arising from the imposition of the working time directive on this country? Will it be business as usual at the IGC, and will the working time directive become part of the acquis communautaire?

Mr. Davis: It is not our intention that the working time directive will stay as a part of the acquis communautaire. We have stated clearly that there are two requirements for the IGC to make progress: one is that the directive be disapplied to the United Kingdom; the other is that the loophole created by the directive in the social chapter opt-out be removed. The first stage of that was achieved by tabling our proposal that the health and safety article—article 118(a), as my hon. Friend knows—should be subject to unanimity.

Mr. Gapes: Can the Minister say whether the Government agree with the Foreign Office official who was quoted last week in the press as saying that the approach adopted to the working time directive issue would not work because that is not the way things are done in negotiations in Europe? He said that one must give away something before agreement can be reached, so to remove the working time directive we would have to give something up. What would we give up in its place?

Mr. Davis: At the last negotiation we gave the social chapter opt-out and, in the words of the Prime Minister, until one deal is lived by, it is hard to see another being offered.

Mr. Bernard Jenkin: Why do we not tell our European partners that, until we get a real social chapter opt-out and the working time directive is removed, we shall veto their stability pact? Would that not show that we are serious about stopping the European Community undermining our competitiveness? If we leave it until next year's intergovernmental conference and until after the general election, will it not look as though we are making slightly empty gestures?

Mr. Davis: I thank my hon. Friend for his negotiating advice, but I do not believe that that is the right way to progress the matter. The issue lies at the heart of the IGC. It arose out of the last IGC at Maastricht and it must be dealt with in that context. We have made it clear that there are a number of considerations and conditions to take into account before the European Union can transform itself after the next IGC. We shall not allow it to go forward until the matter is dealt with. That is not an empty gesture: it is a very clear statement of policy, from which we shall not deviate before or after the election.

Mr. Robin Cook: If the Minister believes that the IGC is proceeding very well, why do the Government propose to veto it over the 48-hour directive? Is he aware that a recent poll shows that 78 per cent. of the British public favour people not being forced to work more than 48 hours?

Mr. Jacques Arnold: Weasel words.

Mr. Cook: They are not weasel words—they are the views of the British people. Some 90 per cent. of British people want the right to paid holidays. Is it not time that Britain was represented in Europe by a Government who serve the interests of 56 million British people rather than a handful of Tory Euro-sceptics?

Mr. Davis: I am interested to note that the right hon. Gentleman, like his party, follows the opinion polls carefully. However, he should also examine the questions put in opinion polls. When people were asked who should

make that decision, 70 per cent. of the population said that it was a decision for the British Government and not for Brussels.

Sri Lanka

9. **Dr. Twinn:** To ask the Secretary of State for Foreign and Commonwealth Affairs when a Foreign Office Minister last visited Sri Lanka to discuss the situation there. [4594]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Dr. Liam Fox): My right hon. and learned Friend the Foreign Secretary visited Sri Lanka from 30 to 31 August and I visited Sri Lanka from 25 to 29 September.

Dr. Twinn: I thank my hon. Friend for his reply and his visit to Sri Lanka. Is he aware that grave concern persists about conditions in the Jaffna area and that Tamils living in the United Kingdom are very concerned about the health and welfare of their relatives and friends in that area? Will my hon. Friend make urgent representations to the Sri Lankan Government to take immediate action to sort out the problems in the Jaffna area, restore people to their homes and reinstate peace in the area? Will the British Government take an active role in trying to bring the two sides together and restore peace to the island so that the communities may live in harmony?

Dr. Fox: I am grateful for my hon. Friend's many representations on behalf of his constituents on this subject. Sri Lanka is a beautiful country being ripped apart by an unnecessary and unwinnable war. The conflict there cannot be resolved by military means—it can be resolved only by political means. During my trip to Sri Lanka, we offered to play a facilitating role in talks if both sides were to agree to them. We hope that they will take advantage of our offer and that a political solution will be forthcoming sooner rather than later, before further unnecessary loss of life.

Mr. Gerrard: Has the Minister seen the report produced in August by Amnesty International regarding the situation in Sri Lanka? Although it criticises the Liberation Tigers of Tamil Eelam for some of the human rights abuses, it produces clear evidence of extra-judicial executions, disappearances, torture and arbitrary arrests perpetrated by members of the Sri Lankan security forces. Did the Minister raise those concerns with the Government of Sri Lanka? While we want to see a political solution, such an outcome requires that the Government take action to stop those clear abuses of human rights.

Dr. Fox: I did indeed—and in very clear terms—raise human rights issues while in Sri Lanka, not least some of the reported abuses in Jaffna. It is only fair, however, to say that we have been impressed by the Sri Lankan Government's attempts to try to reduce such activities. I have been worried in recent days by an increasing number of reports of human rights abuses. I had the opportunity this morning to raise the issue again with another senior Sri Lankan politician. It is also necessary to say that the situation cannot be resolved unless a more bipartisan approach is adopted by politicians in Sri Lanka. Nothing is more likely to encourage terrorists than a division between democratic politicians, and the Government are urging politicians in Sri Lanka to work together for a common approach to a political settlement.

Cyprus

10. **Mrs. Roche:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the political situation in Cyprus. [4595]

17. **Mr. William O'Brien:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current situation in Cyprus and the talks involving both parties to reconcile the differences in Cyprus. [4603]

Mr. Rifkind: We are fully committed to United Nations-led efforts to end the long-standing division of Cyprus. My forthcoming visit to Cyprus is designed to help promote those efforts.

Mrs. Roche: I thank the Secretary of State for his reply, and hope that his visit to Cyprus goes well. Does he agree that, since 1974, there has been the continuing problem of the occupation by Turkish military forces, which followed the invasion; the problem of the missing people; the problem of the enclaved people; and the great difficulty of the refugees who have been expelled from their homes? Given that background, does the right hon. and learned Gentleman agree that the British Government should use their best endeavours to persuade Turkey that the solution to this problem lies in Ankara, and that they have a key role to play in this?

Mr. Rifkind: I have no doubt that both Turkey and Greece have an important role to play, but I hope that the solution to the problem lies in the political will that will be shown by both Greek Cypriot and Turkish Cypriot communities and their respective leaders. What makes the problem capable, perhaps, of some progress and potential resolution is that both communities have said that they look forward to the day when Cyprus will be a bizonal, bicommunal federation. If they can agree on the end result, the challenge is how to get from where we are now to that conclusion. I believe that that points towards early negotiations between the two communities, and I hope that they can begin to take place in a serious and considered way early next year.

Mr. O'Brien: The question of Cyprus is very vexing. For more than 21 years, there has been partition and division within the communities. I heard the Secretary of State say that he will visit Cyprus again to try to make some progress in resolving the situation. I impress on him that all the people of Cyprus want an agreement that will give rights back to the people to whom they were denied 21 years ago. I ask him to be more firm, more determined, in bringing about a settlement. I hope that, in 21 years' time, we will not be talking about the same issue. Can he give an assurance that there will be a genuine approach to trying to resolve it?

Mr. Rifkind: I strongly agree with the hon. Gentleman. It is not a question of visiting Cyprus again; there has not been a visit to Cyprus by a British Foreign

Secretary since the 1960s, apart from the Commonwealth Heads of Government meeting in Nicosia. It is precisely because I believe that that policy, which has been pursued over a long period, is no longer appropriate that it is necessary—in order to encourage Greek and Turkish Cypriots to have dialogue with each other—for us and for others of good will to have dialogue with both communities in Cyprus. I believe that we have an opportunity now to see some real progress.

Sir Anthony Durant: When my right hon. and learned Friend visits Cyprus, will he foster the idea of greater inter-community relations—for example, the opening of Nicosia airport, improved telecommunications and the opening of the border so that people may cross from one side to the other, all of which would create a better atmosphere?

Mr. Rifkind: I very much agree that this is an important priority. There is the additional dimension that Cyprus has applied to join the European Union. When the negotiations begin, as we hope they will, later next year, it will be extremely important to be able to say to the European Union that the Cyprus that we hope one day will join will be a united Cyprus. Without a united Cyprus, the problems of accession to the European Union will be extremely difficult, and very difficult to realise.

Mr. John Marshall: May I congratulate my right hon. and learned Friend on being the first Foreign Secretary to visit the island for over 30 years? May I congratulate him also on the appointment of Sir David Hannay? Does my right hon. and learned Friend agree that the despicable murders that took place earlier this year underline the need for the division of the island to end at the earliest opportunity? There was a disgraceful misuse of power by the Turkish troops.

Mr. Rifkind: The killing that took place earlier this year demonstrates the fragility of the situation on the island. The United Nations has done an extremely good job over the years. Interposing UN force between the two communities has largely preserved the peace, but it may also have been instrumental in removing some of the pressure from both communities to resolve their political differences and to reach a constitutional settlement.

I believe that it is necessary for the international community to make a special effort to work with all those on the island, of both communities, who recognise the need for a solution, and who also recognise that the well-being of all the people of Cyprus will always be thwarted as long as the island is dominated by an artificial division, by the presence of a large number of foreign troops and by an inability to achieve a political solution to the needs of both communities.

Ms Quin: May I, too, welcome the Foreign Secretary's visit to Cyprus, which follows the visits by various Opposition spokespeople, including me? May I remind the right hon. and learned Gentleman that we have granted Turkey a favourable arrangement with the recent customs union agreement? The closer relationship which Turkey has with the European Union should surely be accompanied by an acceptance by Turkey that it has no veto over Cyprus's membership of the European Union, and a willingness to begin military disengagement from the island so as to start to create the conditions for peaceful reunification.

Mr. Rifkind: I agree with the hon. Lady that that must be part of the process. We know, however, that that cannot in itself resolve the problems. There must be real political will on the part of Mr. Clerides and Mr. Denktash and those who work with them, from each of the communities, to address the real issues in moving towards achieving a bizonal, bicommunal federation. If both can agree on what the end result should be, it should not be beyond the means of either leader, or their followers, to negotiate and resolve the details in determining how they can reach that conclusion.

East Timor

11. **Mrs. Clwyd:** To ask the Secretary of State for Foreign and Commonwealth Affairs what financial assistance is being given by Her Majesty's Government to the Indonesian transmigration programme in East Timor. [4596]

Mr. Hanley: We give no financial assistance to the Indonesian transmigration programme.

Mrs. Clwyd: The Minister continually says that to the House, but is it not absolutely untrue? The Government give money out of overseas aid to the Indonesian transmigration programme. There are several projects, three of which I could name, that the Government are aiding. Is that not to be deplored? It means moving a population out of Java into East Timor to dilute the indigenous population, so, if and when there is a referendum on the future of East Timor, the population will have been diluted. Are the Government not misleading the House and acting illegally under the Overseas Development and Co-operation Act 1980?

Mr. Hanley: I believe that the hon. Lady is mistaken. There has been no UK involvement in the transmigration programme since 1989.

Mr. Nicholls: Does my right hon. Friend discern in the hon. Lady's question a wider agenda of constantly seeking to denigrate the Government of Indonesia? It is suggested that human rights abuses, which certainly have taken place in Indonesia in years past, are not being properly investigated. Will my right hon. Friend take this opportunity to say that, whatever comparisons might be made between this country and Indonesia, the Indonesian Government have certainly taken on board the criticisms which have been made of them in the past by the international community? The interests of the people of Indonesia, in its entirety, would be better served if right hon. and hon. Members on both sides of the House gave due credit for what has been done, instead of constantly sniping at and denigrating a democratic Government who are trying to do their honest best.

Mr. Hanley: My hon. Friend makes some extremely good points. I believe that his approach is a balanced one. Britain is the largest European investor in Indonesia. We consider it to be a bilateral relationship of considerable significance. Indonesia is, after all,

the fourth largest country in the world. Its size and strategic location make it a major player in south-east Asia, and it is a growing market for British exports. In 1995, the value of those exports was £525 million, and the figure rose by 68 per cent. in the first nine months of 1996.

Indonesia plays a leading role in the multilateral arena. Yes, there are troubles in Indonesia; yes, we refer to any breaches of human rights on every occasion that we meet Indonesian Ministers; but as my hon. Friend says, progress has been made, and that will continue.

Arms Sales

12. **Mr. Barry Jones:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent advice his Department has given to other Government Departments about Government policy on arms sales. [4597]

Mr. David Davis: We give regular advice to other Government Departments on the foreign policy aspects of arms sales to other countries. It is the Government's policy to encourage legitimate exports of arms and military equipment unless there are compelling foreign, security or defence policy reasons not to do so.

Mr. Jones: What action is the Department taking to ensure that France and Germany sign up to and order the future large aircraft? The wings of the European Airbus aircraft are made by 2,500 of my constituents, who are desperately anxious to know the future and status of that military project. Can the Minister help?

Mr. Davis: The hon. Gentleman has a legitimate and sizeable constituency interest in that project. He may not know that, a few weeks ago, my right hon. Friend the Prime Minister and I visited the Airbus Industrie factory in Toulouse on the day that it won the huge order from US Air. I wholeheartedly approve of that European project: it is extremely successful.

After that meeting, we went to the summit in Bordeaux attended by the French President. The matter was raised with him, and it was agreed that both countries had a significant interest in the project. We understand that it will be discussed by the French and Germans on 9 December. For our part, we continue to press hard to ensure that the project is put on a commercial basis so that it will be successful. That is what we all want to achieve.

Mr. Viggers: Does my hon. Friend agree that the experts on the export of military equipment are the manufacturers themselves? Many of them, such as Basys Technology in my constituency and Vosper Thornycroft, have been extremely successful not only in selling military equipment, but in diversifying into civilian activity. Does he agree that the last thing those successful manufacturers want is the Government, through an agency, telling them what to do, and telling them to diversify into civilian products?

Mr. Davis: My hon. Friend is right. That is the best way to ensure that we preserve jobs. They are the best people to make those decisions, bearing in mind the defence, security, foreign policy and human rights constraints to which I referred.

Iraq

13. **Mr. Campbell-Savours:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he next intends to meet his American counterpart to discuss Iraq. [4598]

Mr. Hanley: My right hon. and learned Friend the Foreign Secretary discussed Iraq with Mr. Christopher on many occasions. There are no plans for a special meeting at this stage.

Mr. Campbell-Savours: To what extent has the relationship between Her Majesty's Government and Mr. Barzani been compromised or in any way influenced by his decision to ask Saddam Hussein for support during the recent conflict?

Mr. Hanley: I believe that there has been no change in our relationship.

Sir David Steel: While the Minister is waiting to find out who his American counterpart will be, is it the intention to revive the plans for humanitarian assistance to the people of Iraq, especially the children, that were interrupted by the renewed confrontation with Saddam Hussein?

Mr. Hanley: I thank the right hon. Gentleman for his question. The Sanctions Committee meets today, and I hope that United Nations Security Council resolution 986 will be implemented so that much-needed humanitarian aid can be given to the people of Iraq. That aid has been held up by Saddam Hussein. He will soon be able to receive $1 billion every three months. That will provide—not before time—a total of $2.5 billion-worth of humanitarian aid to the people of Iraq.

Zaire

14. **Mr. Hanson:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he next expects to meet representatives of the United Nations to discuss the refugee crisis in Zaire. [4599]

Dr. Liam Fox: Our permanent representatives to the UN in New York and Geneva are in regular contact with the UN secretariat, members of the Security Council and representatives of UN agencies regarding the situation in eastern Zaire.

Mr. Hanson: I welcome what the Minister has said, and what the Foreign Secretary said earlier, but is there not a need for a political solution, as well as military activity in terms of the humanitarian effort? What new initiatives will the Government take with the UN, both in New York and on the ground with the special envoy, to ensure that a political solution is reached?

Dr. Fox: First, let me say how grateful the Government are for the efforts of the European Union and UN special

envoys. We are in constant touch with our partners, and with UN agencies. Any political solution, however, must be regionally based. There is no point in even attempting an imposed solution; the solution must be developed by the states in the region. We cannot impose a solution on African states: the solution must come from those states themselves.

European Parliament

15. **Mr. Whittingdale:** To ask the Secretary of State for Foreign and Commonwealth Affairs what was the total annual cost of the European Parliament in 1995–96; and if he will make a statement. [4600]

Mr. David Davis: The provision for the European Parliament in the 1996 EC budget is 803 million ecu, or £617 million. The provision in the 1995 budget was 843 million ecu, or £648 million. Final outturn figures for 1995 are not yet available.

Mr. Whittingdale: Can my hon. Friend confirm that the figure that he has just given represents approximately £1 million for each Member of the European Parliament? Does he think that that represents value for money?

Mr. Davis: The costs are very high. I find myself in the interesting position of defending the European Parliament on this issue.

Mr. Nicholas Winterton: Why?

Mr. Davis: Because, unlike our Parliament, the European Parliament has 11 languages to translate. That is pretty expensive. It also pays rent, which we do not, and must bear travel costs between three locations.

Having said that, I must add that we try at every turn to ensure that we get value for money from all institutions. That is one reason why we gave more powers to the auditors at Maastricht to look into the cost of institutions. It is worth saying that the budget for this year is 5 per cent. down on last year's.

Rev. Martin Smyth: The Minister referred to travel costs. Has there been any suggestion that there should be a Nolan commission to keep a check on MEPs' travel costs? Is any investigation of leakages from any of our Commissioners in Europe going on?

Mr. Davis: The President of the European Parliament, Mr. Hänsch, has taken on board some of the points made in the press and on television recently, and has undertaken to investigate them and resolve the matter. He obviously does not want the European Parliament to fall into disrepute.

European Union

16. **Mr. Fabricant:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the impact of membership of the European Union on the implementation of the policies set out in "Free Trade and Foreign Policy: a Global Vision", Cm. 3437; and if he will make a statement. [4601]

Mr. Rifkind: The European Union has the capacity to make a decisive contribution to global trade liberalisation. It did so in the general agreement on tariffs and trade Uruguay round, and we shall do all we can to ensure that it continues to do so in the future.

Mr. Fabricant: I thank my right hon. and learned Friend for his answer. Do I take it from that answer that the publication of the "Global Vision" document does not mark a shift in Government policy? Would it not be a good thing for the nation if we recognised even more that growth areas are in North America and the far east, and that, sadly, economic decline still exists in continental Europe?

Mr. Rifkind: One of the most important priorities for the European Union is to achieve competitiveness, and not to initiate policies that are likely to retard economic growth. The fact that the United Kingdom is doing so relatively well in comparison with other continental countries indicates what we believe to be the priorities that the European Union should follow.

China

18. **Mr. Pawsey:** To ask the Secretary of State for Foreign and Commonwealth Affairs when was the last time he met the Chinese Foreign Secretary to discuss Anglo–Chinese relations; and when he expects the next meeting to take place. [4604]

Mr. Hanley: My right hon. and learned Friend the Foreign Secretary has met Foreign Minister Qian three times this year, most recently on 26 September. I have also met Mr. Qian twice this year, most recently in Peking on 2 September. My right hon. and learned Friend expects another meeting early next year.

Mr. Pawsey: I thank my right hon. Friend for that very full reply. Can he confirm, however, that the discussions that have taken place between him and our right hon. and learned Friend and the Chinese Foreign Minister covered trade issues generally? If so, can my right hon. Friend say whether there is any way in which we might expand the trade relationship that exists between the United Kingdom and China, especially in regard to heavy electrical engineering?

It may help my right hon. Friend to know that I have at the back of my mind the company known as GEC Alsthom, which provides probably the finest heavy electrical equipment in the world.

Mr. Hanley: My hon. Friend is absolutely right, particularly on his last point. There has been a very full programme of visits between Trade Ministers. Madame Wu Yi, the Minister of Foreign Trade and Economic Co-operation, came to the United Kingdom in February this year, and Vice-Premier Li Lanqing visited us only last month, at the invitation of my right hon. Friend the Deputy Prime Minister. My right hon. Friend made an excellent visit to China, with the largest group of British business men to visit China in history. UK exports to China continue to grow.

China is a major market for UK manufacturers of electrical and engineering equipment such as GEC. Recent GEC project successes in China were responsible for a significant share of the UK's £512 million-worth of

direct exports of machinery and transport equipment to China last year. I am very pleased to confirm that we have now opened our consulate general in Guangzhou, which is in addition to our consulate general in Shanghai. That shows that we are trying, in a direct way, to help British business in China.

Dr. Godman: When the Minister last met representatives of the Chinese Government, did he take the opportunity to voice his severe disapproval of the continuing violation of human rights of indigenous Tibetans? Surely he knows that many Buddhist monks and nuns are serving long sentences of imprisonment. They have been treated brutally simply because they have voiced their concerns about the autonomy that they wish to be returned to their country.

Mr. Hanley: I agree with the hon. Gentleman, and I can confirm that human rights issues in China, including the situation in Tibet, are a matter of deep concern for the Government. We regularly express our concerns about those issues to the Chinese authorities. My right hon. and learned Friend the Foreign Secretary did so during his meetings in Peking with Chinese leaders in January, and with Qian Qichen in The Hague on 20 April. I expressed our concerns during my visit to China, in September, and again—as the hon. Gentleman asks directly—with Vice-Premier Li Lanqing in London on 5 November. We have also taken action with our European partners, and co-sponsored a resolution on human rights in China, including Tibet, at the 52nd UN Commission on Human Rights, in April.

Mr. Nicholas Winterton: My right hon. Friend has been very helpful to the House in the information that he has given us today, but will he tell us just how much assistance the British Government have given to companies exporting to China? Although I should like our trade with China to increase—it is a very valuable customer, and it will be a growing customer—I do not think that any hon. Member would like to underestimate the eventual impact of the Chinese economy upon the world, or China's ability to flood the world market with a range of manufactured goods, undermining even further our own manufacturing base.

Mr. Hanley: I understand my hon. Friend's point. It is important that we should remember that, potentially, China can be an extremely good market for British goods, but that threats can be posed by restricted or supported trade. My hon. Friend is absolutely right: we should ensure that we have the freest possible world markets and that they are not flooded by subsidised goods.

Mr. MacShane: When the Minister meets representatives of the Chinese Communist Government, will he make clear Britain's concern about the political refugees from communism who are now in Hong Kong? He may have heard yesterday the interview on the "Today" programme with Han Dong Fan, the trade union leader who, after next July, faces arrest and disappearance. Will he make it clear that the Government expect political refugees in Hong Kong not to be harassed, arrested or persecuted after the end of next June?

Mr. Hanley: Yes, indeed. Those issues are raised with the Chinese authorities regularly. The status of such people in Hong Kong is a matter of concern to us. We are still working on that matter.

Japan

22. **Mr. Viggers:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received from bodies committed to the promotion of United Kingdom–Japanese relations. [4608]

Mr. Hanley: I follow closely the excellent work done by a number of groups and organisations for the promotion of United Kingdom-Japanese relations, including the Anglo-Japanese Parliamentary Group, the UK-Japan 2000 Group and the Japan Society.

Mr. Viggers: Does my right hon. Friend agree that relations with Japan are excellent, embrace a wide range of educational and cultural links, and that trade has been improved recently by the Action Japan campaign, following other campaigns? In his discussions with his Japanese counterparts, will he nevertheless continue to bring pressure to bear on them to ensure that there is continued liberalisation of financial services, a sector in which the United Kingdom can make a major contribution to the Japanese economy, thus helping them and us?

Mr. Hanley: I thoroughly agree with my hon. Friend. The Action Japan campaign was launched in 1994 to promote British exports to Japan and give practical help to British firms. By the end of 1995, our exports had increased by 26 per cent.—to a new record level of more than £3.7 billion. In the first nine months of this year, there has been a further increase of nearly 15 per cent.

I believe that the relationships that we have with Japan are excellent. Japan is now Britain's largest export market outside Europe and the United States. About two thirds of British exports to Japan are capital goods and industrial components, but the market that my hon. Friend mentions is important and we must encourage further liberalisation in that regard.

Mr. Faulds: May I pay respects to the excellent work that the hon. Member for Gosport (Mr. Viggers) has done in terms of British-Japanese relations, but may I urge the Minister—and the hon. Member for Rugby and Kenilworth (Mr. Pawsey)—that it is quite inappropriate to refer to any relations as Anglo anything? It is British relations with whatever the organisation or the country is.

Mr. Hanley: I join the hon. Gentleman in paying tribute to my hon. Friend the Member for Gosport (Mr. Viggers). I take the hon. Gentleman's strictures on the latter matter, and I shall try not to err so often.

Intergovernmental Conference

26. **Mr. Bernard Jenkin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to table proposals at the forthcoming intergovernmental conference to reverse the process of legal integration in the European Community. [4612]

Mr. David Davis: I congratulate my hon. Friend on getting two bites of the cherry.

Areas of European Union activity such as the single market require a common legislative framework. Other areas—such as foreign policy and justice and home

affairs—do not. The treaty broadly reflects those differences in its pillared structure. We will oppose any erosion of that structure.

Mr. Jenkin: If my hon. Friend is to reverse the process of the imposition of the working time directive and to ensure that something similar does not happen in future, should not he congratulate himself, to start with, on his prescience in the White Paper, "A Partnership of Nations", which talked about limiting Community actions where they overstep the mark—but does not that require removal of sections of the treaty, not just changes in voting procedures?

Mr. Davis: I think that my hon. Friend's question said the reverse. In our actions on the issue of the working time directive, we are seeking to put things back to where we believed they were at Maastricht—and where everyone else appeared to believe they were at Maastricht—which appears to have been undermined now. I regard that not as a reversal, but as a preservation of what we have.

Mr. McNamara: Does the hon. Gentleman agree that, on justice and home affairs, there should be European common standards to deal with such things as the Mafia, drug imports, terrorism and extradition? They are the proper areas in which a European Community should have a role in establishing common standards and common systems to ensure that all the citizens of Europe are not subject to the depredations of people involved in those activities.

Mr. Davis: I agree that the peoples of Europe should not be subject to the depredations of the activities that he mentioned. The hon. Gentleman and I have come to a similar common conclusion on Northern Ireland in the past. However, that common aim should be advanced not through the theology of the European Court and the first pillar, but through proper intergovernmental co-operation. For example, in the first six months of operation of the Europol drugs unit—an entirely intergovernmental body—there were 500 or 600 requests for information, and 1,400 pieces of information were provided. That was information not on small aspects of criminality, but on major drug crimes. That shows what can be done through properly applied intergovernmental action.

Mr. Jessel: Can my hon. Friend say whether legal integration includes integration of laws on the free movement of goods within the European Union? If so, what are we to think of French people being allowed to blockade their ports so that they can get pensions at 55, to block their roads with tractors, or even to set fire to lorries containing British live animals for export? Will the Government think long and hard before increasing our involvement with such a lawless people?

Mr. Davis: We are all horrified at the effects on British drivers and British companies of the action by French trade unions. It is most reminiscent of the behaviour of trade unions in Britain under the last Labour Government.

Local Government Finance

3.30 pm

The Secretary of State for the Environment (Mr. John Gummer): With permission, Madam Speaker, I should like to make a statement about the local authority finance settlement for England for 1997-98.

In forming my proposals, I have considered the pressures that local authorities will face in the coming year and I have listened carefully to the views of the local authority associations. I have taken account of the important functions for which local government is responsible and weighed carefully the interests of local citizens in the services that they have a right to expect and the taxes that they have to bear.

The Government remain committed to rigorous control of public expenditure, as my right hon. and Learned Friend the Chancellor of the Exchequer made clear yesterday. I am pleased that this year my statement comes the day after the Budget statement, because what I have to say is a continuation of yesterday's message of good government. The Government have inflation firmly under control, with underlying inflation remaining very low. Even if this settlement did no more than confirm the figures in last year's Budget, it would be worth significantly more for local government spending than was envisaged because of the good housekeeping of this Government and because of the underlying low inflation rate.

Local government accounts for almost a quarter of general Government expenditure. It would be absurd to imagine that within this large total there was no room for greater efficiency—*[Interruption.]* It would be absurd to imagine it and I note which hon. Members are therefore imagining it. I make no apology for the fact that we have pursued such efficiencies vigorously, but I also assure hon. Members that we approach our assessment of what is needed to maintain key services with equal vigour.

This is the background to the aggregate figures that I published yesterday. The Government's view is that the appropriate level of total standard spending—TSS—for local authorities in England in 1997-98 will be £45.66 billion.

My right hon. Friend the Secretary of State for Health will be making a separate announcement on resources for community care. My right hon. and Learned Friend the Home Secretary will be making a separate announcement on resources for the police. Both are included in the figure that I have just quoted. The TSS figure is adjusted to take account of the move to vouchers for under-fives education provision. The figures also take account of other changes in local government functions. Provision of £150 million has been made for the transitional costs of local government reorganisation.

My proposal, including provision for community care, reorganisation costs and the police, provides for a 2.5 per cent. increase in local authority spending year on year. In distributing this provision, we have, as usual, adjusted provision for capital financing to bring it in line with authorities' need to spend.

In allocating TSS between services, we have decided to give priority to education, the police, and the fire service. My proposal is that, after adjusting for vouchers and changes in function, education standard spending should increase by £633 million, or 3.6 per cent. In addition, under the new voucher scheme, education authorities will attract voucher income if their schools are favoured by parents.

I will ensure, as last year, that authorities can actually spend the increase in their education provision. Each local education authority must set its own budget and reach its own decision on how much money goes to schools. However, if an LEA decides not to spend the money that we have allowed, it will have to explain that decision to an electorate who have made it increasingly clear that education is a priority.

The settlement also provides year-on-year increases, after adjusting for changes in function, of 4.2 per cent. for fire services. The provision of £150 million for transitional costs of reorganisation will cover the new tranche of reorganised authorities as well as remaining costs in those areas reorganised already.

I want to forestall some of the nonsense that often comes from Opposition Members. They compare TSS for this year not with TSS for last year, but with budgets. That is analogous to comparing a person's weekly basic wage for this year with his weekly wage plus his overtime plus any bonuses for last year. It is not surprising that the two are different. We have to compare like with like. *[Interruption.]* The very fact that the Opposition will not listen reminds us that they were intending to do what they have tried to do in the past. We need to compare this year's TSS with last year's TSS, in the knowledge that local authorities have other resources from balances, fees and charges and interest receipts, and now the extra money that successful schools will get from nursery vouchers. Therefore, they will budget at a different level. That always happens. The budget of a local council is greater than the TSS simply because local authorities have other sources of income. Therefore, we always compare budget with budget and TSS with TSS—a basic financial problem that most hon. Members understand.

To put the difference in context, last year English authorities budgeted for revenue expenditure some £2.5 billion above TSS. I should like to score a first this year by ensuring that all sides of the House compare like with like.

Now I want to turn to how much assistance local authorities will get from the non-domestic ratepayer and the national taxpayer—*[Interruption.]* When I was a Whip, Whips did not spend their time talking.

Together their contribution will total £35.77 billion. Within that figure the distributable amount of non-domestic rates in 1997-98 should be £12.03 billion, and I am today publishing the detailed basis for the distribution. I propose that the revenue support grant should be £18.69 billion. In addition, some £5.05 billion of specific and special grants will be available. The total revenue support grant for England on which I am consulting may need to be altered slightly if the balance of the police funding formula between Welsh and English police authorities changes as a result of consultation.

I turn now to the means of distributing revenue support grant. At its heart is the standard spending assessment for each authority. The House will know that the SSAs are made up of a whole series of elements, each of which has been crawled over by the local authority associations and the Government. The individual factors reflect the concerns of different authorities. Rural areas are most

[Mr. John Gummer]

interested in the sparsity factor. Closely packed urban areas are interested in the density factor. According to independent experts, the system may be the most sophisticated anywhere in the world. *[Laughter.]* The reason why the system is the most sophisticated is that it seeks to help people in need and ensure that no place gets less than it ought in order to provide the services that we want to be carried out. The Labour party evidently wants an unsophisticated system—one that does not help people according to their need.

The corollary of the system being the most sophisticated in the world is that, every year, new population and other changing factors are taken into account, and there is usually pressure to review particular factors. Last year, I announced that we would be reviewing the area cost adjustment; we would commission research on the effects of sparsity and density of population on the cost of local authority services and the Department of Health would receive the conclusions of research relating to the social services SSA.

All that work was completed by the summer and has been discussed in detail with the local authority associations. We also had the benefit of research commissioned by local government on some of those subjects. The Department of Health has thus received a very full examination. Nevertheless, there remain strong differences of views within local government about the merits of what has emerged from the work.

In assessing the findings and responses, I wanted to be confident that any changes would represent an improvement in the standard spending assessments. I have to say that it has been difficult to reach that view. I believe that all the work has been valuable in improving the understanding of the issues in central and local government and has made plain how difficult some of them are, but it is clear that further work will be needed on some of the issues if we are to reach conclusions with sufficient confidence. I shall deal with each of the main studies in turn.

The review of the area cost adjustment must be the most comprehensive examination of the subject that has been undertaken. I am grateful for the considerable contribution of the local authority associations and groupings and their researchers. Two of the local authority associations found the review's general approach convincing, but seek further refinements of particular aspects. The other two associations were unconvinced.

Many individual authorities have made strong representations both for and against. The associations, however, were unanimous that they did not wish the recommendations of the review to be introduced for 1997-98. We have therefore accepted that view. *[Laughter.]* The Labour party might note that all the associations are Labour-controlled. It is therefore curious that it should laugh at their unanimous decision, but there we are. The Labour party appears to cover all embarrassment with laughter.

We shall wish to discuss with the associations what further work, based on the research on the area cost adjustment, will be necessary to resolve areas where there are clear concerns about the report's analysis. I am not sweeping the report of the review off the table. It has been very valuable, but it needs to be developed, and further analysis is required before we can come to a clear view on the way forward and there is a reasonable consensus of support among local authority organisations.

We had the benefit of three research reports on the effects of sparsity of population on the cost of providing local authority services. Members who represent rural constituencies will know how important that is to their assessments. The research commissioned by the Department was supplemented by research conducted for the sparsely populated authorities and the metropolitan authorities. We have also received a great many representations on the subject. The conclusion of the research commissioned by the Department was that the present allowances for sparsity of population in the SSAs for education and for what are known as "other services" were about right. We therefore propose to leave the sparsity allowances unchanged for 1997-98.

The Department of Health commissioned two research studies in connection with the SSAs for personal social services. The research relating to social services for children proposed radical change. We needed to be particularly sure that the changes were justified, given the substantial effects on SSAs that they implied for some authorities. We had sympathy with those who felt that the general approach might help us to improve this element of the SSAs, but the analysis on which the recommendations were based is very novel in the SSA context, and has yet to command wide support in the local authority world. More time will be needed, I believe, for local government and its advisers to examine the new techniques, satisfy themselves as to their appropriateness and pursue the points of concern that have been raised. The Department of Health intends to take this forward in 1997.

The Department of Health also commissioned research on residential social services for the elderly. I believe that research has taken us some way towards an improved formula. Again, there remain areas of doubt where the arguments for and against might be easier to resolve if more work was undertaken. If those areas of doubt can be tackled successfully, we shall consider the research proposals again in the next round.

We nevertheless believe that we should continue to refine the SSAs where we can be sufficiently confident that we are making improvements. We are therefore proposing a number of changes of this kind, but their effect on the SSAs is noticeably less than the changes we introduced a year ago. I would mention, in particular, the formula for the police standard spending assessment where a number of improvements have been possible, following the collection of new data by the police service.

Lastly, there are changes to the SSA for the education of children under five, to take account of the introduction of nursery vouchers nationally from next April. We propose that the SSAs for all authorities should be adjusted in a similar way to those of the four authorities that conducted phase 1 of the nursery voucher scheme this year. That method of adjustment ensures that authorities can replace the reductions in SSAs by a similar amount of income from vouchers, if they continue to attract as many four-year-olds as in recent years.

I propose to continue damping the effect on the council tax of past changes in the way SSAs are calculated. Although fresh SSA changes will be small, I propose that

they too should be damped. The threshold for damping will be 2 per cent., as last year. Once again, there will be separate schemes for police and non-police authorities.

I also propose to repeat this year's scheme to damp council tax increases directly attributable to reorganisation, above a threshold that I shall set. The scheme would damp such council tax increases that exceed a threshold of £104, or £2 a week, at band D for authorities subject to reorganisation from April 1997. It would also provide for a second year of damping for authorities reorganised this year, by damping such council tax increases where they exceed a threshold of £130, or £2.50 a week, at band D.

The council tax is well established as an equitable means whereby local residents contribute to the cost of local services. Council taxes vary widely, depending on the spending decisions of each local authority and its performance in collecting the tax, which is very important. Variations also occur in the circumstances of each household, and on individual entitlement to exemptions or benefits. There is therefore no real significance to be attached to the concept of average taxes within or between authorities.

However, I am required to identify notional taxes for each valuation band, for a standard level of spending—the so-called council tax for standard spending or CTSS. My proposals incorporate a CTSS for band D of £591. I would emphasise to the House that that is merely an element in the grant distribution formula. It is neither a prediction of individual council tax bills nor a national average.

We remain determined that local authorities should make a full contribution to the control of public expenditure and set budgets that their local taxpayers and the country can afford. I am today announcing my provisional capping principles for 1997-98. I am also issuing proposals for the calculation of notional amounts for those authorities whose boundaries or functions will change from 1 April 1997.

Those include constituent authorities of national parks; local education authorities, to take account of the introduction of the nursery voucher scheme; and the reorganised authorities of Bedfordshire, Luton, Buckinghamshire, Milton Keynes, Derbyshire, Derby City, Dorset, Bournemouth, Poole, Durham, Darlington, East Sussex, Brighton and Hove, Hampshire, Portsmouth, Southampton, Leicestershire, Leicester City, Rutland, Staffordshire, Stoke-on-Trent, Wiltshire and Thamesdown. The notional amount is the base from which I will measure the increase in budget in determining whether that increase is excessive.

My provisional capping principles themselves make allowance for expenditure on community care which is being met this year by the special transitional grant; the introduction of a new metropolitan railways passenger services grant payable next year to passenger transport authorities; the removal of discretionary non-domestic rate relief from the capping regime; the capital limits for residential accommodation charges grant payable this year; and the transfer of voluntary schools into the state sector to be maintained by local education authorities. These adjustments are necessary to make a fair year-on-year comparison of budgets. Subject to these and other technical adjustments affecting individual authorities—*[Interruption.]* The adjustments are of considerable importance to hon. Members—including Opposition Front-Bench Members.

As in previous years, when authorities set budgets that are 12.5 per cent. or more above their standard spending assessment, the proposed principles will not permit them any increase over their 1996-97 base budget. For shire districts, I propose that the principles should be the same as last year. For all other authorities budgeting up to 12.5 per cent. above their SSA, I propose a continuation of passporting.

This means that an authority will get an increase which is the greater of the increases compared to 1996-7 in the authority's SSAs for education, police, personal social services, fire and revenue support for private finance initiative projects, and a flat rate year-on-year increase compared with its 1996-7 base budget. *[Interruption.]* Labour Members demanded that councils be able to spend the money that we allowed them to have, and they also demanded passporting. We have now given them passporting, which they either do not like or do not understand. I rather think that it is a mixture of the two.

I propose that the flat rate increases should be as follows: for county councils, outer London boroughs and the City of London, I propose that the year-on-year increase should be limited to 2 per cent; for inner London boroughs, metropolitan districts, unitary authorities and the Isles of Scilly, I propose that the increase should be limited to 1 per cent; for police authorities outside London, I propose that the increase should be limited to 3.2 per cent.; for the London and metropolitan fire and civil defence authorities, I propose that the increase should be limited to 3 per cent. These principles are necessarily provisional and I cannot take my decisions on capping until authorities have set their budgets. When I come to take those decisions, I shall, of course, take into account all relevant considerations.

My Department is today writing with the details of the settlement to every local authority in England. That package includes a consultation paper that sets out how we propose to distribute central Government support between authorities, including my proposals on SSAs and damping. It sets out my provisional capping criteria, and includes my proposals for notional amounts. Copies of this package have been placed in the Vote Office and the Library.

The principles that I have outlined today represent a balanced and reasonable response to the conflict between the pressures to provide more resources for local government and the need to control public spending. They provide for a 2.5 per cent. increase in local authority spending, including community care and the transitional costs of reorganisation. They incorporate improvements in the way the available resources are allocated, without major turbulence. They allow council taxes next year to be set at reasonable levels. They represent a package which the country as a whole can afford.

Sir Patrick Cormack (South Staffordshire): Madam Speaker, would you consider suspending the sitting for half an hour to allow hon. Members to study the figures?

Madam Speaker: I noticed that there was some unrest in the House, because hon. Members were obviously,

[Madam Speaker]

and quite understandably, puzzled by the figures that were used without documentation. I have great sympathy for them.

Mr. Frank Dobson (Holborn and St. Pancras): The somewhat lengthy and complicated statement that we have just heard, combined with the Budget statement yesterday, forms a prime example of this Tory Government giving with one hand and taking away with the other.

Will the Secretary of State confirm that the figures issued by his Department show that the Government plan to force council tax payers to cough up an extra £4 billion in the next three years, a figure equal to 2p on the standard rate of income tax or £200 extra council tax per family? Will he confirm that the official Government documents make it clear that the council tax will go up next year by an average of 6 per cent. or more in England, equal to £40 extra council tax per household? Will he confirm that, despite these council tax increases, the Government's target for council spending next year is nearly £2 billion short of what the councils are actually spending this year?

Will the Secretary of State confirm that his figures make no allowance for inflation, the cost of pay increases or the cost of providing extra services for the growing number of old people and of children at school? Will he confirm that the Government have not provided £633 million extra for education but have simply told councils that they can spend more? They have not given them the money, despite the need to educate 54,000 extra school children in the coming year.

Will the Secretary of State confirm that education authorities are already spending £750 million more than the Government think they should? Is it not true that, if education authorities were to limit their spending next year to the level set by the Government, schools would have to reduce their spending by £41 per pupil? Will he confirm that the capping levels that he has announced today will bear most heavily on education authorities, especially metropolitan districts and unitary authorities, including Bury, Birmingham, Coventry, Wolverhampton, Calderdale, Bristol, Stockton-on-Tees, North Lincolnshire and North East Lincolnshire, and that they will also bear heavily on counties? How does he expect that to improve educational standards?

Yesterday, the Government announced massive cuts in the housing investment programme, having denied them on Monday. How much will that decision add to councils' costs, as more and more families have to be housed in expensive, unsatisfactory, temporary bed-and-breakfast accommodation instead of being housed more cheaply in permanent, purpose-built, decent homes?

Will the Secretary of State confirm that, when he talks about "other sources of income" he means that he intends to force councils to force parents to pay more for school meals, to force disabled people to pay more for home helps and pensioners to pay more for meals on wheels, so that local people will once again have to pay more and get less?

Will the Secretary of State confirm that that is all part of the Government's long-term strategy, as stated by the head of local government finance in his Department, who said that council tax payers would have to

"take more of the strain of paying for local services"

and added:

"the downside is that your taxes go up sharply"?

Will the Secretary of State now abandon the Government's rigging of the grants system to give extra help to Tory Westminster council, which is being allowed to spend an extra 16 per cent. this year, compared with a national average in comparable districts of about 2 per cent., at a time when council tax payers in Westminster already meet only 4 per cent. of the cost of their council services, compared with the 25 per cent. met by council tax payers in the rest of the country? Does he genuinely expect Conservative Members to continue to vote for that gross inequity in the run-up to the general election?

Mr. Gummer: That was such a farrago of misconceptions, misrepresentations and plain failure to listen to what I said, that it is difficult to respond. I know that there are complexities, Madam Speaker, and I remind you that this was a simplified version of exactly the sort of statement that we have had before, because I acknowledge that it is a complicated matter and I want to make it as easy as possible. You are perfectly right, Madam Speaker, to point to the complexity of the system.

The hon. Member for Holborn and St. Pancras (Mr. Dobson) said that there would necessarily be increases in council taxes that would be equivalent to 2p on income tax and cost the average family about £5 a week. That is not what Sir Jeremy Beecham said; he said that there would be a 6 per cent. increase, amounting to 75p a week. The previous time that Sir Jeremy Beecham made a prediction, his figures were almost double the actual rise.

The Labour party has it in its hands to decide what the rise or non-rise will be, because it runs most of the local authorities, which decide the level of council tax. The Labour party is busy trying to predict rises of enormous size, because it wants to hide the council tax rises that it hopes to be able to get away with. The fact that people in the Labour party cannot decide between them whether they mean £5 a week or 75p a week shows just how impossible even they find it to predict what their authorities will do.

That is why I have no intention of forecasting what Labour councils will do about council tax. I forecast that if places had Conservative councils, they would do better. When we get the budgets, I will make it absolutely clear how much they have risen, why they have risen and which councils have managed to push council tax up the most. That is the most sensible forecast.

The hon. Gentleman asked about other sources of income. Last year, local authorities budgeted for £2.5 billion more than the TSS because they had additional sources of income. If he had listened, he would have heard me give a series of examples of such sources. This year, authorities will have a new source if they attract voucher money for pre-primary schools. Many will expect to be able to do that. *[Interruption.]*

Madam Speaker: Order. I made a serious statement late last week about discussions with civil servants in the Box. The hon. Gentleman should resume his seat. Perhaps he will look at my statement.

Mr. Gummer: The fact is that the money is there. Resources include fees and charges for car parking and

such like. There are all sorts of other resources. Many local authorities get considerable money from the interest payments on their capital receipts, which gives them the opportunity to keep council taxes down. When the Labour party says that authorities should spend as much of that money as they like, I hope that it realises that the public will want to know why their council taxes would thereby go up.

The hon. Gentleman said that we set levels. We do not; local authorities decide at what level they should spend. I am merely giving them additional elbow room to spend up to 3.6 per cent. more on education. That is because we make education a priority.

On housing spending, we are considerably extending the opportunities for large-scale voluntary transfers and introducing a system that will enable authorities that do not like traditional LSVTs to use housing companies. I hope that we shall find significant sums by tapping those resources.

The hon. Gentleman mentioned capping levels. Of course there are capping levels; if there were not, many Labour local authorities would push up the council tax again and again and again. Labour is committed to abolishing capping.

Labour also used the old canard of Westminster. I repeat this simple fact: when Labour was in power, Westminster did proportionately better than other authorities.

Mr. Dobson: On a point of order, Madam Speaker. The Secretary of State is in severe danger of misleading the House. He has made that point in the past and we have tabled parliamentary questions. The Library has made inquiries to the Department of the Environment, which has denied what he has just said.

Madam Speaker: I have no evidence of that but I have to take what the hon. Gentleman says. I remind the House that we have important business before us. Practically every hon. Member in the Chamber is rising. We will get nowhere with this statement with such long responses. I hope that the Secretary of State will make brisk responses because many hon. Members want to question him.

Mr. Gummer: I am replying to only a quarter of the questions asked by the hon. Member for Holborn and St. Pancras (Mr. Dobson). If I may finish with this question, I shall refuse to answer the other three quarters.

Under Labour, Westminster did proportionately better, compared with other authorities, than it does under the Conservatives. If that is to rig, it is the rigging that Labour did under its system to help Westminster.

Sir Patrick Cormack: Is my right hon. Friend aware that I am most anxious to thank and congratulate him but, unfortunately, the sparsity of the information with which we are supplied and the density of the formula on which the various figures are based make it impossible to ask sensible questions? Could he just tell me what it means for Staffordshire's educational expenditure?

Mr. Gummer: Last year, in order to help, I started a system of providing the figures at the beginning rather than at the end of the statement. There is no other way of doing it. Staffordshire's permitted increase in budget is 2.5 per cent. That will enable Staffordshire to meet not only its present needs but the additional needs which will result from the increase in the school population.

Mr. David Rendel (Newbury): Can the Secretary of State confirm, because I do not believe that he did so in reply to the hon. Member for Holborn and St. Pancras (Mr. Dobson), that a straight comparison between the amount of spending on education which the Government expect for next year and the actual spending on education by local authorities this year will show that next year's expected spending is lower than this year's actual spending?

Can the right hon. Gentleman also confirm that he has decided to halve the spending on transitional costs for the new unitary authorities, despite the greatly increased number of such authorities?

Finally, as he wants to compare like with like, can he confirm that on the Government's own figures, according to the Red Book produced yesterday by the Chancellor, table 4A.6, council tax bills are expected to total £9.8 billion this year and £10.6 billion next year, an increase of 8 per cent?

Mr. Gummer: First, we could not possibly make the comparison for which the hon. Gentleman asks because we do not have an expected level of spending. Local authorities decide what they will spend on education. We have said that we will increase the amount of money available to them in one way or another by 3.6 per cent.

This is the same trick that the Liberal Democrats tried to play last year when, all round the country, they sent out notes, as they have done again this year, saying, for example, that in my county there would be a cut of 5 per cent. instead of an increase of 4.2 per cent. in the amount of money available for education. I am prepared to bet that no Liberal Democrat will send a letter apologising for frightening people beforehand. Liberal Democrats never say sorry for the mistakes that they make on purpose every year.

I am meeting those transitional costs that I expect to arise. People will have to run the transition as cheaply as they can because we do not want to waste money on transition. That is necessary.

The council tax figure that we are talking about includes all sorts of things, such as the change in the number of houses, and so on. We cannot prognosticate what the amount will be because we will not know until Labour and Liberal Democrats have sorted out their arguments and decided what they will charge.

Mr. Eric Pickles (Brentwood and Ongar): Does my right hon. Friend recall previous debates on the cause of the level of council tax, and the fact that, while my authority of Essex was calling for cuts in education, it was luxuriating in a balance of £120 million? Does my right hon. Friend agree that only Labour-controlled authorities will be putting up the council tax?

Mr. Gummer: One of the problems is that some people in local authorities do not believe that there are any savings to be made. They do not note that it is extremely difficult to get large numbers of Labour-controlled authorities to go out to competitive tendering in order to obtain better value for money and so prevent the need to

[Mr. Gummer]

put up the council tax. They do not seem to note some authorities' large balances. Nor do they note that many county councils are still paying much more per head of their elderly population by putting their old people into county council-run homes instead of providing better homes in the private sector. Those are three simple ways in which to raise more money to spend without raising council tax.

Mr. Peter Hardy (Wentworth): Does the Minister accept that his statement merely maintains the practice pursued during the last decade and a half of ensuring that burdens are placed more on the shoulders of ratepayers and council taxpayers than on the general public body? Does he further accept that, during the last few years, many local authorities such as my own, which have never defied the Government or acted irresponsibly but have always sought to co-operate with the Government, have eaten into their balances, and so face a difficult situation, especially as the Secretary of State's words scarcely match the optimistic pronouncements offered by the Chancellor yesterday about greater educational expenditure? What does he have to say to those local authorities which have acted prudently, despite economic ravage in their areas, as mine has done, and now face a greater increase than they or the community would like?

Mr. Gummer: The hon. Gentleman puts his case reasonably, but it is not true that every year there is a greater burden on local people.

Mr. Hardy: Since 1979.

Mr. Gummer: Since 1979 the general burden on the local taxation base is much lower. That is a fact.

Mr. Hardy: Not true.

Mr. Gummer: I am sorry. The hon. Gentleman should look at the figures and he will see that that is so. He must accept that budgets that draw down balances also often arrange for the replacement of balances. Balances are not just for once and then drawn down. Local authorities prudently and sensibly build up their budget at some times and draw down at other times. Over the years the hon. Gentleman's local authority has done that.

The particularities of the situation in Rotherham are clear and are taken into account in the SSAs. That is why the SSAs are so sophisticated a mechanism. They ensure that Rotherham gets a proper amount to carry out the necessary services. I hope that Rotherham will examine a range of possibilities, not least the concept of putting out to tender far more of its services.

Mr. Michael Jopling (Westmorland and Lonsdale): Will the Secretary of State confirm that his announcement today is very good news for the Cumbria police? On top of last year's above average increase of 5.6 per cent. in spending power, he is announcing today an increase of 2.8 per cent. in spending power, which is again above average. Is he aware that, up to June this year, that increase led to a reduction in crime in Cumbria of almost 1.5 per cent., and that in the current year there are 42 extra constables on the beat?

Mr. Gummer: I confirm what my right hon. Friend says. It is extremely important that law and order should continue to be one of our major priorities. He is right to say that in Cumbria we will contribute to the increase in police constables, which in the end will add up to 5,000.

Mr. Andrew F. Bennett (Denton and Reddish): Will the Secretary of State remind the House of the new duties which the Government and Parliament have placed on local authorities, and how much money is in the settlement for those new duties?

Mr. Gummer: Under the new burdens procedure I have looked carefully to the new duties. I do not wish to weary the House with too many detailed answers, but I will point out that, for example, I have allocated many millions of pounds in additional money to deal with the new duties relating to the air pollution aspect of air quality.

Sir Jim Spicer (West Dorset): My right hon. Friend will know that the departure of Bournemouth and Poole from the county of Dorset reduces the population and the income by about 50 per cent. He will also be aware that last year the Liberal leader of our county council, who was begging that we should establish a rural county council, gave a 100 per cent. assurance to the Minister of State that he would institute the most rigorous check on the cost of running that new county council. How can we be sure that that is being done? Is there any audit procedure that we can undertake to ensure that the county council is living up to its word?

Mr. Gummer: I shall study very carefully at what is done, especially in an authority where a Liberal leader has made such promises. My hon. Friend will be pleased to know that the permitted increase in budget in Dorset will be 2.5 per cent. We will closely examine how the divisions are made. In many cases they are agreed amicably between the two sides, but if my hon. Friend knows of any problems, I shall be happy to look into them.

Mr. Dennis Skinner (Bolsover): Does the Secretary of State accept that over the past 17 years the Government have taken away about £50 billion in grants that hitherto went to local authorities, irrespective of whether they were Tory or Labour authorities in the early days, apart from Westminster? That is confirmed by facts, not by guessing. My hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) is right when he says that the Government are at it again. They are shifting the burden of payment from central Government taxation to the local taxpayer.

As the Secretary of State is eager to compare like with like, why does he attack local authorities for using a formula to compare their spending this year and next year? The Chancellor of the Exchequer came to the Dispatch Box yesterday and said, "I have not got a PSBR of £14 billion, which I first envisaged. I have not even got one of £23 billion, which I secondly envisaged. But I have to tell you that I have one of £26.6 billion, which is now the truth and sadly, that is the figure that I am going to use." If it is right for the Chancellor of the Exchequer, it is right for local authorities.

Mr. Gummer: The hon. Gentleman will be pleased to know that his county council will have significantly more

money to use. I also point out that this Government changed the weight of local taxation considerably when we moved to council tax. We made the biggest ever move from local taxes to central taxes.

Mr. Skinner: Answer the question.

Mr. Gummer: I am answering the hon. Gentleman's question, although it was incorrect and factually wrong. At least the hon. Gentleman is consistent because, as far as I can recall, he has never asked a question that was factually correct.

Sir Anthony Grant (South–West Cambridgeshire): While welcoming the expenditure increases for education and fire services on Cambridgeshire county council, I regret the decreases for the more efficient South Cambridgeshire and Huntingdonshire district councils. Is my right hon. Friend aware that there will be deep disappointment that the reform of the ludicrous area cost adjustment system is to be delayed once again? Despite the courtesy and patience of his Minister of State, Cambridgeshire is no closer to obtaining justice. It is losing millions of pounds compared with its next-door neighbour, Bedfordshire, and that is a disgrace.

Mr. Gummer: I wish that I were able to satisfy my hon. Friend on this occasion because I have considerable sympathy with his views. He knows that that is true, not least because my county makes exactly the same complaint about the structure. However, if there is a research project of this kind and all four local authority associations—including that association most in favour of the area cost adjustment changes—say that it is not possible to make the changes this year, it would be foolish for the Government to insist upon them.

That does not mean that I disagree with or put aside that research. I have said that specific concerns must be met in order for it to be robust, and it must be robust because it cannot be changed again without causing a great deal of turbulence. I want to do the work and I assure my hon. Friend that it has not been put off long into the distant future. We intend to arrive at an answer and I hope that it will satisfy him.

Mr. Bill Olner (Nuneaton): Does the Secretary of State recognise that my constituents in Nuneaton and Warwickshire will be extremely upset that their representations to his Department and to the Department of Education and Employment about the SSA and how it has dealt badly with them in the past have not been heeded? Warwickshire has been offered a 2 per cent. increase, which is nowhere near the 16 per cent. increase that has been offered to Westminster. If Warwickshire had the same settlement as Westminster, it would be able to employ another 2,119 teachers. The Secretary of State has done nothing to sort out the differences between Westminster and the other local authorities in this country.

Mr. Gummer: The hon. Gentleman knows perfectly well that that is not true. Westminster does less well than any comparable London borough and recently we have reduced its settlement almost every year. I do not know why the hon. Gentleman bothers with Westminster; why does he not take Islington? If Warwickshire had the same settlement as Islington, the revenue support grant would be worth about £897.61 per head. If everyone got what Islington gets, the council tax band D would be reduced by more than £1,500—it would be negative in Warwickshire—and we would have £25 billion on central taxation, which is 14p on income tax.

When Labour Members say, "Let's all do it like Westminster", we will reply, "Why not do it like Islington, which is even more favoured?" Why not do it like Islington and increase national income tax by 14p? The hon. Gentleman may want that, but I am not sure that the public would.

Sir Peter Emery (Honiton): I congratulate my right hon. Friend on the increase in education expenditure, on which few hon. Members have commented. That increase should be recognised and praised; in Devon, it means an increase on last year's expenditure. Will my right hon. Friend try to ensure that the increases go to the sharp end of education—the schools—and are not kept by county councils? Devon county council keeps 28 per cent. of its SSA, which is quite foolish. We should ensure that the money reaches the teachers and governors so that they can get on with education properly.

Mr. Gummer: My right hon. Friend again shows that he has a good command of what happens when the money gets as far as the county. I have done everything in my power—by passporting and the like—to ensure that it is spent on education. Perhaps my right hon. Friend will have a word with the hon. Member for Newbury (Mr. Rendel), who might explain to him why so many Liberal councils manage to spend a lot of money away from the sharp end of education and at the same time complain about the amount that they have to spend on each schoolchild. I hope that my right hon. Friend will be able to remind every school in Devon that this is the amount that is available, and if they are not getting it they should find out what the Liberal county council is doing with it.

Mr. Peter L. Pike (Burnley): Is it not a fact that, once again, the Minister is misleading the House with regard to what he says about education? Do not most local education authorities and local authorities already spend at above SSA for education? How many education authorities, if they were to spend at SSA, would reduce the amount spent on education?

Mr. Gummer: The hon. Gentleman represents a constituency in Lancashire, which is one of the counties that spend a great deal of time demanding more and more local decision-making, and that is why it is a decision that Lancashire county council will make. All I am saying is that it will be able to increase its spending by 3.6 per cent., which to me seems to be a very sensible and satisfactory situation all around the country. To be specific, Lancashire's permitted increase in budget is 2.2 per cent., but there are considerable savings that Lancashire could make, because it is a badly run council, which for a long time has wasted significant sums, and if it started to spend more by enabling elderly people to go into private homes, for example, it would save a great deal, all of which it could spend on education if it got off its backside.

Mr. Nicholas Winterton (Macclesfield): I congratulate my right hon. Friend on the priorities that have been

[Mr. Nicholas Winterton]

established—namely, education, personal social services, fire and police—and as far as education is concerned, my county of Cheshire has been given another £12.5 million, for which we are grateful. But I am sure that my right hon. Friend will expect me to express grave concern for my most efficient borough council of Macclesfield—one of the few with overall Conservative control in the country—which, yet again, has had its standard spending assessment reduced, this year by about £250,000. That really does not reflect well on a very efficient council, which will find it very difficult to provide services without dramatically increasing its council tax. What will he do?

Mr. Gummer: I share my hon. Friend's unbounded enthusiasm for Macclesfield district council. I realise that, by having an increase in spending of 0.5 per cent., his local authority has particular difficulties. I remind him that the concomitant of saying that we are spending more and placing the emphasis on education means that it is more difficult for those that are not education authorities. That is what has happened. We have applied the same system over the country as a whole, and Macclesfield has that difficulty.

I will look with considerable care at anything that I can do to help Macclesfield, which is one of the authorities where considerable effort is made to save money rather than spend it. One difficulty from which Macclesfield suffers is that it is in a class with many other local authorities—many of which are run by the Labour party—where the same saving is not to be found. That is difficult, because we have to have a system that covers all.

Mr. D. N. Campbell-Savours (Workington): How can the borough of Westminster, which includes Belgravia, Mayfair, the area around Trafalgar square, Buckingham palace, the Houses of Parliament and the most expensive property in the United Kingdom, be treated more favourably than Cumbria, which has to wrestle with problems of unemployment and deprivation in large pockets? How can it possibly be fair?

Mr. Gummer: Obviously the hon. Gentleman moves only in Belgravia and never goes to a Peabody estate. He never notices that Westminster is the most closely packed of London boroughs, that it has special local problems of regeneration that are necessary to tackle and that it meets all the objective criteria. The hon. Gentleman seems not to notice that Westminster did much better when there was a Labour Government than it does under a Conservative Government.

Sir Peter Fry (Wellingborough): Does my right hon. Friend accept my deep disappointment about the failure to do anything about the area cost adjustment? Continued delay means that unfairnesses will continue. I understand the problems that my right hon. Friend is having with the Labour-controlled local authority organisations, but I have to explain to my constituents why it is that a Conservative Government have to give way to Labour-controlled local authorities. I hope that my right hon. Friend will give me an answer that I can take back to Wellingborough.

Mr. Gummer: I hope that my hon. Friend will accept that I have worked with some considerable vigour to understand the representations that he has made and to examine ways in which we could help. My hon. Friend has been extremely assiduous in pressing the real case that he has. I accept that there are particular problems in the county which he represents in part.

It must be explained to anyone who asks about these matters that we try as far as possible to march together with the local authority associations in the assessment of those things that must be taken into account. I think that my hon. Friend's constituents would understand that when even those local authority associations that want changes tell us that they think that it would not be possible to introduce them in the coming year, we must, as a prudent Government, take that seriously. It is not a matter in that instance of the political complexion of the particular association. It is an association that says, "Yes, we want these changes but we genuinely know that not everything could be done in this coming year."

In those circumstances I think that it would be possible for my hon. Friend to explain to his constituents that I by no means turn my back on the changes that are wanted. Indeed, I have made some clear statements about the matter. I have listened carefully to my hon. Friend's representations and I understand that there are pressures. I say to them, however, that it would be wrong to take into account something that all the local authority bodies, for technical reasons, say cannot be introduced this year.

Ms Joan Walley (Stoke-on-Trent, North): After all-party delegations to the Secretaries of State for Education and the Environment, may I say how disappointed I am that there will be no real increase in local government spending in Staffordshire, including Stoke-on-Trent? Will the Secretary of State confirm that Stoke-on-Trent's capping limit is £182.834 million, and that the SSA is £180.201 million? Will he tell me how it can be fair when we have a system that is flawed from the beginning, which means that Staffordshire pupils are each allocated as much as £288 less than pupils in the top education authority in Hertfordshire? How can that be fair and how can such a policy can be carried over and continued?

Mr. Gummer: The hon. Lady is right in that the permitted increase in budget for Stoke-on-Trent is 1.3 per cent., and that for Staffordshire as a whole it is 2.5 per cent. I also agree with her that it is true throughout the country that different local education authorities spend more or less than others. The reasons for that are partly historical and partly because of particular issues that arise.

The hon. Lady is keen for local authorities to make their own decisions about these matters. The SSA system seeks to assess the needs for each local authority in the most effective way. We work these things out with the local authority associations. On these issues there is a general agreement that what we are doing is about right. That must be so because in no case has the Labour party said that it would to change a system in its extension when it comes to education. There is no proposal from local authorities or the Labour party to have a new system of dealing with education SSAs.

Mr. David Congdon (Croydon, North-East): I welcome the extra 3.6 per cent. for education, but presumably that means that the SSA for all other services will be less than the 2.5 per cent. average that my right

hon. Friend mentioned. Will he confirm that, to keep overall spending within those broad levels, local authorities will have to get their act together on compulsory competitive tendering and stop trying to bend the rules to favour their direct services organisations? Social services departments should be much more willing to use the private sector and to divest themselves of their homes, which are much more expensive to run.

Mr. Gummer: My hon. Friend has put his finger on precisely the point. Other services, such as the fire service and the police, will be able to spend more—the figure for the fire service is 4 per cent. Local authorities must play their part in ensuring that we spend less of the public's money in the Government. The figures that we are discussing represent a quarter of Government spending. Unless we keep spending down to just below 40 per cent. of GNP, we will not be able to compete with the rest of the world.

My hon. Friend is right that local authorities should not immediately reach for more money from the state or from the council tax payer, but should seek ways of saving money and improving services. Through my discussions with Labour local authorities, I have discovered that they hate the concept of contracting out. The Labour party wants to abolish compulsory competitive tendering, because it wants more expensive services at a lower level provided by people who never have to compete. We want competition, and we want the people who offer the best service to win.

Mr. John Evans (St. Helens, North): Will the Secretary of State confirm that next year, as a result of the increase announced today, the tax demands of most council tax payers will increase by two or even three times the rate of inflation, and the rents of council house tenants will be substantially increased? Will he also confirm that, as a result of the reduction in support for housing associations, they will next year build fewer than 40,000 houses to rent?

Mr. Gummer: The hon. Gentleman should ask his own local authority about its plans to meet the needs of his area. He should ask whether it will push up the council tax, or whether it will find better ways of saving money. He should ask how it will use the extra money provided by the Government, and whether it will go beyond compulsory competitive tendering to voluntary competitive tendering. It could investigate the possibility of large-scale voluntary transfers to improve the conditions of its council house tenants. It could go through the gamut of things that can be done to improve services and reduce costs. If it does that, it will not have to put up the council tax.

Sir Irvine Patnick (Sheffield, Hallam): I welcome the overall settlement for local authorities. What action does my right hon. Friend propose to take against Sheffield, which holds back the SSA for education? It provides no extra money, then blames everyone save itself. Action is required, because it holds back that percentage and then blames the Government.

Mr. Gummer: My hon. Friend should not be surprised about that. Sheffield council has taken that attitude for a long time. There are two former leaders of Sheffield council in the House, both of whom were responsible for one of the worst run local authorities in the country. They increased the council's debts, and the people of Sheffield are still paying for their bad management.

Mr. Robert Ainsworth (Coventry, North–East): Does the Secretary of State accept that his bluster and deliberate over-complication of the matter is designed to hide the fact that the figures that he has just announced will lead directly to a £43 increase of the band D council tax—the 23rd Tory tax increase? He is trying to confuse the issue.

Does he also accept that the problem will be worse for Coventry, given the 1.5 per cent. increase in the standard spending assessment? As he insists on defending Westminster council, will he tell us whether, if Coventry had to raise only 4 per cent. of its expenditure through the council tax, it would show the same level of incompetence and offer the same overly expensive services as Westminster?

Mr. Gummer: The hon. Gentleman clearly prepared his question before listening to the extremely clear statement that I made—if, that is, he had a chance to listen, given the noise that Opposition Front Benchers were making. I do not know where he gets his 4 per cent. figure. In fact, Westminster raises 14 per cent., more than Tower Hamlets, Wandsworth or Lambeth, and it happens to have some of the worst areas of deprivation in the country.

As the hon. Gentleman knows, if he wants to get a better figure he should do what I would do, and use the Islington figures. That would enable him to produce a wonderful answer for his own council—but, of course, it would not be in accordance with the fair way of sharing out the money. He might look at what Westminster received under a Labour Government: he might get some more money that way. All of it, however, would add up to 14p on income tax. The hon. Gentleman should remember that as well.

My statement was as clear as any statement made from the Dispatch Box on this subject, but more detailed, because the local authority associations—all of them run by Labour—have asked for considerable changes in order to ensure that the system is fairer.

Mr. David Lidington (Aylesbury): Does my right hon. Friend understand my concern about the possible impact of the disaggregation of SSAs on Buckinghamshire county council, following the establishment of a unitary authority in Milton Keynes? Has he considered introducing a damping arrangement? I understand that that was done for Scottish authorities that were in a similar position. Will my right hon. Friend remain open to representations from Buckinghamshire county council in the weeks to come?

Mr. Gummer: Certainly. I have discussed the matter with most of those who are concerned with these issues, and my Ministers and I have been keen to ensure that there is a fair and objective division between the various authorities. I believe that an agreed position may well be secured between Buckinghamshire and Milton Keynes. I am aware of the problems, and I have already announced a damping system, which will help.

Mr. William O'Brien (Normanton): Has the Secretary of State received from his hon. Friend the Under–

[Mr. William O'Brien]

Secretary of State for the Environment a report about the deputation that he received from the Webber Craigh group, which includes Wakefield, my own authority? The group explained to the Minister, without any doubt, about the unfairness involved in the financing of education. Other issues could have been raised, including social services and community care, but the group concentrated on education.

According to the report, the increase in Wakefield's budget for this year, in comparison with last year's budget, is less than 2 per cent.—1.9 per cent. Is the Minister taking seriously the point that has been made about the reduction in education resources in the Wakefield area, and will he give us some definite ideas about how he intends to assist local authorities in the Webber Craigh group?

Mr. Gummer: The record of the Webber Craigh group is particularly good, although its dominance is not one that I share. The hon. Gentleman has noticed on several occasions that its propositions have been carried through into the SSAs. On this occasion, we looked carefully at my hon. Friend the Under-Secretary of State's very full report of the discussions in which he engaged. We were not able to reflect some of the points that were raised, even after extensive investigations, but I shall be happy to look at the report again. There is no doubt that the group put its case seriously and properly.

Mr. David Shaw (Dover): Why, after 25 years of Labour control in Islington, does that borough have the lowest educational standard in the country? Conservative Members are fed up with the fact that this local government expenditure, while it is relatively generous to many areas, is overly generous to Labour areas such as Islington. We are not seeing payment by results. Can we have a "payment by results" system for local government expenditure in future?

Mr. Gummer: My hon. Friend raises an issue that must be a real concern to many people. It is quite clear that the leader of the Labour party decided that they were not getting payment by results in Islington, which is why his child did not go to school in Islington.

Mr. Graham Allen (Nottingham, North): Yes, he did.

Mr. Gummer: It is quite clear that his child was moved from a school in Islington, and that is the point. He went to school in Islington, and they decided that it was not good enough—*[Interruption.]* No secondary school was good enough. In defending his leader, the hon. Member for Nottingham, North (Mr. Allen) fails to remind the House that his leader passed over several boroughs before finding a school that he considered satisfactory. Some of those are Labour-controlled boroughs, and one of them is the borough in which he lives. Islington receives a great deal of money for education, but it does not provide value for that money.

Mr. Jack Thompson (Wansbeck): May I suggest to the Secretary of State that he or one of his civil servants—whoever drafted his statement—might take a short course in plain English? Hon. Members on both sides of the House have had a great deal of difficulty understanding what he was saying. Obviously we will have to get the documents and study them very carefully to identify what he really means.

It is fine making a presentation on issues of local government funding to right hon. and hon. Members, but, some time in the near future, will he find the time to visit a shire county such as mine, for example? I do not ask him to visit the politicians there, but to sit down with the local authority's officers in that county—not here, in London—to discuss financing that authority.

He can look at the books—for as far back as he wishes to go—to discover how those officers have dealt with funding, and he will find that money allocated for the road system, for example, has been diverted to support the education system. If he were to visit in late January or early February and examine the system in my county of Northumberland, which is a very rural county—there are 4,500 miles of roads, with a sparsity factor of 0.6 person per acre—he might find that he had to stay a lot longer than he had planned, because he would probably be snowed in.

Mr. Gummer: I must tell the hon. Gentleman that Northumberland is among the top-ranking counties in SSAs, because it has particular problems. He should examine very carefully the administration and running of Wansdyke, which is certainly not an authority to which I would look as an example.

Mr. Jack Thompson: On a point of order, Madam Speaker. Wansdyke—

Madam Speaker: Order. I have to take points of order after the statement. Does the Minister wish to come back on that point?

Mr. Gummer: Inadvertently, I did not say "Wansbeck", which is the authority I was referring to.

Mr. Roy Thomason (Bromsgrove): Will my right hon. Friend confirm that, year on year, local authority revenue balances are consistently replenished by underspending by local authorities? Does he agree, therefore, that the Labour party's claims that revenue balances are continuously being denuded make a hollow sound—when, in fact, that replenishment is taking place? Does he agree that one of the prime reasons for the replenishment of revenue balances is that Labour-controlled local authorities consistently overestimate the inflation level achieved by the Government?

Mr. Gummer: My hon. Friend is perfectly right. He did not mention, however, that many local authorities could have more money to spend if they more efficiently collected their council tax. Most councils that inefficiently collect council tax are run by the Labour party. When my hon. Friend was explaining the system, he might also have said that the Labour party is not prepared to recognise that one gets better services and does not have to push up the council tax if one saves money by obtaining better value for money. It is true that many of those authorities have very considerable balances, which have arisen from past underspending.

Mr. Jeremy Corbyn (Islington, North): May I ask the Minister to get off his high horse on housing policies and

start encouraging and allowing local authorities to build and buy housing at affordable rents? That is not only a method of solving the housing crisis and taking many people out of bed and breakfast and other accommodation, but a way in which we can save a great deal of public money, which is currently lining the pockets of private sector—often millionaire—landlords through spending on the housing benefit system. That money should be spent on local authority housing, so that we can have low rents and decent housing for people to live in.

Mr. Gummer: Obviously, the hon. Gentleman has not looked at all our programmes, such as those that are improving bad estates, especially through LSVTs.

Mr. Corbyn: What about building?

Mr. Gummer: I want to improve the bad ones as well, because many of them are hard to let, even in difficult areas, because they are so bad. Through LSVTs we shall be able to improve the condition of buildings. We have been putting a great deal of money into housing associations so that they may build more.

I remind the hon. Gentleman that the Labour party has not committed itself to spend any more on that. It has simply said that it will allow local authorities with receipts to spend those receipts. It does not mention that Birmingham, Blackpool, Bolton, Dudley, Gateshead, Hackney, Lancashire, Leicestershire, Milton Keynes, Newcastle, Oadby and Wigston, Southwark, Sunderland, Wear Valley and Wolverhampton, among many others, have no receipts to spend.

The Labour party would allow local authorities that have no real need to spend, to spend their receipts, and it would not allow those that do have a need to spend. We put the money where the need is.

Mr. Barry Field (Isle of Wight): Will my right hon. Friend, with his well-known reputation for moderate language, help me to formulate a reply to Liberal councillors on the Isle of Wight who say that the settlement is not adequate, given the thousands of pounds that they spent on a Mori poll, trying to convince my constituents that they should leave the UK? Including the capping limit, nearly £100 million for 100,000 electors does not appear to be a deal that anyone except Don Quixote—who I presume must have been a founder member of the Liberal party—will want to leave the UK for.

Mr. Gummer: There are good reasons why people might want to leave a local Liberal-run authority. Only the fundamental attractions of the Isle of Wight keep people there. As usual, the local Liberals are chasing after unnecessary expenditure to pat themselves on the back and inflate their egos. If the local Liberal party really wanted to help the people of the Isle of Wight, it would save money, ensure that the council tax was lower, and hold no more referendums on whether to leave the United Kingdom.

Mr. Stephen Timms (Newham, North–East): The Secretary of State is aware of the difficulties in which several local authorities—including mine—find themselves, arising from the fact that the capital financing element of the SSA reflects notional, not actual, borrowing. Disappointingly, that anomaly has not been addressed; that part of the SSA for Newham has fallen this year. Can the Secretary of State hold out any hope that his calculations will reflect actual borrowing, especially where, as in the case of Newham, the borrowing was incurred long before the current financing system was introduced?

Mr. Gummer: There is a genuine problem. Let me take as an example, not Newham, but another council. If one reflects exactly the borrowing of Sheffield, it means that Sheffield would—

Mr. Nigel Spearing (Newham, South): Newham.

Mr. Gummer: Or even Newham, but I was trying to be polite to put it into context, so let us take as an example one that we all know was a thoroughly bad authority. Sheffield has borrowed very large sums of money. Why should the rest of the country meet those requirements when Sheffield has borrowed the money?

I am afraid that the same is true of Newham. I agree that Newham's borrowing record is much improved; I would not for a moment say that there is quite the same degree of profligacy. I believe that the hon. Member for Newham, North–East (Mr. Timms) started that change when he was involved in local government there. Nevertheless, I do not see why prudent authorities, or those who have their homes in prudent authorities, should be denied a proper return because we are bailing out local authorities that over-borrowed in the past.

Therefore, we must have some notional system. If the hon. Gentleman feels that the notional system that we have does not properly reflect the position, I am always willing to look at it. I am not prepared to allow the mass of the population to pay for the profligacies of Labour's past.

Mr. Harry Greenway (Ealing, North): Can my right hon. Friend confirm that the 3.6 per cent. increase in educational spending will, in Ealing, make proper provision for continued current levels of expenditure on schools and allow for the increase in rolls at high school level, and that it will in no way excuse the Labour council's present reduction to £30,000 a year of expenditure on adult education, thereby taking away adult education from hundreds, if not thousands, of people for whom it is a lifeline?

Will he also confirm that the settlement for Ealing and for other authorities contains proper cover for the implementation of the Noise Act 1996, the provisions of which are so much needed in many parts of the country, from 1 April next year?

Mr. Gummer: My hon. Friend will agree that Ealing council could save money in many areas, not least its constant changes to the traffic pattern and the installation of vast quantities of special traffic arrangements and flower beds. Much could be done.

Every year, when we talk about education, Labour Members say that our measures will result in a reduction in the number of teachers by 7,000 or 9,000—they always choose one of those two figures. In fact, the number of teachers in England and Wales increased in 1995, and increased again in 1996. I have no doubt that Opposition

[Mr. Gummer]

Members will say yet again that teacher numbers will fall, but we have provided enough money to enable a prudent authority to meet all its requirements and do something better. I hope that Ealing will start to be a prudent authority.

Mr. Paddy Tipping (Sherwood): May I draw the Secretary of State's attention to one of the documents that he has published today—the Local Government Finance Report (England) 1997/98? Will he explain the meaning of the formula on page 31, in Annex C, paragraph 3(a)? It says:

"[(R-(S+T+U+V+W)) + (0.75xV) + (0.5xW) x X/Y".

If the Secretary of State cannot explain that now, will he confirm that, as he controls the capping limit of every local authority in the country and provides 80 per cent. of the finance, when council tax bills go up, the finger must point at him?

Mr. Gummer: When council tax bills go up, it is because the local authority puts them up. It has the control over them. I shall be happy to take the hon. Gentleman through the formula point by point immediately afterwards if he would like me to.

Mr. Michael Brown (Brigg and Cleethorpes): What response has the Department of the Environment made to my representations on the SSAs for North and North East Lincolnshire? Does my right hon. Friend recall that the rates for the new North Lincolnshire unitary authority, which came into existence in 1 April this year, went up by 31 per cent. notwithstanding capping? That surely cannot happen next year. Will we continue to receive damping for North Lincolnshire council?

Mr. Gummer: The damping will continue. I assure my hon. Friend that I have taken his concerns seriously. He had a particular and, in a perfectly proper sense, unique circumstance. I have made sure that damping continues.

Mr. Brian David Jenkins (South–East Staffordshire): I know that the Secretary of State may not have the figures with him, but I should like some explanation about the Staffordshire settlement. I was part of the cross-party team that lobbied him on Staffordshire's SSA for education. I know that the county has a 2.5 per cent. increase.

Is the increase in education funding greater than 3.6 per cent., which would bring us up from the foot of the table? If so, how far up the table will it take us? Will he also explain why, of the eight district councils in the new, reconstructed Staffordshire, seven will have a permitted increase of 0.5 per cent. or less, but the other one will get a permitted increase of 41.5 per cent.? Is it because it is the only Conservative-controlled council left in Staffordshire?

Mr. Gummer: The hon. Gentleman is right to say that the amount that can be spent on education in Staffordshire has increased by more than 3.6 per cent. I understand that the increase is 3.8 per cent. The funding for the district councils is calculated according to a formula. In the old days, it used to be possible to change one rather than another, but the system works by a formula, which I shall be happy to go through with him.

Mr. Michael Fabricant (Mid–Staffordshire): Will my right hon. Friend confirm that, in addition to the 3.8 per cent. for education, there will be 3.9 per cent. extra for the police force, which will enable us to have 40 extra officers in Staffordshire? Is not the synthetic rage from the Labour Front Bench a little rich, given that the leader of the Labour party told a meeting of local government members that there would be no extra money under a Labour Government?

Mr. Gummer: I can confirm what my hon. Friend said. The Labour party constantly demands more money, but constantly repeats that, were it in power, it would provide no more money. That double standard and the constitutional impossibility of the Opposition spokesman ever coming to terms with the facts of the system, or the system that his party used to run, make intelligent discussion difficult.

Mr. Elliot Morley (Glanford and Scunthorpe): I am pleased that the Minister has conceded that North Lincolnshire has experienced particular problems since it was set up. He referred to the damping grants. The papers relating to the transitional reduction mention that North Lincolnshire will receive a grant of approximately £1.3 million. However, it was receiving £2.2 million. Does that mean that there will be a reduction of £1 million in that grant?

Does the Minister understand why the people of North Lincolnshire feel so resentful about the way in which the four new unitaries of Humberside were set up? North-East Lincolnshire is a comparable local authority, with a population of only 8,000 more than that of North Lincolnshire, but it receives £13 million more in standard spending assessment. Although I know that the SSA is not calculated strictly on population, that comparison shows that North Lincolnshire is being treated unfairly.

Mr. Gummer: The amount provided for the damping grant is less than before, because the local authority said that it would be able to make considerable savings in the second year. I remind the hon. Gentleman that many of the problems arose because of the scandalous behaviour of Humberside county council, which did not leave behind the residue that it should have done.

I repeat that the arrangements to compare one local authority with another—the measurements—are exactly the same. If the hon. Gentleman would like to identify particular aspects of the SSA that he feels do a disservice to his local authority or that of my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown), I should be happy to look into the matter. However, the same system and the same series of indices have been generally acceptable. I repeat that I shall certainly look into the matter.

Mr. Gordon Prentice (Pendle): I should like to do just that, and invite the Secretary of State to look again at the methodology of the fire service SSA. It has had the most perverse effect on Lancashire county fire brigade, that has been extremely successful in tackling hoax calls but has suffered an enormous decrease in the part of its SSA that covers that element.

Although people welcome the 4 per cent. increase in the fire authority SSA, in Lancashire the brigade is spending 10 per cent. above what the Government consider to be correct, and Lancashire county council is making up the difference. The Minister constantly criticises Lancashire county council for spending over the odds, but it is subsidising a vital public service, which is not getting proper Government support.

Mr. Gummer: I am happy to look at the particular problems that the hon. Gentleman has identified. If it helps him, I can certainly say that Lancashire county council is a better local authority than Hammersmith and Fulham was under his leadership.

Sir Patrick Cormack: On a point of order, Madam Speaker. I can well understand why you felt unable to accept my earlier suggestion that we suspend the sitting for half and hour to look at the figures, but it is clearly unsatisfactory to discuss an immensely complex statement, but not to have the figures available until after the Minister has sat down. Those of us who wish to ask questions cannot leave the Chamber or, quite rightly, you will not call us to put our questions.

I make no criticism of my right hon. Friend, who is the most courteous of Ministers and always tries to be extremely helpful, but it would be immensely helpful to Back Benchers on both sides of the House if we had some opportunity or facility to look at the figures before we asked our questions.

Madam Speaker: The Secretary of State has been extremely helpful to hon. Members. I have kept him at the Dispatch Box for an hour and half to answer questions in detail. However, the hon. Gentleman has a point, and I shall certainly consider it.

Points of Order

4.59 pm

Mr. David Shaw (Dover): On a point of order, Madam Speaker. May I ask you to write to the President of the French Parliament? Would you point out that we have 700 years of parliamentary tradition, and that we settle our disputes across the Dispatch Box by discussion and debate? Would you implore him to sort out France and ensure that the outrageous method of settling its disputes with barricades and physical violence is stopped? Could we have some sense in France?

Madam Speaker: That is not a point of order for me. The hon. Gentleman has very effectively put the point to Ministers over the past few days, and it is not for me to involve myself in those matters.

Mr. Jerry Hayes (Harlow): On a point of order, Madam Speaker, of which I have given you—and, out of courtesy, the Leader of the Opposition—notice. It involves allegations that, in his response to the Budget yesterday, the Leader of the Opposition used documents that were stolen. *[Interruption.]* If Opposition Members could just keep calm; I know that it is difficult.

Madam Speaker: Order.

Mr. Hayes: I am sure that you, Madam Speaker, are much better at keeping calm than I.

I put my point to the right hon. Gentleman in column 175 of yesterday's *Hansard*. He made it quite clear that the matters to which he was referring had been published in press releases earlier. I checked with the Treasury today, and was told that there was no question that the information with which I was dealing and the right hon. Gentleman mentioned could possibly have been given to him unless it was from those stolen documents. The House deserves to know what really happened.

Madam Speaker: The hon. Gentleman probably deserves to know that, very often, in the Budget and other statements, all Governments of every complexion give the Opposition information in advance in order to help them.

Several hon. Members *rose—*

Madam Speaker: I have not finished yet.

I have column 175 of yesterday's *Hansard* before me. The Leader of the Opposition referred to a press release. He said:

"according to the press release . . . there will be 2,000 extra Inland Revenue civil servants",

and so on. The hon. Member for Harlow (Mr. Hayes) intervened. He said:

"He has seen the press release."

The Leader of the Opposition said:

"I am sorry, but these things have already been put out by the Government. Perhaps the hon. Gentleman is not aware of that."—[*Official Report*, 26 November 1996; Vol. 286, c. 175.]

There is no further point of order for me to answer.

Mr. Nigel Griffiths (Edinburgh, South) *rose—*

Madam Speaker: Does the point of order concern another matter?

Mr. Griffiths: Yes. Having just listened to the Secretary of State for the Environment spell out the dire consequences for council tax payers of vast rises in England, has it been intimated to you that the Secretary of State for Scotland is coming to the House to explain the horrendous increases in council taxes and cuts in local services in Scotland as a result of yesterday's Budget?

Madam Speaker: If the Secretary of State for Scotland does so, I shall be here to listen to his statement.

BILLS PRESENTED

Access to the Countryside

Mr. Paddy Tipping presented a Bill to amend the law of trespass and to enable members of the public to resort on foot to open country in England and Wales for their recreation; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 28 February 1997 and to be printed [Bill 43].

Dogs (Electric Shock Collars)

Mr. David Rendel, supported by Mrs. Diana Maddock, Mr. Matthew Taylor, Ms Liz Lynne, Mr. Archy Kirkwood, Mr. Elfyn Llwyd, Mr. Ieuan Wyn Jones and Mr. Don Foster, presented a Bill to ban the manufacture, sale or use of collars which administer electric shocks to dogs by remote control: And the same was read the First time; and ordered to be read a Second time upon Friday 7 February 1997 and to be printed [Bill 44].

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [26 November].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.—[*Mr. Kenneth Clarke.*]

Question again proposed.

Budget Resolutions and Economic Situation

5.2 pm

Mr. Gordon Brown (Dunfermline, East): This afternoon, the Secretary of State for the Environment has confirmed yet another tax rise that will result from yesterday's Budget: the Government-imposed rise in council tax for every family in the land.

I want to start my examination of the Budget by looking at the ground on which the Conservatives have always chosen to fight: taxation. I want to go through the Government's statements in the Red Book, to see what has happened to people's tax bills as a result of the Budget. My argument will be that, although yesterday Britain needed a Budget that would equip us for the future, with measures for investment, measures to create jobs for young people and the long-term unemployed and new policies for education and industry, to ensure sustainable growth, the Chancellor gave us a Budget that does not even begin to make amends for the broken taxation promises of the past.

Let us consider the detail that emerged when we looked at the Red Book. The rise in insurance tax will mean extra taxes of £325 million—£455 million in a full year. The airports tax means that it will cost £80 for a family of four to travel to America. It means extra taxes of £120 million in the first year and £385 million in a full year. The extension of value added tax to new items means extra taxes of £160 million to start with and £235 million—a quarter of a billion—in a full year. Petrol tax will mean extra taxes of £850 million and tobacco duty extra taxes of £335 million. The first five tax rises of the Budget will cost British taxpayers more than £2 billion in a full year. Extra bills and new charges for ordinary families on insurance, holidays and VAT, plus today's council tax rise, wipe out the 1p cut in

income tax and the other changes in rates and allowances, and cannot undo the damage done by previous tax increases.

There is a tax rise to come: the loss of tax relief on profit-related pay. When that change is finally made, someone on the basic rate who earns £20,000 a year might lose up to £920 a year—£18 a week. That is a Tory tax bombshell for ordinary employees. Next year, £100 million will be taken; the year after, £700 million; and in 1999, £1.7 billion; that is £4 billion more in taxes overall. All that is from the Government who encouraged, lured and enticed companies and employees to embark on profit-related schemes. The Government must now explain to the 3.75 million employees, many of whom are low paid, why that tax relief is being withdrawn.

Given all the evidence of tax rise after tax rise that was announced yesterday, it is already hard to remember that the Budget was supposed to solve the tax problem for the Tories; it was supposed to restore the Conservative party's reputation as a tax-cutting party and wipe out in one afternoon the memory of its 22 tax rises since 1992. I remember that over the past year Tories used to tell us from the Back Benches, "Just wait and see. We shall be tax cutters again." After the Budget, in one bound, free from all the broken promises, they were going to be free to fight the election. This, the last Budget before the people's verdict, was to set the seal on the Conservative years. The imposition of tax increases that had been justified because of the recession was to be replaced by tax cuts in a recovery.

What has happened with the last chance to undo the damage of 22 tax rises since 1992 and to reduce the extra £2,000 tax bill that people pay? What happened after the Chancellor said in his Budget speech that the Conservatives were again to be the tax-cutting party? What has happened on the central issue on which the Conservative party asked to be judged by the people at the previous election? Let us be clear about the facts of yesterday's Budget. Not only have the Government given with one hand and taken with the other—that we already know—but they have once again taken more from the British people than they have given.

Sir Terence Higgins (Worthing): The right hon. Gentleman keeps chuntering on about 22 tax rises, which include many items that no one in their right mind would regard as a tax increase. The most that he could accumulate by way of an increase was a total of something like £2 billion. Would the windfall tax raise more than that or less?

Mr. Brown: The windfall tax is not a tax on ordinary families. VAT is a tax on ordinary families; national insurance is a tax on ordinary families; withdrawing mortgage tax relief is a tax on all this country's families; cutting the married couple's allowance is a tax on ordinary families. If the right hon. Gentleman, for whom I have a great deal of respect from his days in the Treasury Committee, would like me to do so, I should be happy to read into the record the 22 tax rises since 1992.

As a result of the Budget, the tax burden has risen, not fallen. When people throughout the country understand that that is the truth, they will never trust the Tories again. One does not need to look in Labour's press releases to find that out. All one needs to do is look at the Red Book itself—what the Chancellor published yesterday afternoon. Page 147 of the Red Book shows taxes up at £1,085 million and taxes down at £735 million, giving a total tax rise of £350 million. That is all on pages 146-47 of the Red Book. I know that the Chancellor did not read the Maastricht treaty, and he is now looking at the Red Book. I shall be happy to give way to the Chancellor later, if he wants to point out that what I have said is not the truth.

Sir Peter Fry (Wellingborough) *rose—*

Mr. Brown: The Chancellor now needs Back Benchers to speak up and answer the questions for him. I shall give way to the hon. Gentleman.

Sir Peter Fry: If one follows the right hon. Gentleman's argument thus far—that the Budget includes many tax increases—it appears that, if he were being totally honest, he should advise his hon. Friends to vote against the reduction in income tax that the Chancellor announced yesterday.

Mr. Brown: I will not, and nor will any Labour Member, take lessons on honesty on taxation from Conservative Members. I am grateful to the hon. Gentleman for intervening, because it gives me the chance to remind him of something that his constituents will remind him of at the next election—what he said in his election manifesto. I shall quote it because he may want to repeat it, on the ground of honesty, in his 1997 manifesto. It said:

"John Major Promises: . . . tax—no increase in VAT".

When the Chancellor has read page 147 of the Red Book, perhaps he will also look at page 80. The total tax burden for this year is 37.7 per cent. Will it rise or fall next year? It will rise to 38 per cent., to 38.1 per cent. the year after that and to 38.5 per cent the year after that. And this is the Government who promised to cut taxes year on year. This Budget, which was to restore their reputation as tax cutters—

The Chief Secretary to the Treasury (Mr. William Waldegrave) *rose—*

Mr. Brown: Ah.

Mr. Waldegrave: I think the right hon. Gentleman has the wrong page—he means page 88. If he looks at that page, he will see that it confirms that the tax and national insurance contributions burden, going into the next election, will be lower than the tax and NIC burden going into the previous election.

Mr. Brown: The right hon. Gentleman might wish to look at that again. Non-North sea oil taxes and NICs were 34½ per cent. of national income for 1992-93. For next year, 1997-98, they will be 36¼ per cent.

Mr. Waldegrave: The right hon. Gentleman has now changed the base year. The comparison used by the leader of the Labour party was the year going into the election, which was 1991-92.

Mr. Brown: I do not know whether the right hon. Gentleman remembers the circumstances in which we

[Mr. Brown]

fought the previous election, but the Government announced their Budget before the election. For 1992-93, they announced their position on total taxes and national insurance—I shall use the other table now—which was that 34¼ per cent. of national income would be taken in tax. What is the position next year? The table shows 36¼ per cent. Once again, we see a Government who say at the election that they will cut taxes and who then eventually raise taxes. We now find that last year's Budget, which was in truth a tax-cutting Budget, was merely the interval between one tax-raising Budget and another. The Government raised taxes in recession and blamed the recession: they are now raising taxes in recovery, but who will they blame this time?

The Chancellor of the Exchequer (Mr. Kenneth Clarke): About five of the 22 tax increases that the right hon. Gentleman mentioned are increases in tobacco taxation, to which we are committed. Some of our future commitment to raise taxation is a commitment to continue to raise the tax on tobacco in real terms. The Labour party supports that—I think—or has it not yet made up its mind? Perhaps tax on tobacco is like the windfall tax and eventually we shall get a decision on it.

Mr. Brown: I am grateful to the Chancellor for intervening and allowing me to explain the 22 tax rises listed in our document. It might pay the Conservatives to look at that document, because they will see the full damage of what they have done. The allowances and taxes affected include personal tax allowances; married couple's allowances; fuel duties; mortgage interest relief; VAT on domestic fuel; insurance tax, at 2½ per cent.; airports tax; and supplementary budget increases. Are not those taxes that hit ordinary people?

Mr. Clarke: I shall not try to get the right hon. Gentleman to say which of those he would repeal or how many of the allowances he would restore, but I asked him about tobacco taxation. He knows that many of the tax increases that he is complaining about are increases in the tax on tobacco, and he knows that the future projections include a commitment to a real terms increase in the tax on tobacco. Half his party complains about the inadequacy of the tax that we are imposing on tobacco. What is the right hon. Gentleman's position on that and why is he complaining about it?

Mr. Brown: That is interesting to hear from the Chancellor. I read out the list, which does not include tobacco duties, and he then stands up and says that it does. I shall tell him: it does not include tobacco duties. He asked me whether the list included any tax that we would reduce and I shall tell him. We will bring down VAT on fuel.

After yesterday's Budget, what will Conservative Members, very few of whom have dared to appear after yesterday, tell—

Mr. Nirj Joseph Deva (Brentford and Isleworth) *rose—*

Mr. Brown: I shall give way once more, but then I must move on.

Mr. Deva: If the right hon. Gentleman is so concerned about tax increases, can he tell us by how much he proposes to increase tax through his utilities tax?

Mr. Brown: The hon. Gentleman allows me to remind him of what he said to his electors at the previous election, for which he will have to answer. We have made the situation clear on our utilities tax. We will consult the regulators and we will announce the details in a Labour Budget and, after yesterday, the sooner we have that Budget, the better. The hon. Gentleman might have a more difficult time explaining himself to his electors at the next general election. He should be reminded of what he said in his election manifesto, because he will have to answer for it. He said: "Taxes will be reduced." Some 22 tax rises later, what will he say to his local newspapers and his constituents in Brentford and Isleworth?

Let us remember the commitments on which the Conservatives entered the general election campaign. They said—I quote the Prime Minister—

"There will be no VAT increase."—[*Official Report*, 28 January 1992; Vol. 202, c. 808.]

What happened? The Government did not cut VAT yesterday. They actually extended it to travel insurance and television rental insurance, to raise hundreds of millions of pounds more.

Let us remember the argument that was used when the Conservatives introduced VAT on fuel. They said that it had to be introduced because of the unforeseen consequences of recession. We are now in recovery, as the Chancellor keeps telling us. He had the chance to mitigate the damage that had been done and to undo at least some of it. But when Conservative Members waved their Order Papers yesterday to applaud the Budget, they were applauding a Budget that chose to leave VAT on fuel at 8 per cent., and that is the most unpopular and unfair tax in the country. They were also applauding a Budget that will extend VAT again.

So there is no doubt about the public's suspicion of a Chancellor and a Government who repeatedly said before the general election that they would not extend VAT, but who continued even yesterday to do so by hundreds of millions of pounds. The Chancellor will have to go into the election explaining his personal views that he would like to see VAT imposed on food, on travel, on books and newspapers and on children's clothes. That is the Chancellor's personal position, and that is what he will be asked about throughout the campaign.

Let us remember the campaign that was fought on national insurance at the previous election. The Labour party's tax bombshell was that we would remove the national insurance ceiling. Labour, the Conservatives said, would raise national insurance charges for those earning above £20,000. What happened? What did the Conservatives do? They raised national insurance for everyone. The Prime Minister's promise was that he

would not raise the rate of national insurance, and then he increased it to 10 per cent.

Those increases are not slips, unfortunate accidents or unforeseen consequences that can be wished away as lapses. They are part of a systematic deception of the British public. The Conservatives' promise on national insurance was broken, as was their promise on VAT, because they did not create an economy that was sufficiently successful to deliver the lower tax burden that they promised.

The House may remember the Government's "help for families". The Chancellor talked about families yesterday, and mentioned the married couple's allowance. The Conservatives fought the 1987 election saying that Labour would abolish it, but which party will go into the election as the one that cut the married couple's allowance? Not Labour—it is the Conservative party. The Chancellor confirmed yesterday that, after the Budget, the married couple's allowance will stand at 15 per cent.—another Tory tax rise.

What of mortgages? The Tories say all the time that Labour would cut help with mortgages, but which party did so in this Parliament? None other than the Conservatives. The House should remember their manifesto commitment—the Prime Minister said that they would maintain mortgage tax relief. But after yesterday's Budget, mortgage tax relief will still be withdrawn. Once again, the Conservatives will go into the election having cynically broken a promise.

What of the overall tax burden since 1992? The Chancellor—who has intervened in the past few minutes on this—went round the television studios this morning, and was asked a fairly innocuous question on GMTV. "Is the ordinary family taxed more than in 1992?" he was asked. I heard him say, "I am not sure." With all the authority of the Treasury and its briefing documents behind him, he said that he was "not sure".

Later, the Chancellor went on "Today", and seemed to quote me all the time. He was asked by Mr. Humphrys whether tax had risen since 1979. He replied that it depends on whether people smoke, how big a car they have and how far they drive. Then, I gather, he said at a Treasury press briefing at 10.30 am that the question was a "preposterous irrelevance". It is not a preposterous irrelevance that the people of Britain were told that they would have tax cuts year on year and were then let down.

Let me tell the Chancellor about the overall position. Taxes in 1978-79—34.25 per cent. Taxes next year—36.25 per cent. Whichever way one looks at it, taxes have risen under this Government. They have tried to perform the conjuror's trick of drawing attention to the things that they want people to see, while concealing what they do not want people to see. That is the Tories as they are all the time. Before the election, they raise expectations. After the election, they raise taxes.

Mr. Kenneth Clarke: Such a speech does not help the general public understand economic policy in the slightest. As the right hon. Gentleman is carrying on with his three-card trick, can we identify the individual cards? He knows that we shall go into the election with a total tax burden that is no higher than it was in 1991-92, before the previous election. When he comments on 1992, he should remember that 1992 contained two financial years—1991-92 and 1992-93. He is falling about and shifting from one to the other, depending on which comparison and point he wants to make.

The tax burden is the same overall as it was before the previous election. It is no higher, and it is not true for the right hon. Gentleman to say that it is. The burden actually includes all the increases in tobacco duty—I am still waiting to hear whether he objects to them. Is he complaining about them? Will he say that the tax burden is the same as it was before the previous election, as that is the truth?

Mr. Brown: The Chancellor seems obsessed with tobacco. I do not suppose—whichever way one looks at it—that I can smoke him out on those matters. But I must tell him that tobacco is not included in our list of 22 tax rises. He is now telling us that the only reason the tax burden is the same as it was in 1992 is because of tobacco. That is astonishing. Had it not been for tobacco, we could have forgotten VAT, national insurance, the married couple's allowance, mortgage tax relief and insurance tax. It is all a result of tobacco.

I can remind the Chancellor and the House of one of his forecasts in which people will believe. In an unguarded moment in Washington in October, the Chancellor said that the public "would be deeply suspicious" of any tax cuts. Why did he say that? He said that because:

"They remember we promised tax cuts last time and weren't able to deliver them."

His judgment on that issue has been proved to be absolutely right, and the public are right to be suspicious.

The Chancellor seems to want to wish away the Conservative manifesto for the previous election.

Mr. Clarke: I should not allow myself to be provoked by this nonsense. The right hon. Gentleman knows perfectly well that I gave an explanation in Washington of why I would make only tax cuts that could be afforded by prudent policies. Will he express an opinion on whether the tax cuts that I made yesterday can be afforded by prudent policies? Last year, he could not make up his mind. He did not vote either way, and abstained. Can we talk about the Budget? Will he take up the phrase that I used in Washington and tell me whether the tax cuts that I announced yesterday can or cannot be afforded as a result of prudent policies? Which way will he vote? Will he vote?

Mr. Brown: I will come to that in a minute, as I will to the Chancellor's new-found interest in tax loopholes as a way of raising money. I remind him of one of the tax cuts that Labour believes should have been made, and which I think he will regret not having made—that of VAT on fuel. That is what a Labour Government will do.

I have here the manifesto on which the Conservative party fought the previous election, and the one for which the dwindling band of Back Benchers now supporting the Treasury team will have to account when they come to the election. I venture to suggest that the Conservatives got only one word wrong in most of the statements that it contains. The manifesto stated that the Conservatives would maintain mortgage tax relief, when what they meant to say was that they would not maintain mortgage tax relief. On page 8, the manifesto states:

"We will abolish Stamp Duty on share transactions".

[Mr. Brown]

What they might have said was that they would not abolish stamp duty on share options. The manifesto said that the Conservatives would continue to reduce taxes, when it might have said that they would not continue to reduce taxes.

The Conservative campaign during the summer was that Labour says one thing and does another, but that is the truth about the Conservatives. They say one thing in their manifesto, and they do another in government. In every library in Britain, the 1992 Conservative manifesto should be re-catalogued today as a work of political fiction and put alongside the other work of Jeffrey Archer and his friends.

Mr. Geoffrey Robinson (Coventry, North–West): Will my right hon. Friend confirm that, far from delivering tax reductions year on year, the Conservatives have in fact delivered the biggest tax increase since the second world war?

Mr. Brown: We have had the biggest tax increase in our peacetime history, and that is why Conservative Members are so fearful of facing the electorate. They will not be able to defend themselves, because they made tax the central issue at the last general election, as they did at the three previous elections. The electorate are entitled to judge the Conservatives on their central promise.

What of the other promises in the Conservatives' 1992 manifesto? They promised to balance the Budget—again, a broken promise. Yesterday might have been an attempt to eradicate the Conservative party's reputation for high borrowing, but let us remember how it all started. In 1988, the Prime Minister—the then Chief Secretary—said that the Government would balance the Budget every year. Then, as Prime Minister, he said that they would balance the Budget on average over the cycle. He then said that they would balance it in one year in the cycle; then, that they would move towards balance during the cycle. Yesterday, we heard the truth—the Government will balance the Budget. It is in the Red Book. But when? They will balance the Budget in the next century. The Conservative party is not the party of balanced Budgets—it is the party that has doubled the national debt. The Conservative party is the party of the unbalanced Budget.

We must look at exactly what happened in 1992, to explain why we are right to be suspicious of every figure in the Red Book. The Government said in 1992 that borrowing would be £32 billion in the year to follow; it was £45 billion. They said that in the year after it would be £25 billion; it turned out to be £36 billion. They said that it would be £19 billion in the third year; it turned out to be £32 billion. This year, it was supposed to be £6 billion, and it has turned out to be £26.5 billion. The Government were out by £66 billion. That is why the national debt has doubled.

The Government misled the electorate in 1992 about the true state of public finances. The electorate must not be misled again, because all that we have this time are promises about good behaviour in the future. Are we not entitled to judge the Government by their record rather than their promises?

Now the Chancellor tells us that he will balance the Budget, not primarily by growth or by spending cuts, but by what he has discovered in the past few days: loopholes. That is where his new figures come from. I remember his previous references to tax loopholes: he said that they would be as good as brass washers. He made a thing of it in all his speeches, and he said in the House that loopholes did not exist and that we were proposing the economics of "Alice in Wonderland". The Chancellor said that our proposals to close loopholes were

"not serious options for revenue raising. This Government have never been a friend to the tax avoidance industry."—[*Official Report*, 8 December 1994; Vol. 251, c. 474.]

Now, two years later, the Chancellor admits that the Government have been a friend of that industry all along. He said in 1994 that he had done work to study tax loopholes and had rejected them; but he now accepts as worthy of further investigation the very loopholes that we identified and that he scorned: the abuses in leasing arrangements, in controlled foreign companies, in offshore trusts, in special dividends, and in share buy-back schemes.

Yesterday, the Chancellor said that

"big, sophisticated companies seem to pay so little tax"

and spoke of

"companies being 'economical with their tax'."—[*Official Report*, 26 November 1996; Vol. 286, c. 163.]

How has it taken the Government 17 years to find out what we have been telling them all along? If he had devoted his energies to pursuing tax avoidance rather than to knocking down our case, the Chancellor would have raised money far beyond what he proposes to raise in future years.

The Chancellor denied that there were loopholes until the day before the Budget, and now he sees them as his economic salvation. How much money has he lost the country in the past few years by his failure to act? First, the Government let the loopholes happen; then, despite warnings, they ignored them; then they derided anyone who wanted to close them; and now the Chancellor finds, as he tries to reduce the borrowing requirement on the eve of a general election, that they are his last hope of salvation. The Chancellor's statement yesterday was an admission that he had lost the country millions. If only the Government had taken our word, they would not have had to impose VAT on fuel.

If the Chancellor has taken our advice on loopholes, it is about time that he also took our advice on the windfall tax on the utilities. The Conservative party in the past few weeks has become the friend of the privatised utilities, running debates for them in the House of Commons, as if it were a sponsored Conservative party. I gather that on Monday night the chairman of United Utilities—North West Water as was—invited Members of Parliament to a drinks party to celebrate on the eve of the Budget the fact that the Conservative party would not impose a windfall tax. The Conservatives should take the advice of the chairman of the 1922 Committee, who said last year that they should impose a windfall tax on the utilities.

Promises have also been broken on spending. Despite all the promises about settlements above inflation, year on year, the figures show that the Department of Health budget for the second year is falling. Can the Chief Secretary deny that capital expenditure on the health service is being cut by 10 per cent? Can he deny that, of all the projects for the private finance initiative that were to be announced month by month, only one contract has been signed, and that it was signed on the day of the

Budget? What are we to make of Ministers who go round promising hospitals in marginal seats and never deliver them? Unless they take action now, they will be building castles in the air, not hospitals on the ground.

Mr. Waldegrave: The right hon. Gentleman is creating a good deal of confusion—inadvertently, I am sure—about the falling baseline for the Department of Health in the second year. That is nothing to do with the national health service, but represents the transfer of money to local authorities in a ring-fenced grant for community care. There is a real-terms increase for the national health service in each of the years.

Mr. Brown: I should be grateful if the Chief Secretary told us how much money has been transferred and where we can find the additions in the Department of the Environment budget.

Mr. Waldegrave: That is in the local authority settlement. I think, from memory, that the figure is about £300 million, but I shall write to the right hon. Gentleman.

Mr. Brown: I should be grateful for that. The Chief Secretary should look at table 5A.5, "Control Total by department in real terms".

The Exchequer Secretary to the Treasury (Mr. Phillip Oppenheim): He has just explained that.

Mr. Brown: No, he was explaining another table, which shows a 0.8 per cent. fall in real terms in the Department of Health budget in the second year, which he now says is accounted for by a £300 million transfer to the Department of the Environment, which is certainly absent from the Department of the Environment figures.

The figure for Department of Health spending in 1998-99 is £35.38 billion and the Chief Secretary is talking about £300 million. Let him explain table 5A.5, which is absolutely clear, and shows that spending on the national health service will be £32.9 billion in 1997-98; £33 billion in 1998-99, an increase of 0.1 per cent.; and £33 billion in 1999-2000. Where is the real-terms increase year on year if spending is frozen between 1998-99 and 1999-2000? Perhaps the right hon. Gentleman can explain that.

Mr. Waldegrave: I shall set out the figures in my speech, but I can say now that there is a real-terms increase each year for the national health service, and if one includes the private finance initiatives, there is a bigger real-terms increase.

Mr. Brown: We already know that capital expenditure in the national health service is being cut; next year's cut will be 10 per cent. Will the Chief Secretary—I am giving him another chance—explain why the figure for the NHS in 1998-99 is £33 billion, and remains the same for 1999-2000? If there is to be a real-terms increase every year, why is the figure frozen?

Mr. Waldegrave: Let me give the hon. Gentleman the exact figures, in all the different forms in which they can be cited. The total NHS plan on plan is a 2 per cent. increase in the first year, then 0.25 per cent., then 0.1 per cent. in the third year. The figures if PFI is included, which is reasonable, are 2.3 per cent. in the first year, then 0.6 per cent., then 0.4 per cent. The patient care figure within that represents a 2.9 per cent. increase in the first year, as my right hon. Friend the Secretary of State said.

Mr. Brown: The House will judge from the Minister's figures how small is the Conservatives' commitment to the health service. Table 5A.5 shows that it is planned to spend £33 billion on the health service in 1998-99 and only £33 billion in 1999-2000. What does that suggest? Perhaps the Chief Secretary will devote a considerable proportion of his speech to answering questions from my hon. Friends about what is happening to the health service, because everyone knows that, as on education, one cannot trust the Conservative party.

The Government failed to solve the problems in 17 years, so who would expect them to solve them in the 18th? I know how the trick works, because it was the same with the roads programme. The Government flood people with detail on the day of the Budget, to obscure the real position, and when it comes down to it, one finds that there are cuts far beyond what they announced. Let me tell the Chief Secretary—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael Morris): Order.

Mr. Giles Radice (North Durham): On a point of order, Mr. Deputy Speaker. Could we adjourn for half an hour so that Treasury Ministers can look at their figures and give the House an authoritative account?

Mr. Deputy Speaker: That is not a point of order.

Mr. Brown: We can see how it all works from the roads programme that was leaked the day before the Budget. The leak shows how civil servants advised on how to go about things. It said that they were going to cut the long-term transport programme. *[Interruption.]* The hon. Member for Dover (Mr. Shaw) should listen, because his constituency has a road in the programme, but it is about to disappear—along with him.

Mr. David Shaw (Dover): Does the right hon. Gentleman accept that there is a contingency reserve over the next three years of £15 billion? He clearly has not read the Red Book, because that reserve can more than pay for the increase to which we are committed on health and for the roads programme, which includes the benefit to my constituency. It can more than meet all the Government's needs over the next three years.

Mr. Brown: The hon. Gentleman should examine the roads programme document. The Dover loop is under threat of cancellation. The hon. Gentleman is interested in his constituency for the first time in a while.

Mr. Shaw *rose—*

Mr. Brown: I am giving the hon. Gentleman information to which he should listen. The Dover loop is scheduled to be reconsidered in the long-term programme. Unfortunately, the Selby bypass is more likely to be reprieved because the document says of it:

"Very popular scheme locally. M Alison MP supports strongly."

[Mr. Brown]

It is a pity that the hon. Member for Dover is not mentioned as defending his road.

Mr. Shaw: Will the right hon. Gentleman give way on that point?

Mr. Brown: I often give way to the hon. Gentleman. He will be able to speak later, and I am sure that the House will enjoy every part of his contribution.

Let us consider the argument about what has happened over the past 17 years. The Government said that they entered power with one mission in mind. The first Budget of Sir Geoffrey Howe was intended to stop the relative decline of Britain. Now, as we have been saying for the past 12 months, we find that in the world prosperity league—[HON. MEMBERS: "Oh, no."] They do not like it. It is okay for them to talk all the time about the enterprise centre of Europe, but not for us to mention the truth: that we have fallen behind Italy after falling behind France; fallen behind Hong Kong and Singapore; and fallen from 13th to 18th in the world prosperity league. They should face facts and do something about it.

We know what has been happening to the economy. Over the past 17 years, there has been under-investment in education, in industry and in creating the employment opportunities that are necessary for us to get people back to work, reduce social security costs and get public borrowing under control. Can anyone doubt that the cracks are starting to appear in the Chancellor's story about what the Prime Minister described to the Conservative conference as the economic miracle? Interest rates and inflation are rising and manufacturing investment is falling. The Chancellor had to report yesterday that manufacturing output is stagnating. The balance of trade deficit has started to worsen again, especially in manufacturing.

Under the Conservatives, everyone fears that we face the return of the old stop-go economic cycle, where a consumer expansion is allowed for a time, but because it is not underpinned by the necessary industrial investment, it eventually leads to inflationary pressures that threaten to derail a recovery. However, because we are near to a general election, we get the usual Conservative story. The Conservatives say that the problems are solved, prospects are brighter than for a generation and Britain is the envy of the world. The economic miracle is declared in 1996, as it was, wrongly, in 1988. Every time with the Conservatives, we find that, after a general election, the picture looks quite different.

The Chancellor failed the country most in that his Budget did not equip Britain for the future. He failed because there was no new measure to get new investment in the high-technology industries in which small and medium-sized businesses are trying to expand. He failed to take up our proposals for education—in the classroom, in a university for industry and in new chances for people after school. He failed, and continues to pay the price of high borrowing, because he did not take the measures necessary to get the young and the long-term unemployed back to work.

There is a figure that should haunt the Government as they face the general election. Whatever they say about the official statistics for unemployment, the truth is there for every community to see: in 20 per cent. of working-age households, no one earns a wage. That is far worse than in France or Germany, almost twice as bad as in the United States of America, and on a par with Spain. The Government fail to act on that because they do not begin to admit that it is a problem. If they do not take action, we shall continue to slide down the world prosperity league.

We have already fallen below the average for national income per head in Europe. We have fallen further away from the top countries in Europe on that. The big challenge that faces the next Government will be to equip the country in education, in investment and in creating new employment opportunities for our future. In doing so, we shall tell the country the truth about what is happening to borrowing, spending and the state of the economy.

Let us sum up the election pledges that were made by the Conservatives in 1992 and see how they will have to account for themselves after their last Queen's Speech and Budget. The pledge to balance the Budget was broken. They said that their commitment to the environment was beyond doubt, but they cut the environment budget: promise broken. The pledge to maintain mortgage tax relief for home owners: broken. They said that we would be the best housed nation in Europe, but homelessness has doubled: promise broken. They promised to introduce legislation to deal with cartels and monopolies, but none was introduced: promise broken.

In 1992, the Conservatives promised to increase the number of nurses; they promised that 80 per cent. of young people would have qualifications by the end of the Parliament; they promised the biggest investment in transport infrastructure in Britain's history. All those manifesto promises were broken. People will remember most of all the promises on VAT, national insurance, mortgage tax relief and home insurance. All the promises on taxation have been cynically broken. Their promises broken, their record exposed, and their repeated failures made obvious so that they cannot be trusted again, they should face the truth. They should face the electorate. They will have to face the consequences: a change of Government.

5.47 pm

The Chief Secretary to the Treasury (Mr. William Waldegrave): I do not think that I will be contradicted if I say that that was a vintage performance by the right hon. Member for Dunfermline, East (Mr. Brown). It was characteristically witty and full of bombast. There was only one problem: he found no time to mention the Budget. That may be because he has not made up his mind about it. A good example of that was the way in which he dealt with profit-related pay.

My right hon. and learned Friend the Chancellor of the Exchequer has set out plans for running down and removing the tax privilege for profit-related pay. The right hon. Member for Dunfermline, East made a tremendous to-do about how terrible that was, how people would lose and what it would cost employers, but he did not say what his attitude was. If he were in government, would he maintain that tax privilege? Would he ignore the advice of officials in the Department, and from wise advisers outside, that, having needed pump-priming to get PRP going, it is advancing so swiftly that it will knock a large hole in the Government's receipts unless action is taken?

He did exactly what he and his hon. Friends always do, which is to address the lobby and say, "We're really on your side on this. These wicked Tories are taking away the tax relief on PRP." But he did not say, and will not say, whether he will reinstate it.

That, I suspect, is what the right hon. Gentleman will do on all the principal issues in the Budget, as he did last year. After much bombast throughout the week and a terrific number of pre-buttals and post-buttals, with the hon. Member for Hartlepool (Mr. Mandelson) being much engaged in the lobbies, and so on, Labour will bravely decide to abstain on all the principal issues.

Having had an entertaining time doing that for a bit in his usual way, the right hon. Member for Dunfermline, East then went back to what is even more natural for him: good old doom and gloom. The fundamental problem that the right hon. Gentleman faces is that he wants bad news, but he cannot find it. He knows very well that he cannot deny the strength of the British economy. Take inflation: he knows that the OECD was right when it said that our inflation performance during the past four years "has been remarkably good". In fact, Britain's inflation record is our best for 50 years.

With rather unseemly hope, the right hon. Gentleman grasped at the October inflation figure. At last, he hoped, there was some really bad news for him to celebrate. But even that crumbled in his hands, as commentators pointed out that the October inflation performance was the fourth best since the war, and the apparent rise derived from the fact that the year before had the best October performance since the war. There was no inflation increase in October over September.

Mr. Stephen Timms (Newham, North–East): Will the Chief Secretary confirm that the UK's inflation performance was the 11th worst in Europe?

Mr. Waldegrave: We have joined the main pack of low-inflation countries. The hon. Gentleman should remember that the best that a Labour Chancellor could do on inflation in a similar situation in the run-up to the 1979 election was to find one month's rate, annualise it and then claim that inflation was running at 8.4 per cent., when actually it was running at more than 20 per cent. So let us not have any lectures from Labour on inflation.

Mr. Alistair Darling (Edinburgh, Central): Will the Chief Secretary now answer that point? Are we not 11th out of 15 in terms of inflation in Europe, and why is that?

Mr. Waldegrave: We are now with the low-inflation group in Europe. That, as my hon. Friend the Exchequer Secretary to the Treasury helpfully points out, is quite different from what happened when Labour was in power, and quite different from what would happen if Labour was in power again, for reasons to which I shall come later.

Mr. D. N. Campbell–Savours (Workington): Will the right hon. Gentleman give way?

Mr. Waldegrave: No. I am sure that the hon. Gentleman will think up another intervention later. Perhaps he would like to intervene on the next subject.

On growth, the right hon. Member for Dunfermline, East cannot deny that we are now in our fifth year of non-inflationary growth and that the International Monetary Fund and the Organisation for Economic Co-operation and Development expect us to be the fastest growing major European economy in 1996 and 1997. Perhaps the hon. Member for Workington (Mr. Campbell–Savours) wants to intervene on that. He does not find anything to object to in that—quite rightly.

Mr. Campbell–Savours: I will intervene.

Mr. Waldegrave: I did not want to encourage the hon. Gentleman, but I am willing to give way.

Mr. Campbell–Savours: Perhaps the Chief Secretary will now give a clear answer to the question that he was asked two minutes ago. Are we the 11th highest inflation country in Europe—yes or no? Can we have a factual statement? We are or we are not.

Mr. Waldegrave: We are now among the group with low and permanently low inflation, and there is every reason to think that the inflation target of my right hon. and learned Friend the Chancellor will be hit. For Labour to think that it can compete in low inflation is rather childish.

Mr. Nicholas Budgen (Wolverhampton, South–West): Does my right hon. Friend intend to devote a passage in his speech to monetary policy?

Mr. Waldegrave: I can devote a passage to monetary policy if my hon. Friend would like me to, although that is more a matter for my right hon. and learned Friend the Chancellor than for the Chief Secretary. What I will say on monetary policy is this, and I hope that my right hon. and learned Friend will endorse it: I know what is worrying my hon. Friend, which is that some of the monetary indicators are at the top of their ranges—

Mr. Budgen: One of them is above.

Mr. Waldegrave:—and one of them is above. Those ranges are among the things that my right hon. and learned Friend looks at extremely closely when he comes to set up his monetary policy. There are some special reasons put forward by the technicians—

Mr. Budgen: There always are.

Mr. Waldegrave:—as my hon. Friend says, there always are—as to why we should be careful not to over-interpret those figures. But my right hon. and learned Friend will take the necessary action, in time, to hit his inflation target. That is the proper guarantee to give in relation to monetary policy.

On trade, the right hon. Member for Dunfermline, East knows that, as a result of British industry's hugely improved performance in the 1980s and 1990s, the sustained growth that we are getting is not running us into a balance of payments crisis, as so often before.

During the past three years, export volumes have risen by 30 per cent., and income from overseas investment is running at record levels. The results are seen not only in industries where we have always been strong, such as service industries, chemicals and aircraft, but in areas that are new for Britain, or new in modern times for Britain.

[Mr. Waldegrave]

We are now Europe's biggest exporter of computers, televisions and microchips, and car exports have risen by nearly a third in the last year alone. Our overall trading performance is the best for nearly a decade, with the current account improving to the point of being nearly in balance after five years of steady growth.

We have had further good news today. Figures released this morning provide further confirmation of the good trade performance. They show a trade deficit on a narrowing trend with continuing strong growth in exports in quarter three of 3 per cent. over quarter two, and 7.5 per cent. up over a year before.

Mr. Robert Sheldon (Ashton–under–Lyne): The danger is surely, though, that the increase in interest rates, which has come recently and is likely to come again, has increased the value of the pound to a level higher than it has been for the past two and a half years. Will that not have some serious effect on our exports, as well as on our imports?

Mr. Waldegrave: The right hon. Gentleman's intervention gives the debate a certain symmetry with last year's debate. At about this stage in my speech last year, a Labour Member—I do not think that it was the right hon. Gentleman—intervened to say what a disgrace it was that the pound at that time had gone down a little. I shall give the same answer to the right hon. Gentleman, who is learned in these matters: we do not have a target for the exchange rate and it would be wrong to do so. My right hon. and learned Friend will take that into account, along with other monetary indicators, when he comes to set his monetary target. I do not believe that my hon. Friend the Member for Wolverhampton, South–West (Mr. Budgen) would want us to set an exchange rate target. If he does, we would be unwilling to do so.

Mr. Budgen: But my right hon. Friend has not answered the point of the question. It was asserted that the pound had gone up as a result of higher interest rates. There is no necessary connection between the two, is there?

Mr. Waldegrave: My hon. Friend is entirely right. In so far as there is any connection between an expectation of rising interest rates and a rising pound, that is one reason why my right hon. and learned Friend has set a Budget that is fiscally tightening. That will give him more room for manoeuvre in the way that he sets his monetary policy.

Mr. Denis MacShane (Rotherham): Will the right hon. Gentleman give way?

Mr. Waldegrave: This is becoming an interesting seminar. It may have been the hon. Gentleman who complained last year about the pound going down.

Mr. MacShane: Certainly the steel industry, with which I am connected, is concerned about the rocketing rise of the pound. After the right hon. Gentleman's last answer to the hon. Member for Wolverhampton, South–West (Mr. Budgen) can he tell us where he thinks the pound will be in three or four months' time? *[Interruption.]*

Mr. Waldegrave: My disrespectful hon. Friends are making various suggestions, one of which is that the hon. Gentleman may wish to go on holiday and buy his currency in advance. I do not think that the hon. Member for Edinburgh, Central (Mr. Darling), my opposite number, or the right hon. Member for Dunfermline, East would want to give a target for the pound three months ahead, and I shall certainly not do so.

However, as the hon. Member for Rotherham (Mr. MacShane) is a learned Member, I shall ask him to look at one piece of research which was published recently by the Treasury—he may already have read it. It shows that the United Kingdom's improved trading performance in the 1980s, when, for the first time in decades, we held our share of world trade, cannot be explained in terms of devaluation, of competitiveness provided by the pound. It shows that that better trading performance results from the fact that our goods are better made, are of higher quality and are winning markets on their merits. That is an encouraging conclusion.

Mr. Geoffrey Robinson: Will the right hon. Gentleman confirm, in regard to the fiscal tightening which he said was a major aspect of the Chancellor's stance on the Budget, that, far from being a tax-cutting Budget, the total tax take has increased yet again, from 35.75 per cent. of GDP to 36.25 per cent? In other words, it is another tax-increasing, not a tax-decreasing, Budget.

Mr. Waldegrave: I am not sure what point the hon. Gentleman is making. We had an unproductive discussion earlier about the fact that, if one considers the same base years, the tax burden on the economy in the approach to this general election is the same tax burden as before the last election. But putting up taxes is not the only way of tightening the fiscal position: the fiscal tightening in this Budget comes in part from expenditure cuts which, I guess, the hon. Gentleman and his hon. Friends will vote against if they get the chance, seriatim. They will then claim to be a responsible party with respect to spending control.

Mr. Kevin Hughes (Doncaster, North): Will the Chief Secretary give way?

Mr. Waldegrave: No, I must proceed.

The right hon. Member for Dunfermline, East is fond of using a league table. Let me give him another, on a subject that he does not seem to find so attractive—the league table on jobs. I shall give him the latest figures for the Group of Seven countries. The figures are not exactly up to date; they would probably be a little better if they were, but they are the latest figures we have which allow us to compare all the G7 countries on the international standardised definitions relating to unemployment.

The best is still Japan, by a long way. As most hon. Members probably know, Japan has an unemployment rate of 3.3 per cent. and falling. The second is the USA, with 5.2 per cent. unemployment and falling. The third—this is the first time in decades that we have been in clear third position on international standardised definitions—is the UK, with 8.1 per cent. and falling.

Next comes the group of countries that are taken as the models in Labour's economic policy—the social democrat and Christian democrat interventionist economies. In fourth place is Germany, with 9 per cent. unemployment and rising. Fifth is Canada, with 9.8 per cent. and rising. Sixth is Italy, with 12.2 per cent. and rising. Seventh is France, with 12.5 per cent. and rising. That is a league table which, for some reason, the right hon. Member for Dunfermline, East does not often produce.

Mr. MacShane: What about the Netherlands?

Mr. Waldegrave: The Netherlands is not a member of the Group of Seven.

We do not hear many comparisons of productivity and investment from the right hon. Gentleman. Jobs are being won because, unlike the position in the 1960s and 1970s, when we regularly were bottom of the table for productivity growth, we are now at the top. Our growth in manufacturing productivity has been almost three times that of Germany since 1980. That is because of good business investment, which is up by a third in real terms since 1979. Investment in plant and machinery alone is up by 50 per cent. The right hon. Gentleman made much of investment figures last year, which were indeed disappointing, but the run since 1979 shows that business investment has transformed the UK, and the figures for next year are likely to be good again.

Whole economy investment has grown faster since 1979 than in any other major European Union country and at about double the average rate for Britain in the 1970s under Labour, when our investment growth was much lower than the EU average at that time.

Mr. Campbell-Savours: Will the Chief Secretary give way?

Mr. Waldegrave: No, I want to make progress.

Our business investment is now in line with that of the other G7 economies. There are healthy predictions for business investment this year and next, not just from the Treasury but from the Confederation of British Industry and the National Institute for Economic and Social Research.

Because of our better investment performance, there has been a dramatic closing of the gap in manufacturing productivity between the UK and Germany. That, in the long term, is the most encouraging development of all. In 1979, the gap was 50 per cent.; it is now 10 per cent. As the hon. Member for Coventry, North-West (Mr. Robinson) will know, from his former connections with the motor industry, productivity in automotive components is now reckoned to be higher in the UK than in Germany. If that had been predicted 15 or 20 years ago, it would have been considered very optimistic indeed.

Our improved performance is not restricted to capital goods. There has been a huge improvement in the investment in people. One in three are now in higher education, as opposed to one in eight in 1979. Employers spend £10.5 billion every year on training. I am happy to say that 95 per cent. of manufacturing firms are planning to maintain or increase that level next year.

The right hon. Member for Dunfermline, East, for all his wit, has not been an effective spreader of gloom. Ever since he took over his job, everything has got very much better for the British economy. Unemployment has fallen month by month. Foreign investment has flooded in, particularly to the right hon. Gentleman's native Scotland. The total last year for the United Kingdom was £14 billion, and this year looks like being another record breaker. Our trade performance has improved and our inflation has fallen.

I am sorry, therefore, that I must correct the classical reference made yesterday by my right hon. and learned Friend the Chancellor. He referred to Cassandra. She made correct predictions, which no one believed. The right hon. Member for Dunfermline, East makes predictions that are not correct, but no one believes them anyway, so it does not much matter.

Mr. David Shaw: My right hon. Friend will have noticed that there was a prediction that would damage the possibility of Dover getting its A2 road if Labour ever got into office. Will he confirm that not only has Dover got the dualling project in the road programme under the Budget, but there has been a £100 million improvement in the past few years to the A20 from Folkestone to Dover, and the Sandwich to Dover road has been improved under the Conservative Government? The Conservative Government back Dover, whereas Labour gets very angry and wants to do down Dover.

Mr. Waldegrave: I would not want to get involved in the issues affecting Dover, about which my hon. Friend is much more learned than I am. He is a doughty fighter for Dover. It sounds as though a great deal of money is being spent on roads in and around Dover, and I am sure that that is a good thing.

Mr. Campbell-Savours: Will the Minister take his copy of the Red Book and turn to page 88? Let us clarify a particular prediction. Will he look at the sixth figure from the bottom on the left, for 1996-97, in the column headed "Total taxes and NICs" as a percentage of money GDP? Is it true that it reads 35¾ per cent? For the year 1997-98, does the figure read 36¼ per cent? Will the Minister advise me on these matters? Is that an increase or a reduction? If it is an increase, does it not mean that taxes are going up? May I have a simple answer to my elementary question?

Mr. Waldegrave: The hon. Gentleman knows the answer to his question perfectly well. I was answering a slightly different question earlier, but also an important one. I was making a modest correction to the point made by the right hon. Member for Sedgefield (Mr. Blair), who said that the tax burden when we went into the last general election was lower than the tax burden now. In fact, it is about the same, or a little lower.

Mr. Gordon Brown *rose—*

Mr. Waldegrave: I do not deny, nor does my right hon. and learned Friend the Chancellor, that this is a fiscally tightening Budget. That is right and it is why the Budget is well received. The right hon. Gentleman must answer a fundamental question: does he accept the Budget judgment? Does he accept that there should be fiscal tightening?

Mr. Brown: Will the Chief Secretary now bring himself to use the words that the Budget raises taxes,

[Mr. Brown]

rather than lowers them? All obfuscation on his part must cease. He has acknowledged what the table shows. Will he confirm that taxes are to rise next year? He asked us what our policy was on individual taxes. Let me make that clear: we will pledge in our manifesto to cut VAT on fuel. The Conservatives promised that they would never extend VAT on fuel. Will the Chief Secretary make a similar promise in the Conservative manifesto to cut VAT on fuel?

Mr. Waldegrave: The answer to the second part of right hon. Gentleman's question is no; I think that that would be extremely unwise. If Labour were to return to power, the right hon. Gentleman would find that he had made a very unwise pledge. For example, he would find it difficult to ensure that the small tax cut was returned to anyone in the form of lower prices.

The tax take has to do not only with tax rates but, as my right hon. and learned Friend said, with filling tax loopholes and securing the tax base. That is the correct thing to do. The right hon. Gentleman crows and says that he urged us to take that action. I accept his argument in some respects: we have taken some of the steps that he suggested, but we have also instituted a wide range of other measures that did not occur to him. They are sensible proposals which should be supported on both sides of the House.

I turn now to living standards, because they are at the centre of the Budget. The right hon. Gentleman has a problem: he cannot find the bad news that he is looking for, so he says that there was a recession—which occurred in this and in every other country. During that recession, we had to raise tax to look after public services. The right hon. Gentleman cannot argue that he would have done anything differently. Would he not have protected the health service or education when the tax base was diminished by recession? The question is not what action we took during the recession, but whether we took the right action to secure a long-lasting recovery. The answer is a resounding yes.

Tough spending measures, almost all of which were opposed by Opposition Members in the years after my right hon. and learned Friend became Chancellor, and unpopular taxation measures put this country back on track for a long-lasting, low-inflation recovery. We are now beyond the point where we need to use the word "recovery", because, in its fifth year, it stops being a recovery and becomes steady low-inflation growth. That has protected and enhanced the living standards of the British people.

The direct tax cuts that we made yesterday and the raised thresholds mean that the average family will be about £20 a week better off next year than at the time of the last general election. It is true that many of our constituents faced a tough time and that things remain tough in the high-spending, highly regulated economies of France and Germany, for example. However, the measures that we took laid the foundations for solid, reliable and continuing rises in our standard of living.

The right hon. Gentleman looks, in search of doom, to the public finances. That takes a certain amount of preposterous cheek on his part because, even at the peak of the recession when borrowing was at its greatest, the debt burden was less than in the best year of the last Labour Government.

Mr. Kevin Hughes: Will the Chief Secretary confirm that this Budget increases the tax burden? If he cannot, will he tell us which part of the word "yes" he has difficulty understanding?

Mr. Waldegrave: I have no difficulty confirming that the Budget tightens the fiscal situation. Opposition Members may vote against it if they wish—let us see whether they do. I suspect that, with huge determination and courage, they will abstain. I do not think that the people of this country would find this debate edifying, but if they were present they would be astounded to learn that, after all the sound and fury, Opposition Members shall make no judgment about the Budget's central proposals. That is quite extraordinary.

We have halved public borrowing since its peak: it will fall below £20 billion next year and be in balance by the end of the decade. That has been achieved through extremely tough decisions on spending, to which the Budget contributes. If Labour wanted a faster reduction in borrowing, which spending would it cut more—or perhaps it would put up taxes? We will get no answer to that question.

Opposition Members voted against virtually every spending cut and they have no credibility whatsoever when they criticise us for not cutting the public sector borrowing requirement sooner. Everyone knows that, if Mr. Kinnock had won the last election, spending and taxes would be higher than their present levels. Spending is on course to reach 40 per cent. of gross domestic product next year and then drop below it, putting Britain in the group of countries—with Japan and the United States, whose unemployment figures I cited earlier—that spend less, grow faster and have lower inflation.

The debt burden was higher in every year the last Labour Government were in power than in every year of this Government. The average PSBR level under Labour was double its average since 1979. The right hon. Gentleman's problem is acute, but he did not solve it today. He is faced with the fact that my right hon. and learned Friend has done the right thing in this Budget—and the right hon. Gentleman knows it.

Labour's only response is to erect flashing signs in Piccadilly—and to do the equivalent in the Chamber in the form of the right hon. Member for Dunfermline, East—declaring that the Government have raised taxes 22 times since the last election. That is a completely bogus line of attack. On the same basis, we could say that we have cut taxes 25 times in the last two Budgets. As I have said repeatedly, the tax burden is the same as we go into this election as it was at the last election. We have cut the basic rate of tax by 2p, increased personal allowances and widened the 20p band so that fewer people pay tax now than in 1991-92. Everyone is paying income tax at lower rates.

The fact is that, taking tax, inflation and everything else into account, people will be £20 a week better off next year than they were before the last election, and £100 a week better off than in 1979. My right hon. and learned Friend has pointed out that, under the last Labour Government, people gained about £1 a week—that was the most that Labour could achieve.

On public spending, we have increased money for health—and not just in the first year, as some have claimed. I gave detailed figures to the House today. I think that I heard the Leader of the Opposition say on the *Today* programme this morning that he would do better—we await the numbers with interest. We have also found big money for education, as my right hon. Friend the Secretary of State for the Environment explained to the House earlier today. We have found money for the police and prisons and we have protected defence. In a difficult round, we have found money for other priorities too—for example, trunk roads have an additional £50 million in the public expenditure survey period.

Mr. Don Foster (Bath): When the Chief Secretary says, "We have found more money," to whom does the "we" refer? Is it central or local government?

Mr. Waldegrave: It is both, as the hon. Gentleman probably knows. There will be some contribution—as is quite proper—from local taxpayers and a major contribution from central taxpayers. There is something odd about Labour's attacks on that point. I am not familiar with the Liberal Democrats' policy in this regard, but the Labour party's attitude to local government—as set out in its policy document—is that a shift in the burden towards local taxpayers would be good for local democracy. I am not sure what Labour was complaining about earlier. I suspect that it is another example of how Labour runs one policy for one audience and another policy for another audience.

Mr. Campbell-Savours: I wonder whether I can tempt the right hon. Gentleman.

Mr. Waldegrave: I am always tempted by the hon. Gentleman, but I think that I have succumbed enough to temptation today. It is always enjoyable, but I will not give way.

We have taken difficult decisions in relation to social security. I suspect that Labour Members will vote against them—although they will then tell the *Daily Mail* that they do not really mean it and that they will be tough on social security when they are in power. However, they will vote against our decisions now. As Chief Secretary, I do not apologise for the fact that we are applying tough pressure to all the spending Departments. We do not go up and down the country promising billions in extra expenditure: we find the money for our priorities through taking difficult decisions.

There is no such thing as painless spending control. We have found the figures for our priorities, and when, for example, the 5,000 constables are in place, 20,000 more policemen will have been added to the fight against crime since 1979. Such things can be done—in a period when we have had to absorb large and unexpected costs, for example, for bovine spongiform encephalopathy—only with very tough pressure on other Departments. I make no apology for that.

It is part of the "all things to all men" line of the right hon. Member for Dunfermline, East that he could not really, for all his sound and fury, deny that Labour has very large spending pledges. He and his friends, the spin doctors, had three contradictory responses. The first, in their so-called rebuttal document, was that it would all come either from the windfall tax or from savings in other programmes. Never mind that they have not found any savings and that the windfall tax is looking a bit sick.

Then the leader of the Labour party came along and said that they were not pledges but aspirations. That is not what Mr. McAvoy said of the pledge on school sabbaticals. He said:

"I think it has been a commitment of David Blunkett's for some time".

And why not? That is what anybody listening to that speech would have thought.

The hon. Member for Cunninghame, North (Mr. Wilson) had quite another explanation on "Newsnight". I have read the transcript, because I was interested in what he said. It said:

"What they say about us, of course, is that we have aspirations. It has been made crystal clear by Gordon Brown, again tonight, in every speech, in every interview, that any part of policy commitments which are not those that we specifically costed out of existing resources, that they will be paid for out of"—

and then the transcript said "unclear", so I had to get the video to find out what the word was. The word over which he stumbled—because, according to the hon. Member for Hartlepool, it is what is known as "off message"—was "growth". We are right back to square one, the old Croslandite idea, which really is the road to ruin—spend first and it will all be paid for out of growth that will magically come along.

The truth is that the extra spending would come from tax and borrowing, as the right hon. Gentleman well knows. He is incorrigible. Just last week he was speaking to the CBI. As always, I read his speeches with attention. I would not say that it was a good speech, but it was interesting. He could not resist making another big spending pledge. He said:

"The Chancellor should double capital allowances for one year for new investment."

That costs £750 million—

Mr. MacShane: That was last week's pledge.

Mr. Waldegrave: That may well be so, but I just want to find out whether it is still this week's pledge. It is only £750 million—very little between friends. I presume that the right hon. Gentleman would put up taxes to pay for it, but he has not yet had the courage to tell us whether that is so. Is it an aspiration or a pledge? Perhaps he would like to intervene. It was very nice to cheer up the audience of the CBI, but is it a pledge? Is it an aspiration? Will it be paid for out of growth? Will it be paid for out of savings, or what?

Mr. Gordon Brown: As the right hon. Gentleman is quoting from my speech, will he just read the section to the House?

Mr. Waldegrave: I have the whole speech here, but I know exactly what the next sub-paragraph says. It says that the right hon. Gentleman will come along and say whether all this can be afforded in due course. That is the skill of the operation. He goes to a great audience, makes the centrepiece of his speech that he thinks that capital allowance should be cut, which, of course, is what they have all been lobbying for, so they all go away saying, "He's a very fine fellow, he's going to cut capital

[Mr. Waldegrave]

allowances." There is a bit that he goes rather swiftly over, like the hon. Member for Cunninghame, North, which says, "We'll look into it later and see whether we can afford it." All around the country, the special interest lobbies are dealt with in that way. I do not believe that that is a sensible way to proceed.

Mr. Brown: Will the right hon. Gentleman read what I said to the CBI? He has made a strong allegation. Will he read what I said? Then having done so, will he explain the status of the Prime Minister's proposal to abolish inheritance tax and capital gains tax? Is that an aspiration?

Mr. Waldegrave: It seems to have about the same status as the right hon. Gentleman's aspiration—it happens to be half as expensive—to have a 10p tax band. That is not a competition in which he would involve himself. I suspect, however, that after looking at a Conservative party that cuts taxes and delivers over time a lower share of GDP, as taken by the Government, people will believe us about aspirations on tax cutting more than they will the Labour party, because the right hon. Gentleman's party has aspirations that start with about £30 billion on spending before it talks about taxes at all. I have read the speech with attention.

Let me say why it is right to press Labour on this point, and I cannot use better words than the leader writer in today's *Evening Standard*:

"Today, we see a Tory government struggling with immense difficulty to contain public spending without increasing taxation, while giving extra funds to the public services the public cares passionately about—health and education. How on earth is Labour, with its far more ambitious ideas about spending our money, going to do any better? It is simply not good enough, to suggest that it can all be financed by soaking the privatised utilities in a windfall tax. Not only is such a measure dubious in principle, it will hardly suffice to fund the petty cash, once the bills start to come in for devolution, ambitious new health and education plans, and all the many and various forms of political correctness that will sweep the land under a Labour government. Mr. Clarke may have provided little new cheer to voters in his Budget yesterday, but he deserves full credit for refusing to give false comfort. The onus now lies upon Labour and Mr. Gordon Brown, to confront our grave fears that under Labour, those in work will not only get precious little comfort, but a wagonload of new financial burdens as well."

I cannot say that any comfort was offered today. We heard nothing from the right hon. Gentleman to answer these fundamental points. We heard nothing about his view on the Budget judgment. We heard nothing except hints that Labour would abstain on all the crucial issues. We heard no vision of an alternative economy. In that same CBI speech, there was a very telling paragraph in which he said:

"We should not be taken in by deregulation dogma."

That is the division between us. There we have it. My right hon. and learned Friend the Chancellor believes in a free market liberal approach to the economy. To the right hon. Member for Dunfermline, East, that is deregulation dogma.

Although they are sometimes compared, the fact is that there is a fundamental difference between my right hon. and learned Friend and the right hon. Gentleman. My right hon. and learned Friend is jovial on the surface, but his record shows him to be seriously committed to the long-term future of the economy of this country. The right hon. Gentleman is gloomy and responsible on the surface, but underneath he is consistently frivolous, as he was again today when asked the big questions about the management of the economy, his spending plans and his tax plans. That is why the House should back my right hon. and learned Friend's Budget and dismiss Labour's carping. That is why the British people should thank my right hon. and learned Friend for a Budget that builds a secure and stable future for our country.

6.26 pm

Mr. Jim Cunningham (Coventry, South–East): The Chief Secretary to the Treasury has confirmed that this is a Budget of myths and illusions, which he and the Chancellor are trying to peddle and con the British people into believing. We heard the Government's myths surrounding the latest electioneering gimmick—the myth that our economic problems cannot be blamed on the Government's so-called policies and, once again, the myth that they are a Government of low taxation.

What we hear less often are the hard facts about this year's Budget. This is just another example of the problems that our economy faces. The Budget does nothing to help people caught in the benefit trap. It does nothing to help our pensioners. The people of Coventry, like many others in Britain, have seen at first hand the effects of previous Budgets.

Having listened to the debate that has taken place not only in the House but throughout Britain, I believe that the Budget offers no solutions to tackle the old problems of this old Government. Britain is ninth out of 15 in the European prosperity league. We have fallen from 13th to 18th in the world prosperity league. Our share of world trade is less than that of France, Germany, Italy, Japan and the United States. We are now near the bottom of the European inflation league, in ninth place. In the world education league, Britain has slid to 42nd, just six places off the bottom.

The people of Coventry have suffered much at the hands of the Government, whose record in Europe is second only to the rest of Europe. In the past four years, the number of hospitals in Coventry has been halved, from four to two. Indeed, the long-term future of one of the remaining hospitals, the Coventry and Warwickshire, remains in doubt, because the Secretary of State for Health refuses to tell the House whether the additional money that he secured from his Cabinet colleagues will be spent on patient care or, as is customary with this Government, on red tape and administration.

The Government's flagship policy, the jobseeker's allowance, has gone the way of every other flagship policy that they have produced, such as the exchange rate mechanism and VAT on domestic fuel; it has run aground on misadministration and poor planning. Indeed, the parallels between the jobseeker's allowance and the Department of Social Security's other recent economy drive in the form of the Child Support Agency are becoming apparent.

Both the allowance and the agency were introduced in an effort to convince the electorate that the Secretary of State had some idea of how to reduce his Department's budget. Both policies have failed to deal with the underlying problem in the system, which is that people are being caught in the benefit trap. Both policies have become a shambles, leading to more bureaucracy, not less as had been promised.

Only last week, the Department of Social Security was forced to apologise to one of my constituents. My constituent, who has had three heart attacks and is a chronic asthmatic, was told by the Department that he was fit for work. Since then, however, following pressure from people in Coventry, including me, the Department has had a rethink or, in the Government's language, it has done a U-turn.

As a result of their economic follies following the 1992 general election, the Government have been forced to break their election promises to those who have given the most to our country—pensioners. The Government's desperation to save money to enable them to finance tax cuts has resulted in hardship for millions of pensioners. Among those who have been singled out are war widows, who have given so much to our country during a century of strife so that we may enjoy the life that we have today. They have been singled out by a heartless Government because they are now vulnerable.

Labour is determined to help all pensioners who have suffered. My party has already proposed a far-reaching package of measures that is designed to give them back a decent standard of living. We will cut VAT on fuel. We will ensure that the universal state pension—which the Tories want to means-test—is secure. The pension will remain the foundation of security for retirement. We will end the scandal of long-term care for the elderly, which leads to 40,000 pensioners having to sell their homes each year.

In contrast to the Budget that we heard yesterday, the Labour party has offered a comprehensive and practical set of measures to help the people of Coventry and the nation as a whole. Under the Tories, we have suffered the two worst recessions since the war. Stability is essential to sustain economic growth. Our priority is a stable, low-inflation economy and an end to the boom-bust policies that have so damaged it.

Since the Government were elected, Britain has had the lowest level of investment of any of the 24 OECD countries. We need to invest in our future, but the Government have failed to encourage or support investment. The Labour party's proposals to bring together public and private finance to invest in major infrastructure projects has been greeted with widespread support from the business community.

Government policies have led to one in six people being dependent on benefits. Youth unemployment now costs my constituency over £7 million every year. We must break the cycle of economic inactivity by providing education and training opportunities for all, not only the lucky few. Labour's proposals offer these opportunities. Yesterday's Budget only confirmed the fear of many of my constituents that the Government are complacent about education, about the drop in spending of over £70 million and about the drop-out rates among students. Most damning of all, they are complacent about the fact that more than 30 per cent. of primary school pupils are in classes of over 30 children.

The Chancellor of the Exchequer has failed to deliver the extra resources that he himself admitted education needs. Of the extra £633 million for schools, local education authorities will have to raise £581 million themselves. There is no new money for our schools. Parents will be forced to pay for their children's education through higher council tax bills. We have a Government who give with one hand and take away with the other. My constituents were promised a 4.4 per cent. increase in education spending, yet the Government's grant increased by only 1.4 per cent. Sadly, neither I nor my constituents were surprised by this trickery. After the past four Budgets, we have all become far too familiar with the Government's trickery.

Despite the Chancellor of the Exchequer's electioneering, the simple fact is that people are still paying £600 a year more now in taxation than they were in 1992. We, the Opposition, believe that a Government must have the trust of the country on economic matters. This Government do not have the country's trust. Instead, it has placed its trust in the pledge of my right hon. Friend the Member for Dunfermline, East (Mr. Brown) to reduce VAT on fuel to 5 per cent.

What would the Budget offer the people of Coventry and the country as a whole if the Conservative party were to win the next election? Exactly the same tax promises that the Tories offered in 1992: tax increase followed by tax increase followed by tax increase. We know that 30 new taxes have been introduced in four Budgets, leading to the average family having paid an extra £2,100 in taxation. If the Treasury's present policies are pursued, taxes will continue to rise each year until the end of the millennium. That is the real millennium monument that the Government have left the people of Britain.

6.35 pm

Mr. David Heathcoat-Amory (Wells): I have some proprietary interest in the Budget that my right hon. and learned Friend the Chancellor of the Exchequer delivered yesterday, but I claim none of the successes in it because any Budget speech is very much the Chancellor's own possession. All the important judgments in it are his. I would therefore like to congratulate my right hon. and learned Friend on a Budget that is skilful within the constraints under which he must operate. It is a formidable constraint still to be borrowing, on average, about £500 million a week.

Within the narrow range of options that inevitably are available to my right hon. and learned Friend, I strongly applaud his decision to take another penny off the standard rate of income tax. However tight our external constraints, it is vital that we continue the long march to a 20p basic rate of income tax. In my view, that must take precedence over any other desirable tax reductions or abolition, including that of capital gains tax or inheritance tax.

There is no substitute for, and nothing better than, relieving the burden of direct taxation on the mass of ordinary working people. That is a founding principle of the Conservative party that must be a guiding aim of any Conservative Government. If we consider the classical factors of production, which we were all taught at school or later—land, labour and capital—it is still labour that is taxed too highly.

I would have preferred an approach that concentrated entirely on cutting the basic rate of income tax. The widening of the 20p band and increased tax allowances are, in my view, something of a confusion of aim and a dispersal of effort that may soon be forgotten, particularly as these supplementary income tax measures cost nearly £1 billion a year and are financed partly by increases in indirect taxes.

[Mr. David Heathcoat-Amory]

I shall say a word or two about indirect taxation. I favour a gradual switch from taxing income to taxing expenditure. We have done that over a period of years. But I have a warning. The European single market and, more generally, the liberalisation of world trade means that, as a country, we are in a tax competition. Business activity, investment and expenditure are all mobile, and they migrate towards the low tax regime. Conversely, the high tax country is penalised. That is a good thing, because virtue is rewarded: socialism is destroyed and conservatism is rewarded. The United Kingdom is the beneficiary of that system because most of our taxes are, by international standards, low. They are particularly low when compared with the taxes of our near continental neighbours. We get the business and we get the inward investment.

Excise duties are an exception, because they are historically high. They compensate to some extent for the wide range of consumer expenditure that is subjected to a zero rate of VAT. For whatever reason, our excise duties are out of line internationally.

My right hon. and learned Friend the Chancellor has wisely responded by freezing alcohol duties and reducing them again for spirits, but this year not only has he put through his usual 3 per cent. real increase on tobacco: he proposes to increase the duty by 5 per cent. in real terms. Most Chancellors have found the powerful combination of undoubted revenue needs and an undoubted health case irresistible.

There comes a point when the market, which is so often our ally, punishes us. We will face a serious erosion of duty or, worse, an increase in criminality from illegal sales and large-scale duty frauds if we do not respond to the pressures and developments that I have described, and which exist despite the valiant efforts of Customs and Excise, for which I was privileged to be responsible for two years. So I have a word of caution for my right hon. and hon. Friends. Indirect taxes—excise duties in particular—must be treated with respect, because they cannot bear too heavy a burden.

On VAT, I note the important measures against tax avoidance proposed in the Budget. I recognise some of them: I saw them in an earlier form—they are the daily grind of a junior Treasury Minister. The House should not be surprised to know that another founding principle of the Government is to keep taxes as low as possible, and on as wide a base as possible. Tax avoidance erodes that base and increases the burden on everyone else. I agree with the increased efforts that the Government propose to make against avoidance of VAT, provided that they are undertaken fairly and responsibly. That matter will be examined in Committee.

The Opposition's pledge to reduce VAT on fuel and power is a mistake. I am still not clear whether it is a pledge, a promise, a commitment, a hope or an aspiration. From what the Opposition spokesman said, it sounds as though it is moving up into the harder spectrum of new Labour promises. It is wrong because fuel should be taxed for environmental reasons alone. All other countries with VAT, or an equivalent system, tax fuel and power, mostly at their standard rates. Falling energy prices are the product of privatisation. Electricity and gas prices are cheaper now, even with 8 per cent. VAT, than they were a few years ago, so the social case is extremely weak. It is irresponsible and unwise for an Opposition party with a long list of expenditure commitments to make that promise.

The general outlook for the economy and the background to the Budget is undeniably favourable. That is not an accident: it is due to our determined control of public finances combined with supply side reforms, privatisations and the flexible labour market that we have created. The reforms are the long-term guarantee of prosperity: far more so than any expenditure and tax changes made in any individual Budget.

Let us remember that all the reforms were opposed all the time by all Opposition Members. Their sudden mass conversion to the merits of a free and open market is breathtaking and insincere. I believe that that conversion is only Front Bench deep. Even some Opposition Front Benchers are patently insincere about their supposed ideological conversion. The fact is—and the country knows it—that we drove through the reforms in the teeth of opposition day in day out, night in night out. All Opposition parties have now adopted them as if they were their own.

We have gained the triple crown of good economic growth, falling unemployment and low inflation. Of the three, the one about which I want to strike a note of caution is low inflation, because it causes me some concern. Consumer expenditure will grow by at least 4 per cent. next year. That is a good thing in itself—after all, we run an economy to deliver benefits to consumers—but if we add to that the fact that the money supply is growing well above its monitoring range, some amber lights at least must start to flash. Although monetarism is an uncertain guide to short-term economic management, it is difficult to ignore the long-term connection between money and prices.

I listened carefully to what my right hon. and learned Friend the Chancellor said in his Budget statement about the outlook for inflation. Cost pressures are undoubtedly subdued, and producer input and output prices are still very low, but the dragon of inflation is never dead: it is only sleeping. We must continue to establish a culture of price stability. We will need such stability if we ever make the mistake of going into a single European currency. We will need it even more if we are to remain and prosper outside any continental currency entanglement.

I hope that the Government will continue to use interest rates where necessary, including the option of raising them if those amber lights start to flash red. I would have liked a tighter fiscal stance in the Budget, especially if it could have been achieved by further cuts in public expenditure.

I realise that to talk about further cuts is much easier than to achieve them. No one outside the Treasury can appreciate the sheer dynamism in the public expenditure system. That is one of the enduring memories of my time in office. Expenditure does not simply lie there to be increased or reduced: it erupts on us if we take our eyes off it for a moment. My right hon. Friend the Chief Secretary has done an outstanding job in containing the pressures. He has imposed an acute discipline on the gigantic undertaking that is modern government. Most of the drift away from our deficit target has been on the revenue side—for which I was partly responsible—rather than on the expenditure side, which is his preserve.

In due course, we must return to some of the big expenditure programmes, especially social security. A national consensus is developing on the need for further restructuring of the social security system. The founders of the welfare state would have been surprised if they had been told that, well before the end of the century, the country would be spending £100 billion a year on social security.

I am pleased that space was found for the priority expenditure items—education, health and the police—and I endorse what others have already said. We shall be watching closely to see which local authorities pass the extra money for education to schools. Last year, disgracefully, my county, Somerset, having received more than £7 million extra, passed some £4 million to education, of which only £1.5 million reached schools. The council is, of course, Liberal Democrat controlled.

Mr. MacShane: Is the right hon. Gentleman aware that, if my constituency of Rotherham received the same funding as Westminster, we could have 1,100 more teachers? Will he ask his Front Bench to share the central Government expenditure allocated to metropolitan boroughs and other local authorities equally?

Mr. Heathcoat-Amory: We all look very closely at the distribution formula, and we in Somerset look particularly eagerly at the area cost adjustment to ensure that it does not disadvantage our areas. As for Westminster, we heard earlier today that the so-called over-provision for that borough has been reduced under the present Government.

Mr. David Nicholson (Taunton): May I say something about Somerset, while taking my right hon. Friend back to one of the important revenue points that he made earlier? Is he interested to know that our neighbour, the right hon. Member for Yeovil (Mr. Ashdown), said in his speech yesterday:

"The Budget should have taken a much larger step towards . . . increasing tax on the things we want less of, such as pollution, energy and the use of finite natural materials."—[*Official Report*, 26 November 1996; Vol. 286, c. 185.]

That presumably means that the right hon. Gentleman's party cannot possibly object to taxation on petrol—indeed, his party wants more of it—but does it not also have implications for VAT on fuel?

Mr. Don Foster: Yes.

Mr. Heathcoat-Amory: It does indeed. We all know that the Liberal Democrats are the major high tax party, and I think that we have just heard confirmation of that stance from the hon. Member for Bath (Mr. Foster).

The electors of Somerset are already delivering a message. The acute intervention of my hon. Friend the Member for Taunton (Mr. Nicholson) reminds me that a month ago, in the city of Wells, the Conservative candidates captured both a district and a city council seat from the Liberal Democrats in a by-election. Already, the people whom I represent are delivering their verdict on mismanagement by the Liberal Democrats who control both county and district government.

Mr. Foster *rose—*

Mr. Heathcoat-Amory: I shall give way to the hon. Gentleman, as I mentioned him.

Mr. Foster: I am grateful to the hon. Gentleman for giving way. He asked me to explain the position; let me try to help him.

Liberal Democrats do indeed believe that the price of petrol and other fuels should be increased. We believe that we should change the tax system so that, the more a person uses his car, the more he pays, but the offsetting tax that we would introduce is a reduction in vehicle excise duty, which would make those who drive economical and efficient cars that reduce pollution and energy consumption financially better off, even if their mileage was up to 35,000 miles. As the right hon. Gentleman would be very pleased for that to happen in a rural area, perhaps he will want to support our proposal.

Mr. Heathcoat-Amory: In fact, the hon. Gentleman has delivered a terrible warning to the rural motorists of Somerset. Given their comparatively high mileage, they would find themselves paying the extra tax on petrol, for which any reduction in vehicle excise duty would not begin to compensate. I am grateful to the hon. Gentleman for confirming yet again that the Liberal Democrats are the high-tax party.

Let me end my brief speech—the first that I have made from the Back Benches for some time—by making an observation which, although it concerns the Budget, may be seen in a wider European context. My right hon. and learned Friend the Chancellor has created his success by using all the economic instruments at his disposal. In particular, he has not hesitated to use interest rates. As the Red Book confirms, it remains his policy to use monetary measures to counter any inflationary tendency.

The point about the interest rate moves is that they have been used to adjust policy to suit the very particular requirements of the British economy, which is substantially different from other economies on the continent. That is why we must never embrace the single European currency. There are other arguments, connected with loss of sovereignty, but I shall not go into them now. On strict, narrow economic grounds, it would be an enormous mistake for us to impose on ourselves a single monetary policy and a single interest rate set by and for the wider single currency zone, which would almost certainly be entirely unsuitable and inappropriate to the particular requirements of the British economy.

I want to keep my right hon. and learned Friend the Chancellor and his colleagues in charge of the British economy, so that he and they can continue to exercise their unfettered judgment on what is right, proper and good for the British economy—with the successful results that we see today.

6.55 pm

Mr. Don Foster (Bath): I hope that the right hon. Member for Wells (Mr. Heathcoat-Amory) will forgive me it I do not attempt to pick up many of the points that

[Mr. Don Foster]

he made in his interesting speech, in which his direct experience in the Treasury shone through. Because of that experience, the House will pay particular heed to his warning about future inflation rates—a point to which I shall return shortly.

Anyone observing our debate closely will have been somewhat surprised, especially by the opening speeches. The Chief Secretary to the Treasury rightly chided the shadow Chancellor for having spent most of his speech not making much reference to the Budget. It is slightly odd, therefore, that the Chief Secretary himself then spent most of his time responding to the shadow Chancellor, and that he too made little reference to the Budget. Equally odd was the battle of semantics. Challenged time after time, the Chief Secretary refused to admit that this was a Budget in which taxes would rise. All that he was prepared to do was to use that bizarre euphemism "fiscal tightening"—which, for the benefit of anyone who does not know, means that taxes overall will rise.

We also saw the strange battle of the league tables. When the shadow Chancellor attempted to explain the position of this country's economy in the world economic league tables, the Chancellor said from a sedentary position what many schools would like to be able to say—"Oh, no, not the league tables; don't let's have the league tables." Interestingly, the Chief Secretary refused to comment on our position in Europe in relation to our inflation rate, yet spent much of the rest of his speech using one set of tables after another to try to illustrate the various points that he was attempting to make.

Perhaps the most bizarre aspect, from the point of view of those paying close attention to the debate, was the battle over predictions. We heard reference to Cassandra, and we were reminded that Cassandra made correct predictions, to which no one listened. No one made the point that the Chancellor himself is in perhaps the rummest position of all in relation to predictions: he is the one person I know who makes predictions that even he does not expect to become reality.

Just over a year ago, in his 1995 Budget speech, the Chancellor made it absolutely clear that he was keen not to be over-ebullient about, for example, the public sector borrowing requirement. He said:

"I have therefore been cautious and prudent this year in setting out the latest projections for the PSBR."—[*Official Report*, 28 November 1995; Vol. 267, c. 1057.]

We all remember that, in the 1995 Budget, he was projecting a PSBR for 1997-98, for example, of £15 billion. As we all know, yesterday he announced that he had not been cautious or prudent enough, because he is now saying that the PSBR will be £19 billion.

My concern about the Chancellor's predictions caused me to prick up my ears when the right hon. Member for Wells started mentioning his concerns about inflation. We all know that the recovery that undoubtedly is taking place is fairly fragile, and that it will depend very much on the three key factors of the inflation rate, the borrowing rate and the Chancellor's growth predictions. There will be real cause for concern if any of the three factors is reduced. Given the Chancellor's success in predictions, I do not have a great deal of confidence in his predictions in last year's Budget statement.

It would, however, be unfair not to point out that there are one or two measures in the Budget that I hope that all hon. Members will welcome. Some of those measures have already been mentioned, with both sides of the House trying to claim credit for them. I shall simply say that it is important that we crack down on benefit and tax fraud, and I welcome the Chancellor's measures on those matters—particularly his statement that, this time, additional staff will be made available to make that work possible. However, I think that his belief that spending £1 will bring back to him £8 is a little over-optimistic. Nevertheless, I welcome the measures.

Although they are very small, I welcome the Chancellor's measures to reduce the burden of the uniform business rate on small business by imposing a freeze. The measure will be helpful in my constituency, and I welcome it on behalf of the small businesses in Bath. I also welcome—although I do not believe that it goes anywhere near far enough—the small respite offered in the additional funding for education.

Overall, however, it was an extremely disappointing Budget. It was a tired Budget from a tired Government, and it really missed so many golden opportunities to do something and to ensure that the recovery was made sustainable. It could have been a Budget that truly made an investment in education and training. We kept hearing the right words from those on the Treasury Bench, but, if—as I shall in a moment—one analysed the figures, the words rang very hollow.

It could have been a Budget in which, for the first time, we said that we would remove the possibility of short-termism and fiddling around with the inflation figures at short notice, and take interest rates out of politicians' hands by establishing a UK reserve bank, as my party would like to do. We could have had real measures that would have started to create jobs by providing a proper and effective benefit-transfer system and reducing significantly—not in the small manner done in the Budget—taxes on jobs as part of an environmental tax-switching exercise. We could have had much more effective measures to start to reduce the debt mountain.

My key point—it is important that it is made very clearly—is that I worry enormously about the way in which the Chancellor seems almost to believe that he has got away with it for a second year running through slick presentation. Words have been used about the "Houdini Chancellor". Yesterday the Chancellor performed magic tricks, but, unfortunately, they were much more of the style of Frankie Howerd's magic tricks. As the debate has progressed, we have seen what lies behind the tricks, which have begun to unravel before our very eyes.

The Chancellor has pretended—he should not be allowed to get away with it this year—that he has managed to do a number of things: to reduce taxes, to reduce borrowing and, at the same time, to raise spending on essential services. In all those areas, that simply is not the case. I shall briefly take the example of local government—as we are meant to be concentrating predominantly on the issue of local government in this debate—to explain why I believe that that is so.

The first matter to consider is the three factors that I mentioned earlier. As I said, the fact is that borrowing forecasts are much higher than they were even in the previous Budget. We also now know—regardless of the language of "fiscal tightening"—that the total tax package in this Budget will mean a tax increase. I think that most people would now accept the estimated tax increase next year of £41 for the average taxpayer.

Those who believe that there will be real spending increases on essential services are relying on smoke and mirrors, because there is no justification for such beliefs. It is like a parent saying to his child, "I'm going to increase your pocket money by £5 a week," the child looking excited and then being told that the parent will not fund the increase. That is what is happening in local government. The hon. Member for Sheffield, Hallam (Sir I. Patnick) laughs.

Sir Irvine Patnick (Sheffield, Hallam): That was not a good analogy.

Mr. Foster: I recommend that the hon. Gentleman looks at yesterday's press release from the Department of the Environment—do not worry about the Red Book, tables or anything else; there is only one table that he needs to consider—because it will tell him the whole story.

Let us consider education. The Secretary of State for Education and Employment issued a press release stating that there will be £633 million more for schools. She also stated that, in subsequent years, she will cut money for education—but we will leave that point aside for now. After the announcement of £633 million more for schools, the hon. Member for Hallam looked excited, because that money will be shared between my constituency and every other hon. Member's constituency.

Where will the money come from? The Department of the Environment's table, under the heading, "Table 2—Aggregate External Finance" shows that, in real terms, which is the amount of money that central Government will make available to local government, the estimated outturn for 1996-97—the current financial year—is £35.23 billion. How much will the figure be next year? Will it be more, to make up for that £633 million increase for education and for some of the other increases that we have been promised? No, it will not; it falls to £35.07 billion—a real-terms cut in the amount of money that will be made available by central Government to local government.

Therefore, how can there be £633 million extra for education? The fact is that there is no additional money. The hon. Member for Hallam should therefore rethink whether my analogy was correct. It was absolutely apposite. The only thing that I did not do in my analogy was to say that the parents were increasing the amount of pocket money but reducing the amount of money that they were giving to the child. There is no additional money for education—*[Interruption.]* I shall happily give way to the hon. Member for Hallam. However, he is clearly not prepared to engage in the debate on this issue.

Sir Irvine Patnick: The hon. Gentleman admits that his analogy was incorrect. The analogy was the cause of my laughter.

Mr. Foster: If the hon. Gentleman is saying that my analogy did not go far enough and that I did not paint the picture as black as I should have done to show the truth of what the Chancellor said, I accept that I was in error. I am grateful to the hon. Gentleman for pointing out that error.

The point—I hope that it will be clear to the House—is that the Chancellor and the Secretary of State for Education and Employment cannot tell the House that more money will be available for education and spending on our schools. More money can be spent on our schools only if local councils reduce expenditure on the other hard-pressed services on which people depend, further raid money from already depleted reserves or impose a massive hike in levels of council tax. That is the hidden tax that the Chancellor was not prepared to mention. Not even the Chief Secretary was prepared to use the words, instead using that emotive language of "fiscal tightening"—which, as I said, means tax rises.

Mr. David Nicholson: I am puzzled as to how tightly capped local education authorities will be able to pass on to council tax payers the education spending increase that the hon. Gentleman speaks about.

The hon. Gentleman speaks about the frailty of the economic recovery; he is worried about the borrowing requirement. He argues for higher spending on areas outside the industrial sector. He wants certain taxes to be reduced—national insurance or whatever—yet the Liberal Democrats will vote against the main tax reduction in the Budget. How does he square all that?

Mr. Foster: It is relatively simple. I was taking advice from the right hon. Member for Wells, who has great experience in such matters, and who a few minutes ago told the House that he was worried about the Chancellor's inflation predictions. I was arguing that, if his inflation figure is wrong, the Chancellor will have considerable difficulty in delivering the economic package that he promised us in his Budget.

The hon. Member for Taunton (Mr. Nicholson) knows me well enough and knows that I shall say to him, "We have said openly and honestly that, if necessary, we shall increase income tax to deliver those improvements, especially in education and training, that we believe are vital for the economic future of this country." We shall vote against the tax-raising package in the Budget as it will not give us a sustainable economic future because it does not invest in education and training and does not introduce some of the measures that I mentioned. I hope that that is a fairly clear and straight answer.

The hon. Member for Taunton still does not believe that he is being conned by the Chancellor of the Exchequer. One can see it in his face. He still believes that the Government are magicking more money for his local education authority to give to its schools. If he believes that, he is wrong.

Many organisations have expressed to us misgivings about the Budget. Perhaps my favourite example came from the British Chambers of Commerce. I spoke to one of its groups just before the Budget announcement. In its submission stating what it hoped would be in the Budget, it said:

> "The Government should not consider tax cuts while the PSBR remains so high . . . we cannot see any scope for tax cuts in the Budget. The higher priority should be to reduce current levels of borrowing. Any money which can be found . . . we would like to see channelled into spending on education (and transport).
>
> The British Chambers of Commerce urges the Chancellor to make education spending priority."

I entirely agree.

Sadly, we did not get that from the Chancellor. As a result, the Chancellor's Budget statement reminded me of George Orwell's comment 50 years ago:

[Mr. Foster]

"political language is designed to make lies sound truthful and murder respectable and to give the appearance of solidity to pure wind".

7.12 pm

Sir Peter Fry (Wellingborough): The hon. Member for Bath (Mr. Foster) seemed to say that it was impossible for resources to be moved from one form of county council spending to another. He appeared to assume that every last economy had been made. If one allows for alterations due to the nursery voucher scheme, Northamptonshire's standard spending assessment shows an increase of 3.6 per cent. this year. I would agree with the hon. Gentleman if I felt that every penny spent by the Labour-controlled Northamptonshire county council, abetted by the Liberal Democrats on that council, had been wisely spent, but let me list a few things that it has done in the past year.

First, the council produced a leaflet on sexuality for all teachers, to protect any homosexual or lesbian person who came out. Secondly, it introduced a new policy on tackling poverty in Northamptonshire. There may be something in it for some people in Northamptonshire who are not as well off as others, but it is a waste of public money; it will not relieve absolute poverty.

Thirdly, the council has spent enormous amounts as a result of allowing early retirement, which it need not have done. That is a heavy charge against the council tax payer. Fourthly, it has allowed an enormous increase in mileage allowances, especially in the social services department, which has meant that many members of that department spend more time at conferences than they do sorting out the affairs of elderly people who require long-term accommodation. I could go on.

The argument that there are no savings to be made in local government, especially by councils controlled by the Labour party and the Liberal Democrats, is obviously nonsense. I suspect that all my colleagues could find similar examples to those that I have cited.

I have not always been known as the most ardent admirer of the tax proposals of my right hon. and learned Friend the Chancellor of the Exchequer, but I admit that I believe that, in this year's Budget, he has achieved a balance between ensuring the country's continued prosperity and competitiveness and continuing the policy of gradually introducing the tax reductions on which my party was proud to fight the previous general election, and will be proud to fight the next.

One must be realistic. As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) said, if too much had been given away in tax cuts, inflation might have reared its ugly head. That would have caused a sharp increase in interest rates, which would not have been welcomed by the many millions of mortgage payers. It would have been ludicrous to give away much more today and find, in a couple of months, that the increases in mortgage payments would be greater than the tax reductions, which would not be received until April 1997.

I applaud the way in which my right hon. and learned Friend the Chancellor presented his Budget, which shows not only a cautious control in directing an improving and expanding economy, but a deal of political wisdom. There are many good ideas in the Budget; some were mentioned earlier. Every hon. Member in whose constituency there are small businesses will welcome the freezing of the uniform business rate. It was important to take another large chunk of lower earners out of the taxation system, and the widening of the 20 per cent. tax band now means that 25 per cent. of all taxpayers pay income tax only at 20 per cent. That is a big step towards the day when all modest earners pay no income tax.

Nearly every right hon. and hon. Member will welcome the extra money being made available for health, education and law and order. I am very pleased with the extra money that has been provided for the Northamptonshire police authority. But—there is always a but—no world is ideal and I have one or two reservations. It will not be news to the Government that I am disappointed by the decision to delay any change in the area cost adjustment. The Secretary of State for the Environment well knows that the hon. Members representing Northamptonshire have argued strongly for a reassessment of the ACA. We believe that we partly convinced the Government of the need to set up an inquiry, which they eventually did, under Professor Elliott. His report may not have been perfect in everyone's eyes, but the implementation of its recommendations would have removed some of the inequalities that are visible to all.

It is ludicrous that the county of Bedfordshire can have more than £100 per pupil extra because of the way in which the area cost adjustment works, when the neighbouring counties of Cambridgeshire and Northamptonshire have to make do on much less. It has been particularly disheartening to learn that one of the major reasons for the failure to make that reform was the strong opposition of the Labour-controlled local authority organisations. It is distressing that no progress has been made on moving towards a better allocation of local authority funds. I understand why a total change to the Elliott ideas was difficult, but I believe that we should make a gradual move towards a better system. I want to make it clear to all the people of my county that the opposition of the Labour councillors in the various local authorities was one of the major reasons for us not getting a better deal.

In welcoming the Chancellor's increase in funds for education, I also echo the comments about local authorities refusing to pass on all the money that has been made available for school governors. Last year, despite having screamed and complained about how school budgets were being cut back, my county council withheld almost £2 million that it could have passed on to school managers. It would be disgraceful if the Labour county council tried to do that again in the next financial year. We know perfectly well that it will say that money is short and will blame the Government for it.

It was rather disappointing to see that Wellingborough borough council's SSA has been reduced by 3.2 per cent. It is one of the few councils in the country not controlled by the Opposition. It is almost unique—it is certainly unique outside London—in making no charge for its services. In fact, it supplements the county's precept. I hope that the policy pursued by my right hon. and learned Friend the Chancellor will not be continued in a way that could be seen to penalise authorities that have done very well, and end up as a penalty on thrift.

One aspect of the Budget that has caused me concern—I do not think that it has been mentioned so far—is the increase in diesel duty and the effect that that will have

on road haulage. I entirely accept that road vehicles should pollute less and should be encouraged to be more fuel-efficient, but I am perturbed by the aspect of the Budget that puts another considerable increase on the costs of that industry.

The facts are reasonably clear. The United Kingdom has the highest rate of duty in the European Union and the highest rate of vehicle excise duty. Even before yesterday's increase, UK duty was much greater than those of our continental partners. The duty here is 25 per cent. higher than that in France, 33.3 per cent. higher than that in Germany, 100 per cent. higher than that in Greece and 30 per cent. higher than the European average. That difference in fuel duties means that many continental hauliers can come to this country with full tanks and compete with our industry, perhaps buying no fuel—or very little—at the rates that our hauliers have to pay.

I accept that my right hon. and learned Friend has brought forward some welcome measures to encourage the use of cleaner fuel, but that will not help in the immediate future. Any new investment requires healthy profits, but studies of growth in the industry over the past few years have shown pre-tax profits running at only 3 per cent. I therefore urge the Government to adopt a more helpful approach to the haulage industry's difficulties.

Some will ask whether that matters, supposing that the situation will merely encourage a greater transfer of freight to rail, resulting in fewer lorries, less traffic and, probably, a little less pollution. I should like to respond quickly to anyone who holds that view.

The road haulage industry is carrying almost 90 per cent. of internal freight in this country. It is a highly competitive industry that has had to keep its costs down. If it has to put its charges up, the prices of many products in the shops and in industry will be affected and that will have an eventual effect on the retail prices' index.

It is a fallacy to believe that it would be easy to transfer from road to rail. The Government have already carried out much excellent work in encouraging new freight terminals and giving grants to help transfers. Last week, I heard a Railtrack spokesman admit that the economic distance for the transfer of goods from road to rail had gone up to 450 miles. That covers virtually every internal journey in this country.

That fact illustrates the importance of the industry. Continual tax hikes on the industry, together with its low levels of profitability, can result in poor prospects for many small companies that are struggling. The problems of the industry deserve more sympathetic attention in future Budgets. I am certain that there will be a new leader of the road haulage industry before the next Budget. I suspect that he will be vocal on the subject.

After more than 20 years as joint chairman of the parliamentary road study group, I have a special interest in the roads programme. I congratulate my right hon. Friend the Secretary of State for Transport on having been able to retain a £6 billion programme for next year. I am sorry that many long-term schemes have had to be removed. It is time to think about the longer-term implications. I would like more design, build and maintain schemes, although I appreciate that very few of those announced last year have made much progress. I am still waiting eagerly for an announcement that the A6 bypass at Rushden will come into operation before too long.

We must realise that we are talking against a background of increasing road traffic. That traffic will inevitably increase further as national prosperity rises. We still have to improve public transport to a level at which it becomes more attractive and available to the motorists whom we are trying to persuade out of their cars.

Any major transport infrastructure that we decided on would probably need 15 years or more before it came into being. Even if we started today, it would be well into the next century at the earliest before we could meet some of the increased demand. The problems will continue. Instead of calmly cutting investment in transport infrastructure, a move that is always tempting when there is competition for spending from education, health and law and order, we must ask what the situation will be when roads such as the M25 become car parks for two or three hours of the day.

We cannot turn the country into a swathe of concrete or tarmac, but many useful improvements could be made to deal with the worst pinch points in our transport network. Road widening schemes and local bypasses can make a great difference. That should be the direction of our road building policy in the next few years. We should not sit back and do nothing because of the environmental opposition. Many people wish to travel, and until we provide an adequate public transport alternative—particularly in congested areas—they will not stop using their cars. The alternative must come first; otherwise, people will continue to drive.

As I listened to the speech of the right hon. Member for Dunfermline, East (Mr. Brown) I became increasingly concerned, not about the confidence trick that my right hon. and learned Friend the Chancellor was playing on the country, but about the bigger confidence trick by the Opposition in the House and wherever they go. Although they cannot oppose the tax cuts, they appear to oppose some of the tax changes. They seem to want to spend more money in various ways, but they are terrified of saying how they would pay for any increase in expenditure, because they know in their hearts that they will have to increase taxation.

The right hon. Gentleman spent months travelling around the country making spending pledges, deploring Government spending cuts and giving the impression that the election of a Labour Government would mean Christmas for 365 days a year. Now that some of those pledges have been costed, the Opposition have started to run away and say that they were not promises at all. So we have a modern riddle: when is a promise not a promise? The answer is: when it is a Labour party pledge.

As the weeks go by, the nation will see increasingly that the Opposition have given us only a number of gloomy prognostications. In my view, the biggest danger to the growth of the feel-good factor in Britain is seeing the gloomy face of the right hon. Member for Dunfermline, East on television night after night. It is enough to make one want to go to the cinema or read a good book. A party that seeks to obtain power by inciting everyone to be miserable about the future will not be attractive to the electorate.

Labour's long-term dance of the 22 veils is rapidly coming to an end. It will have to reveal each of those veils. Whatever else public opinion polls reveal, it is becoming increasingly clear that British people do not trust the Labour party not to increase taxation. When they

[Sir Peter Fry]

come to cast their votes, they will remember not the knockabout comedy of the Budget debate, but the fact that the Government have gone through a difficult recession and presented not a general election giveaway Budget, but a responsible Budget that provided encouragement by a further march forward in reducing the standard rate of income tax.

7.34 pm

Mr. Neil Gerrard (Walthamstow): I shall concentrate on two main issues: first, the effect of the Budget on local authorities, particularly education services, which have been mentioned a number of times this evening, and secondly, its effect on housing, and particularly housing capital.

It is quite clear that the Budget will result in increases in council tax. Spending has been shifted, and the cuts in income tax will be balanced by rises in council tax. That is open Government policy; it is no secret that the Government have made a positive decision to shift the burden of spending on to council tax. If the spending plans in the Budget continue unamended, council taxes will probably increase by between 15 and 20 per cent. over a three-year period. It is a significant shift.

Councils will be unable to resolve their financial difficulties by using reserves or making efficiency savings. Many local authorities simply do not have the reserves. District auditors are now telling many local authorities that they should have bigger reserves and that they have run down their reserves too far. Some reserves are required for specific projects that require matched funding. Certain projects require local authorities to have money available in the event of a successful lottery bid, for example.

The right hon. Member for Wells (Mr. Heathcoat-Amory) said that he was in favour of cutting public expenditure. I understand that attitude, although I do not agree with it. At least I know where I stand when someone stands up and says that we should be cutting public expenditure. It is an honest position. The Budget, however, gives us a lot of myth.

It has been repeated again tonight that an extra £633 million will be made available to be spent on education. That sounds as if the Government were providing the money. I looked up the figures from the local authority statement last year. Total Government support to local authorities in revenue support grant and business rates is down by £143 million this year, so where is the extra £633 million? We all know that putting money into the standard spending assessment is different from actually providing the funds.

Let me explain by referring to my local authority. Today, Waltham Forest was told that the education standard spending assessment for next year, after allowing for the nursery vouchers, will be £2 million higher than it is this year. So Waltham Forest has an extra £2 million in its education SSA. That is great, but where will the money come from?

This year Waltham Forest is spending just below the capping limit. Next year, the capping limit will be lower than this year's limit plus inflation. The combination of revenue support grant and national non-domestic business rate next year will provide £1 million less than this year, so it appears that Waltham Forest is supposed to spend £2 million extra on education while making an £8 million cut in its overall budget and increasing the council tax by 10 or 11 per cent.

Mr. Don Foster: That is easy.

Mr. Gerrard: It may be easy, but the figures do not make sense.

The only way in which Waltham Forest will be able to spend an extra £2 million on education—it has protected the schools budget every year for the past two or three years—is by cutting £2 million somewhere else. That is not a unique position; it is no different from that of hundreds of local authorities up and down the country.

If the money is not provided in the education budget, we know what the consequences will be for class sizes, and particularly the non-statutory parts of the education service. We have now reached the point at which discretionary grants have virtually disappeared in many local education authorities. Every time the education budget comes under more pressure, non-statutory parts of the budget, such as discretionary grants, adult education services and youth services are the parts that have to go. Such services will be hit even harder again this year.

There is absolutely no pretence at all of growth in housing. Earlier this week, the Secretary of State for the Environment made a statement about what is needed in housing, although he described it in terms of household growth and household projections over the next 10 to 15 years. The Department of the Environment estimates that, by 2016, there may be up to 4.4 million more households in the country than in 1991. It says:

"The projections play an important part in the calculation of the nation's future housing requirements."

Having read that on Monday, it was very strange to see what happened to housing in the Budget on Tuesday. Approved development programmes for housing associations this year are running at just over £1 billion—£1,063 million. In last year's Budget, the approved programmes for 1997-98 were predicted to be £940 million, yet the figure announced yesterday for 1997-98 was £650 million—a cut of £290 million.

What will such a cut do to the housing programmes? The housing associations' first guesstimates are that, instead of starting 40,000 units in 1997-98, they will start 18,400. The programme has been more than halved because, of course, some of the money has to go to finishing off programmes that have already started.

The DOE claims that the numbers will not be quite so bad, but nobody can understand how they will get better unless the housing associations' grant is cut yet again and rents are forced up, or the mix of housing is changed in order to go for less permanent and more temporary housing. At the same time, local authority credit approvals have been cut from £775 million in 1996-97 to £489 million for next year, so there is no possibility that local authorities will be able to make up the shortfall for the housing associations.

I talked today to a housing association that is working jointly with the local authority in my constituency—exactly the sort of thing that the Government say they want. It told me that the programme that it is in the middle of is seriously at risk for next year because it believes—

probably justifiably—that the Housing Corporation may have no other option than to revise some of its existing commitments in order to meet cuts.

One other very nasty, vicious little change in the housing benefit regulations was announced in yesterday's Budget. At the moment, somebody under the age of 25 who lives in the private rented sector is eligible only for housing benefit up to the equivalent of a single rented room in shared accommodation. That eligibility is to be extended to everyone under the age of 60.

Let us imagine the consequences of that for someone in their 40s or 50s, for example, who may have lived in the same private rented flat for a number of years and happens to lose their job. How will they pay the rent when, suddenly, they do not receive the housing benefit that they have been getting for years?

I had a telephone call today from a constituent who had seen the change in the press, who asked: "What will happen to me when I lose my job?" The person has the type of job that is likely to be transient. Plenty of people, such as those in the building trade or actors in the theatre, are in work for a period and then out of it.

Those periods out of work may well be long enough to justify making a new claim for housing benefit. They will be told that they cannot have housing benefit any more for the flat in which they have been living, and that they will have to find a single rented room in shared accommodation. What sort of country are we living in when people up to the age of 60 have to get out of the place where they live?

I have absolutely no doubt about what is going on in the Budget. The income tax cuts are window dressing. Underneath, some very nasty cuts will be implemented, especially in local government. I am beginning to despair of what has happened to local government over the past 15 or 17 years. There is nothing new in this Budget in that respect.

I spent 17 years serving on a local authority from 1973 to 1990, and I cannot imagine anybody who has started serving on a local authority in the past three or four years wanting to do that. People have had enough after three or four years; they do not want to be councillors any more. It is more and more difficult for all parties to find enough people willing to fight some of these seats. People are being ground down, which is bad for the services and the whole system of local government. The one penny off income tax will be of very little consequence to people who next year will not have homes to live in as a result of some parts of the Budget.

7.46 pm

Sir Irvine Patnick (Sheffield, Hallam): I do not propose to travel the route taken by the hon. Member for Walthamstow (Mr. Gerrard). I consider that yesterday's Budget—commentators admit it—was one of the most balanced for the creation of prosperity, growth and higher living standards. In particular, it is a helpful Budget; it helps business. The rate of corporation tax on small business was reduced to 23 per cent. In conjunction with the rural rate relief currently going through the House, business rates will be frozen for small businesses, which will be of enormous benefit to them. The Budget will help keep them competitive, and many of them in business.

The value added tax registration threshold has been increased to £48,000, the employers' national insurance contribution has been reduced, and I am delighted that my right hon. and learned Friend resisted the temptation to impose—as some of the pundits inform us he will every year—VAT on newspapers. That will be of enormous benefit to all our newsagents and their customers. The reduction of duty on spirits, together with the extra 100 Customs and Excise officers, will greatly help our licensed retailers—mainly small businesses—by helping to counter cross-border smuggling.

The Budget also helps taxpayers by reducing the basic rate of income tax to 23p—another step towards a 20p basic rate of tax. Personal allowances have been raised, tax margins have been increased, the married couple's allowance has been increased, and the benefit position of lone parents and couples with children has been equalised.

The Budget helps not only families but taxpayers, and has been welcomed by the Conservative Family campaign. It delivers a balanced tax package that has cut the basic rate of tax to its lowest level for six years. There has been more spending on the public services that people care about; and, what is more, the national health service will be able to spend an extra £1.6 billion next year. The police will have extra spending of £450 million next year, and education will have extra spending of £875 million.

I raised with my right hon. Friend the Secretary of State for the Environment the fact that I could not see a mechanism for ensuring that money given to councils for education is spent on education. My hon. Friend the Economic Secretary and myself were members of Sheffield city council, and we well know the skulduggery that has gone on in Sheffield. The council has kept cash allocated for education from the local education authority, and then blamed the Government for not giving it more. Last year, we gave the council more, and still it held back.

There will also be a reduction in spending overall, and lower public spending. As a result of those measures, the loss of revenue will be only £735 million in 1997-98, despite an impressive reduction in income tax worth £3.4 billion in a full year. The Budget will actually produce a net increase of nearly £1 billion and it is tighter than all the pundits would have us believe. *[Interruption.]* Does any hon. Member wish to intervene? That is an old Whip's trick.

The Budget would allow interest rates to remain about the same and could even prevent any further significant increases. *[Interruption.]* I will give way if hon. Members—even one of the Whips—wish to intervene.

Madam Deputy Speaker (Dame Janet Fookes): Order. I think the House will know the views of the Chair about sedentary interventions. They are to be deplored, especially from any Front Bencher.

Sir Irvine Patnick: I am obliged to you, Madam Deputy Speaker, for your protection. *[Interruption.]* Do hon. Members wish to intervene?

Mr. Denis MacShane (Rotherham): Come on, get on with it.

Madam Deputy Speaker: Order. When I said Front Benchers, I did not mean to exclude Back Benchers.

Sir Irvine Patnick: If economic growth continues to accelerate, another quarter point should be sufficient, and increases to 6.5 or 7 per cent. are extremely unlikely.

[Sir Irvine Patnick]

The Government have taken their drive on fraud up another gear. My right hon. and learned Friend is right to close tax avoidance loopholes, because that is something we all pay for. Today's press reaction has been favourable. I shall quote a few sources. The chairman of GKN said:

"This is an appropriately prudent Budget which is good news for business."

The Confederation of British Industry said:

"the positive measures include the 1 per cent. reduction in small firms Corporation Tax."

The Institute of Directors said:

"The Budget is good for Business and helps companies to thrive and create jobs."

The Forum of Private Business said:

"The best budget in a decade for owner-managed firms."

The chairman of ICI said that the Budget is one for economic growth and that it

"should enable the economy to continue to expand without giving rise to undue risk of inflation."

The chairman of BP said that the Budget should

"keep the economy stable and predictable".

The chairman of the Siebe Engineering Group said:

"I rejoice for our UK employees."

The chairman of Dixons said:

"It was very sensible and professional".

I could quote more.

The private finance initiative has obviously had its birth pangs, and I was delighted that the PFI contract for the Norfolk and Norwich hospital scheme has been signed for £200 million. I trust that it will not be long before the PFI contract for the replacement of Jessops hospital by Stone Grove in my constituency will also be signed.

The Budget means that a family on average earnings will be £370 better off next year, bringing the total rise since the last election to more than £1,000 a year. By next year, a family on average earnings will be £100 a week better off than in 1979 after tax and inflation. But what about Labour? Over the period of the last Labour Government, net income for a family on average earnings rose by only £1 a week at today's prices, or 0.5 per cent., over five years. The debt burden has been lower every year under the Conservatives than in any year under Labour. Our worst year for debt is better than the best year that the last Labour Government ever managed.

Part of our debate is about the growth in road traffic. The transport of goods by road is playing an increasing part in our modern economy. Many people recognise the advantages of road transport, but concern has been expressed about its impact on the environment. Road transport has expanded opportunities for jobs, increased the number of goods in our shops, improved the efficiency and effectiveness of our industry, and allowed people mobility, a wider choice of where they live and shop, and enjoyment of their leisure time. But it has also brought congestion, noise and pollution to many towns, damaged landscapes, and contributed to the threat of climate change.

Some see transport as a major threat to sustainable development. Traffic growth highlights the question, therefore, whether the aim of widening choice, improving the effectiveness of our economy and protecting the environment—all central to Government objectives—can be reconciled. My right hon. and learned Friend's Budget has gone a long way to meeting those concerns. It should encourage fuel efficiency, a point that was recognised by British Gas, the Retail Motor Industry Federation and Vauxhall Motors. The ultra-low-sulphur diesel is cleaner than ordinary diesel, and I am delighted that my right hon. and learned Friend has been able to reduce the duty on the former.

In my Adjournment debate on 14 November, I called for a switch to cleaner gas power. Hey presto, less than a fortnight later, the Chancellor reduces the duty on road fuel gases by a further 25 per cent. When that is added to his reduction of £500 in vehicle excise duties, from 1998, for lorries that meet stringent emission standards, I begin to wonder whether my right hon. and learned Friend reads all Adjournment debates so clearly and carefully. As the Chancellor reminded us, the Budget combines healthy economic growth with a healthy environment.

Last week, the House debated the windfall tax, when I quoted Yorkshire Electricity as an example of a company that is concerned about it. It advised me that, before privatisation, it paid £41 million in tax. Since privatisation, it pays around £90 million in tax a year, and its prices have reduced in real terms since 1991 by 25 per cent. That is an example of privatisation working, and it is clear from its reaction to the debate last week that the Labour party just does not understand.

This is a Budget for our living standards. It gives a balanced tax package and cuts the basic rate of income tax to its lowest for 60 years. It is a Budget for our services, with more spending on the public services that people in Hallam care about, including education, law and order—there is a planned increase of 120 police officers in South Yorkshire during 1996-97—and the national health service. All those have been highlighted in our canvas surveys.

In Sheffield, more in-patients have been treated than ever before, and the extra cash in the Budget will ensure that even more people are treated. It is interesting to consider the statistics for people treated in Sheffield as ordinary admissions and day cases. In 1993-94, the figure was 148,641; in 1994-95, it was 154,084; and in 1996-97, it was 159,511. The out-patient situation is also interesting. In 1993-94, 604,412 patients were treated, and in 1994-95, 632,753 patients were treated. In 1995-96, the figure was 678,610. As the Prime Minister has said, there are year-on year increases in NHS funding—something about which we have heard nothing from the Opposition.

This is a Budget for our future, and will provide a healthy economy, lower public borrowing and sustained growth with low inflation. The Chancellor has been prepared to take tough decisions to keep the economy on track. Yesterday, he highlighted the success of the Government's economic record and pointed to the perils posed by whatever the socialists want to call themselves. We know, however, that they remain the pedlars of doom, gloom and despondency.

7.59 pm

Mr. Alan Simpson (Nottingham, South): Not long ago, I was driving through a village that was clearly in the middle of its own environmental campaign. Along the road on the outskirts of the village, and in front of a large

copse of trees, was a row of placards and posters that proclaimed with ironic innocence, "Save our Trees—they break wind". Having listened to the Chancellor yesterday, I became aware that the trees were not the only ones to do so. The Chancellor painted a picture of hot air and self-acclaim that was in stark contrast to the realities of the country and the economy that he has created.

Nowhere was the contrast starker than when the Chancellor claimed to be the architect of a recovery that was built to last. I think that the phrase he used was "a Rolls-Royce economy". I ask the House to consider this. If we genuinely have a Rolls-Royce recovery, why can pensioners not have Rolls-Royce pensions? As my hon. Friend the Member for Walthamstow (Mr. Gerrard) pointed out, we shall face a housing shortage of some 4.5 million homes. Why can we not have a Rolls-Royce social housing programme? The country is facing 50,000 excess winter deaths each year, of people living in fuel poverty. Why can we not afford a Rolls-Royce home insulation programme?

A homeless person sleeping in a doorway probably feels that he has as much chance of getting a home of his own as of owning a Rolls-Royce. Is it really a Rolls-Royce recovery when students today face Rolls-Royce debts, rather than Rolls-Royce grants? One in three children are growing up in asthmatic childhood and in poverty—in the shadow of Rolls-Royce exhaust fumes. Is it a Rolls-Royce recovery when there are probably shorter waiting times to buy a Rolls-Royce than to get a routine operation? But perhaps that is the Rolls-Royce recovery to which the Chancellor referred—a society in which more people can buy a Rolls-Royce. If that is what he meant, it was probably true.

In analysing the impact of the Budget this morning, the Institute for Fiscal Studies said that the top 10 per cent. of the population would probably be 1 per cent. better off, while the bottom 10 per cent. would be 1 per cent. worse off. That must be added to the position when the Chancellor rose to make his speech yesterday afternoon. From 1979 to 1996, the poorest 10 per cent. of the population have become 13 per cent. worse off, and the richest 10 per cent. have become 65 per cent. better off. Those who earn more than £100,000 a year receive an annual tax handout from the Chancellor of £15,000. That is not enough to buy a Rolls-Royce, but it is certainly enough to put down a healthy deposit on one.

Yesterday's Budget took place in the middle of the International Year for the Eradication of Poverty. It is worth asking ourselves in what way the Chancellor will have contributed to that initiative. Sadly, the answer is, "Probably not one jot." As he tinkered about with tax rates and bands, it is worth pointing out that marginal tax rates hit no one harder than the working poor. The marginal tax rates of those in work, on low pay and having to interact with the benefit system are at least 97p in the pound. If the person is really unlucky and is on passported benefits—entitling him or her to access to free school meals—he or she can lose 114p in clawback on every pound earned. Taking 1p off the basic rate of tax will not impact in any way upon the harshness of this tax and benefit clawback regime, which hits the working poor most cruelly.

Any sensible and objective analysis must begin by recognising the need to return to a reform of the benefit system that rediscovers the virtues of platform, universal benefits, at the expense of the obsession with increasing means-tested benefits. The tax cut that the Chancellor came up with will not turn out to be the wind of change for the working poor. At best, it will turn out to be the wind of small change. But for most households in Britain, it will mean the wind of less change in their pockets than they had the previous year.

Would that be ameliorated by the macro-economic situation—the analysis against which the Chancellor pitched his policies for the medium and long term? Sadly, the answer is again no. That would have to be consigned to the category of "all PSBR and wind".

The Chancellor painted a rosy glow on that, and referred to the economy as

"the strongest industrial economy in western Europe"—[*Official Report*, 26 November 1996; Vol. 286, c. 154.]

He failed to mention that the Government have become dependent upon privatisation receipts, which, for the past decade and more, have amounted to an income of more than £5 billion a year. The Government now depend on those receipts just to balance the books.

Mr. Hartley Booth (Finchley): Will the hon. Gentleman give way?

Mr. Deva: Will the hon. Gentleman give way?

Mr. Simpson: No. I hope that the hon. Gentlemen will forgive me. I wanted to intervene earlier, but was utterly unsuccessful. I wish to proceed and to try to get through my speech.

The Chancellor also failed to mention that the economic recovery was based largely on our withdrawal from the exchange rate mechanism, and the benefits that that gave to Britain. If the Chancellor has his way, he will repeat that experiment, with knobs on, by taking us into a European single currency.

The Chancellor did not mention that the economic growth next year, to which he referred, will be predicated largely upon a consumer boom that will be driven by the £20 billion windfall handouts from building societies to their customers as the societies try to convert to banks. That will have an impact upon consumer-driven spending in the economy, and will push up consumer spending by 4 per cent. That in turn will impact mainly on prices, inflation and the balance of payments, but not on domestic production.

Sadly, the goods that the Chancellor and the Chief Secretary have been singing the praises of are not ones in which we necessarily retain a strong production base. Britain has been transformed into a screwdriver economy, assembling units for export, but our pitifully low fixed capital investment in manufacturing is one of the worst in the western world.

Mr. MacShane: Will my hon. Friend give way?

Mr. Simpson: No, I would hate to be unfair to the hon. Members for Finchley (Mr. Booth) and for Brentford and Isleworth (Mr. Deva). If I am going to be unfair, I shall be unfair to hon. Members on both sides of the House.

By any economic comparators, the United Kingdom's economic performance has been poor, and its prospects are worse. The Library was kind enough to draw up for me some of the basic comparisons that we ought to be making on the Government's record. On inflation, not

[Mr. Simpson]

only is the UK's inflation rate now higher than the EU average but, at 2.7 per cent, it compares pitifully with the 0.2 per cent. of Japan.

On interest rates we do no better. The current rate of 8 per cent. is higher than the European Union average of 7.7 per cent., twice the rate in Japan, and higher by about a third than that in the United States. Throughout the Government's period in office, investment in fixed capital formation—in our manufacturing future—has been lower than the European average and never higher than 60 per cent. of the rate of investment in Japan.

The Chancellor has been building an economy on borrowed time and on borrowed money. The gifts in the Budget are in fact debt bombs set to go off in someone else's future. Worse still, the debts will be palmed off on to other people's laps.

The national health service bonus of 3 per cent. on patient services next year, about which the Chancellor so proudly boasted, is a one-year-only commitment, to be followed by two years in which growth will be 0.2 per cent. and 0.1 per cent.—well below the rate of inflation. It is also predicated on a 10 per cent. cut in capital spending in the NHS.

To give a local example of what that means, Queen's medical centre in my constituency, which is fairly typical of hospitals that had capital programmes and have had to dip into them to fund revenue commitments arising from improvements to patient treatment services, said:

"Using capital to support revenue is another option which . . . Queen's has had to exercise in the past. However, this is only a short term solution and can not be sustained in the long run. When Queen's became a Trust 80 per cent. of its equipment had exceeded its useful life. Continued capital investment, at the highest possible level, is therefore essential to continue to provide a safe, modern service."

Yesterday's Budget provided not capital investment but cynicism

"at the highest possible level".

The partnership deal for local authorities was no better: the local authority bonus will simply pass on a 7 per cent. increase in council tax charges that will fall on local people. The Chief Secretary said that "we" would raise extra revenue. When he was pressed on that, it became clear that that "we" meant that the Government would take the decision and that "they"—local authorities—would pick up the bill. When council tax payers discover that they are paying increases at twice the rate of the tax cuts, the Government cannot expect much in the way of gratitude.

The bitter pill was tarnished even further by the Budget's invitation to councils to sell off their tenants. The £70 million package to get councils to sell off tenancies was a way not of tackling the backlog of housing disrepair but of palming it off on someone else.

Finally, there was the debt bomb of the insulation bonus. Those hon. Members who were part of the campaign last year to try to avert the then proposed cut of £30 million from the home energy efficiency scheme budget will remember that successive Ministers promised that it would be put right in this year's Budget. They will also notice that it was not. The £20 million to be put back into the Energy Saving Trust over three years is not in any way a replacement for the £30 million cut from the home energy efficiency scheme in one year.

There was no commitment that, as was suggested last year, the rate of value added tax on home insulation materials would be reduced so that we taxed energy saving no more heavily than energy using. Many Conservative Members who were active last year in the campaign to bring that change about were bought off then by promises that the matter would be put right in this Budget. The deep sense of cynicism and abandonment that I understand them to feel is well founded. The one comfort that I can offer them is that I have tabled an amendment that would allow the House to make the decision to reduce VAT on home insulation products to no more than the rate charged on energy consumption.

I want to finish on a positive note and not to be entirely critical of the Government or mean-minded about the Chancellor. We should all pay tribute to one aspect of the Budget; it is in many ways a tribute to the Chancellor's remarkable personal qualities. Many people know about his humour, his love of jazz and his engaging earthiness; but not many people know that in Nottinghamshire he is also regarded as a politician with the most consummate ability to stay one step ahead of his cock-ups. As he moved from the Home Office and from the Departments of Health, of Education and Science and of Trade and Industry, he was not so much a hard act to follow; merely a nightmare.

I hope that when shadow Ministers rise to respond to the debate, they will find an opportunity to pay their own tribute to this goodbye Minister, soon to be a Chancellor gone with the wind that he has lived by.

8.15 pm

Mr. Nirj Joseph Deva (Brentford and Isleworth): I am grateful to be able to speak in this debate. I follow most excellent speeches by my hon. Friend the Member for Sheffield, Hallam (Sir I. Patnick), my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) and the hon. Member for Walthamstow (Mr. Gerrard), and a rather windy speech by the hon. Member for Nottingham, South (Mr. Simpson), who seemed rather obsessed with motor cars.

I congratulate the Chancellor on a personal tax cutting Budget. Earlier this evening, the right hon. Member for Dunfermline, East (Mr. Brown) reminded me when I intervened—I congratulate him on his assiduity—of what I said in my 1992 election manifesto. I said that, once elected, we would cut taxes. The shadow Chancellor has made a mantra of tax cuts; they were all he talked about this afternoon.

The tax cuts that I promised my electors have now begun to happen. Certainly they did not happen in the first year; it took us four years to keep our promise. In demanding immediate tax cuts, the shadow Chancellor was also demanding hospital and school closures and cuts in social services and social security. Is that what he wanted? Has the so-called new Labour party become so uncaring about the poor, the sick, the disabled and pensioners, so unconcerned about the quality of education, so thoughtless and so mean that the only people it is now concerned about are the very rich?

I am pleased that taxes were not cut as I had promised my electorate three years ago, that funds were raised and that money was spent on social security, social services, the unemployed, the sick, the environment, the disabled and education. If we have a choice between cutting taxes,

which the Labour party screams about and accuses us of not doing sooner, and looking after those who cannot look after themselves, I would rather do the latter than follow the mean-minded, selfish policies of so-called new Labour.

In any case, I do not believe a word of all this nonsense about tax cuts. The Labour party has never cut taxes. Let us consider its new expenditure policies. Should it ever get elected, it would have to spend about £30 billion more, and put up taxes so phenomenally that it would cripple the country—as it did in the 1970s.

Mr. MacShane: Will the hon. Gentleman give way?

Mr. Deva: Let me make some progress.

I am privileged to represent Brentford and Isleworth, where there are some extraordinarily good national and multinational companies. On the A4, along which I am sure you have driven, Madam Deputy Speaker, there is a stretch of road called the golden mile. I am proud to represent the world headquarters of large companies such as Samsung Electronics, which has recently arrived in my constituency, Bull Information Systems, SmithKline Beecham, Gillette Industries and many other companies and institutions, including the British Standards Institution.

In the past three years, the rate of unemployment in my constituency had decreased by 150 per cent. and some 4,000 new jobs have been created. That is a proud record, for which I commend the Government. Since 1992, some 750,000 new jobs have been created right across Britain—more than in the entire European Union. Inward investment alone has created some 60,000 new jobs.

When I hear the Opposition talk about the British economy, it sometimes crosses my mind that they are talking about another country, a country that I know not. They talk about the economy and the country as they wish them to be, not as they are. We have one of the lowest inflation rates in the world, and our growth rate is the highest in Europe. Those facts should be supported by all hon. Members. We need to talk Britain up, not down. The trouble with the Opposition is that they constantly try to talk the country down.

Mr. MacShane: Will the hon. Gentleman give way on that point?

Mr. Deva: In a minute.

We need to create more jobs and more confidence and attract more investment to create an economy of which we will all be proud.

When the country voted at the last general election, the Conservative party received the largest number of votes that a party has received in British political history. We were in the midst of a bad recession in Europe and around the world, but still the country voted for us. That was not a mere act of faith; it reflected certainty in the ability of the Conservative party—and the Conservative party alone—to turn the country around. That expectation has now been met; the Government have delivered.

When the votes were cast in 1992, growth in gross domestic product, because of the world recession, was minus 0.5 per cent.; today it is 3 per cent. and growing. Interest rates were 10 per cent. and climbing; now they are about 6.5 per cent. and steady. Inflation was about 5 per cent.; today it is steady at 2.8 per cent.—below the European average. In 1992, 750,000 more people were out of work; today, 750,000 more people are in work and supporting their families. In each of the past 32 months, unemployment has fallen; in my constituency, it has fallen phenomenally. I am proud to say that my area is prospering. We have a trade surplus. British overseas investments are spreading joint venture projects across the world. Last year, we earned nearly £30 billion from our overseas investments. It is indeed a proud record.

I want to say well done to the Chancellor and the Government, for producing a Budget that has started cutting personal taxation. In 1995, personal allowances were increased by £240; age-related personal allowance was increased by £280; the lower rate band was increased to £700; the basic rate limit was raised by £1,200; the basic rate of income tax was reduced to 24 per cent.; tax on savings income was cut to 20 per cent.; the capital gains tax retirement relief age limit was reduced; the inheritance tax threshold was raised to £200,000; insurance benefits were exempted from tax; and duty on beer, wine and cider was left unchanged. Spirits duty was cut by 4 per cent., fortified wine duty by 6.7 per cent., pools betting duty by 6 per cent., and general betting duty by 1 per cent. The small companies rate of corporation tax was cut to 24 per cent.

This year, the Chancellor has gone further. He has said that there is room for further manoeuvre. The Budget cut the basic rate of income tax to 23 per cent., and personal allowances were raised by another £200. The lower rate band was raised by another £100 and the inheritance tax threshold by £15,000. Business rates were frozen. I can say with the utmost confidence that that has helped many small business people, including small shopkeepers. There are some 250,000 small retail businesses—many in the Asian community—and about 700,000 people depend on those family businesses. They welcome the freezing of business rates. I hope that the Chancellor will in future be able to do something to alleviate some of their recent difficulties.

The duty on ultra-low-sulphur diesel has been cut, as has road fuel gas duty. The small companies rate of corporation tax has been cut to 23 per cent. It is a Budget that we should all be proud of. It is an honest Budget by an honest Chancellor in an honest Government.

Yes, my right hon. and learned Friend the Chancellor could have sought, had he wished in an election year, to woo the voters, but he did not. Why not? Because, unlike the Labour party, he believed that the economic interests of the country were more important than the electoral interests of the Conservative party. Labour has yet to learn that, in government, it is always important to put the national interest first. It has consistently failed itself, never mind the people of this country, by always putting its party interest first. Good news for Britain is bad news for the Labour party. Good news for the people of Britain means gloomy faces across the Floor. That is why the country has praised this extraordinarily good and sensible Budget.

This morning, I listened to some of the comments that the Labour party was spinning in the media. I understand that it is in the nature of politics to oppose. By opposition, one questions, and by questioning one elicits for the common good knowledge that can make policies work better. To mislead the country and paint a picture that is

[Mr. Deva]

not true is not to oppose but to spin yarns. Spinning yarns is not the traditional role of the Opposition. To spin yarns in the media is to mislead the public and the business community. Yarn spinning wrecks confidence in the country; it makes the country look inadequate and international investors become suspicious. To spin yarns is not clever. It is too self-interested and too self-serving. When the election comes, the electorate will not be fooled.

I want to put on record some of the comments made this morning about the Budget by members of the wider business community. The director general of the Institute of Directors said:

"The Budget is good for business and helps companies to thrive and create jobs. By emphasising the need for maintaining stable growth rather than agreeing to irresponsible tax giveaways, the Chancellor has given the business sector the best support."

The Forum of Private Business, reported in *The Times*, said:

"The best budget in a decade for owner-managed firms."

The chairman of GKN said:

"This is an appropriately prudent Budget which is good news for business."

The City, reported in *The Guardian*—of all places—said:

"Don't you just love it? Within the constraints he has had to operate, this was a well-judged, and well-delivered piece, just what the City wanted and difficult to attack politically."

The Times said:

"So he has taken the sensible political decision that low interest rates are more important than tax cuts. This is also the best decision for the economy."

I could go on for a long time recording the praise that was heaped upon my right hon. and learned Friend the Chancellor by the wider community.

We have come to a point in our economic development which requires us to understand what is happening globally. A party which does not understand what is happening globally, such as the Labour party, so fixated on talking down the country, would, if ever elected, destroy the base that has been created after 17 years of Conservative government.

I remember when I was a student and Labour was last in power. Travelling around the world, I was embarrassed to be British. I was embarrassed when the Chancellor of the day had to beg money from the International Monetary Fund. I was embarrassed when he told the media that he had to ask the trade unions what to do before presenting the Budget. We should never be embarrassed again.

I have a rather long speech here, but my colleagues are anxious that I move on. We must look at the Government's record to understand the scale of their success in turning the country round since the last general election. No wonder the Labour party is trying to imitate us. It can imitate us by all means, but the more it imitates us, the more it flatters us, and the more it flatters us, the more the country will understand that it will be better to vote for the tutor at the next election than the new and untried student.

We on the Conservative Benches are all old hands at managing the economy well. Labour's record, throughout its history, is of economic mismanagement that has been utterly disastrous. One cannot teach an old dog new tricks; we can try, but in the end it reverts to its own traditions. Each party has an imbued culture, an underlying foundation, and its own ethos and values. In the case of the Labour party, it is a pervasive socialism which, try as Labour might, will never go away.

Along with that all-pervasive socialism comes the desire to intervene, which is a polite word for meddling. The Labour party wants to meddle in people's lives, in business, in how our children are educated and in how people support their family. That desire to meddle, and Labour's belief that it knows what is good for us, comes from the party's socialist roots. That is why the Labour party is, and always will be, socialist.

Without the need to meddle, and without its socialist roots, the Labour party will be left without a philosophy. Without a philosophy, it will be nothing as a party. It will believe in nothing and stand for nothing—other than a determination to obtain power. It will then become nothing—the ultimate nihilistic experience. The party will implode, smiling sanguinely, as some hon. Members are doing now, with a stiff upper lip to the last, behind its facade.

Original thinking, like original sin, is unbecoming in the modern Labour party. The Labour party's modernity is entirely based on its unoriginality. The modern Labour party does not think; it copies. It does not innovate or develop; it merely reflects, like a mirror, our policies.

8.35 pm

Mr. Denis MacShane (Rotherham): I have enjoyed the debate immensely, especially the speeches of the hon. Member for Brentford and Isleworth (Mr. Deva) and the hon. Member for Sheffield, Hallam (Sir I. Patnick), who, like me, has the honour to represent a South Yorkshire constituency.

At the beginning of the debate, I had to pop out to take part in a video-link conference with Rotherham's business community at the excellent studios at the Department of Trade and Industry in Victoria street. The only serious question, consistently repeated by several members of the business community up there, concerned the tax rise on diesel fuel.

I confess that I said that, on the whole, I thought that that increase was a good thing to steer people away from using diesel fuel as much as possible. But there was great disgruntlement on that issue, inasmuch as that can be measured on a video link. The only response was that the cost would be passed on to the consumer by bumping up prices. That is the considered response to the Chancellor's Budget.

A little over 24 hours since the Chancellor made his Budget statement, it has disappeared into thin air. Of far greater import was today's statement on the swingeing rise in council tax that every council tax payer will face next year. That is the hallmark of Conservative philosophy since 1979. If, as the hon. Member for Brentford and Isleworth claimed, the Labour party is reshaping part of its philosophy, it must be said that the Conservative party has never once reshaped its philosophy. To them that hath shall be given, from them that hath not shall be taken away. My hon. Friend the Member for Nottingham, South (Mr. Simpson) made some of those points clearly in his speech.

In shaping my remarks today, I have sought to try to discover what makes the Chancellor tick. Many of us admire his bonhomie and his robust rumbustiousness at

the Dispatch Box. There is no doubt about that. The Chief Secretary made some ad hominem remarks about him saying that he was frivolous on the top, but serious underneath. I have considerable difficulty in finding the underneath.

Last night, I had the chance to be in bed with a Trollope. As I was reading "The Prime Minister", I found a remarkable quote from the Duke of Omnium, trying to identify political philosophy. The good duke says:

"It seems to me that many men . . . embrace the profession of politics not only without political convictions, but without seeing that it is proper that they should entertain them."

What are the Chancellor's convictions? On Europe, I think the House will agree that he has convictions. But Conservative party consideration obliges him to equivocate to an extent that one can read the uncomfortableness as he is harried and chivvied by the Europhobe minnows and would-be anti-European piranhas behind him.

What does the Chancellor stand for? He has been on the Front Bench since Sir Edward Heath appointed him more than 20 years ago. Perhaps that long period on the Front Bench explains why, underneath the blokiness, he is one of the most desperately out-of-touch Finance Ministers in the modern world. In every office that he has held, he has left his area of responsibility in a worse state than before.

The Chancellor was briefly Secretary of State for Education. Measured on any international index, our children's education is lamentable. One has only to read the cries and protests of Mr. Chris Woodhead to understand the disastrous state of education that the Chancellor left behind. He was briefly in charge of the NHS. The total chaos at the British Medical Association that every doctor reports is testament to his stewardship. Before he became Chancellor, he was the Home Secretary. We have witnessed the biggest rise in crime this century. With that record of achievement, where does the Conservative central office jobcentre send him, but to be Chancellor?

What has the Chancellor produced? On the whole, he has stayed on the tramlines laid down by his predecessor. After the disaster of ERM ejection, we are in a classic Tory boom. The disastrous state of public finances is exemplified by the national debt, which, far from coming down, has doubled since the Prime Minister entered office in 1990. We are paying back £25 billion a year in interest alone—interest that is rising—or about £1,000 a year per taxpayer to pay for Tory economic incompetence.

There are three economic indices that are rising. First, inflation is going up. The hon. Member for Brentford and Isleworth would not take an intervention from me. I simply wanted to ask him to name a European Union country where the inflation rate was higher than in the United Kingdom. Monetary policy is out of control.

Secondly, interest rates are going up. We are supposed to be in the middle of a sustainable boom, but the Chancellor raises interest rates. They will have to go up again, as the right hon. Member for Wells (Mr. Heathcoat-Amory), the former Treasury Minister, said in his interesting intervention. Why must interest rates go up? Because both the labour and housing markets are out of control. There is an immense red-hot surge in house prices in London and the south-east. Nothing much is moving in South Yorkshire, which the hon. Member for Hallam could confirm, were he still in the Chamber.

We are experiencing the classic problem of rising wages. The chief executive officers of our leading companies are now paying themselves 51 times the wages that they pay their employees. Directors' and top managers' wages are way ahead of inflation, and the housing market is out of control.

The third economic index that is shooting skywards under the Chancellor's stewardship is the exchange rate. I asked the Chief Secretary to give us some guidance on that, but he laughed me away. He is a classical scholar, not an economist. One cannot hope for too much from him. There was a time when Eton produced great economists like Keynes, but that time has long passed.

As the exchange rate crept above DM2.40, above DM2.50 and now stands at DM2.55 to the pound, there is not an exporting firm in South Yorkshire or, I am sure, in the rest of the country whose orders are not crumbling away. That process is not stopping. A high interest rate economy becomes a high exchange rate economy.

Let me be blunt. In contrast to the right hon. Member for Wells, I wondered whether it would not be wise to re-enter the ERM when the pound was sweet and low, to build in a competitive advantage for our exporters. I put that question in written form to the Chancellor during the summer, but it was brushed away, because it is unthinkable for the Tory party leadership, who are terrified of their Europhobe Back Benchers, to take decisions that would protect British exporters. So we have inflation, interest rates and an exchange rate that are shooting up.

The Chancellor made much of international comparisons. The Chief Secretary prayed in aid the *Evening Standard*—not a newspaper that I usually quote, but on Monday its city editor pointed out:

"if you want a country with an inflation rate currently lower than Japan it is easy to find one. Unfortunately for the Tories, it is our old Falklands adversary Argentina, where the inflation rate is currently negative and the growth rate 5 per cent."

That is twice ours. The article continued:

"Britain lags way behind that country on both measures, though I doubt this will be mentioned in the Budget speech."

One can pluck countries from all over the world. The OECD—

Mr. Oppenheim: Will the hon. Gentleman give way?

Mr. MacShane: I will; the Minister's colleagues would not, but I will.

Mr. Oppenheim: I am glad to have wandered in at this opportune point in the hon. Gentleman's speech. I would not have missed it for anything. Can he tell the House what sort of economic policies Argentina is following?

Mr. MacShane: Those inherited from a military junta, which is no doubt the guiding philosophy of Conservatism. The Minister has a new noble title—"Budgetmaster" or "posthorn general" or something—in his new Front-Bench job.

According to the OECD, which the Chancellor and the Chief Secretary prayed in aid, growth in the UK in the past 12 months, as measured by the OECD, was behind that of Australia, Japan, the Netherlands, Spain and even the United States, where, under the leadership of President Clinton, a raft of what might loosely be called new Labour

[Mr. MacShane]

policies are being applied, including raising the minimum wage, introducing parental leave and increasing public spending, and the economy is booming.

In his interesting speech, the Chief Secretary referred to Cassandra—a classical allusion, because, of course, he is a classical scholar. He might remember the famous demand of the Emperor Augustus to one of his generals: "Where are my legions?" The question that we must put to the Chancellor is: where is his tax?

Page 80 of the Red Book shows a Budget profile that would not be acceptable in any privately run firm. Every forecast is wrong. There is a huge gap in income tax, VAT and corporation tax, yet the economy is booming. Unemployment is coming down. Where are the taxpayers in this booming economy? What has happened to them? Where is the missing money? Why has the Chancellor had to bring in new taxes? I approve of closing loopholes, but if he is determined to turn the screw on small business, I wish him well as he goes around the Rotary clubs of Great Britain.

The answer is that the jobs created are not those that pay real tax. From summer 1995 to summer 1996, more than 90 per cent. of all jobs created were part-time. According to the Inland Revenue's assessments, a part-time employee pays just £277 in tax per job, compared to £3,626 for a male full-time employee. Although unemployment has come down—helped to a certain extent by the £3 billion in welfare benefits now paid to those in work, a huge taxpayer subsidy—the jobs created are part-time and pay such low wages that they contribute nothing to tax revenues.

The Budget fails to address the structural weakness in our economy: a weak economy is becoming weaker. Investment has not reached its 1990 levels and will be weakened further by cuts to public investment in the transport and construction sectors. This afternoon, I received a most depressing fax from Mr. Tony Stacey, chief executive of the South Yorkshire housing association. He told me that the number of homes that he planned to build next year would be slashed by two thirds. That will be devastating for the people who were counting on those new homes and founding family life on the assumption that the Government would honour last year's promises this year. It means misery for the firms and the workers that might have been employed in that industry. The revenue will come from the humble taxpayer—an extra £20 at least on band D taxes in Rotherham, and more from every ordinary council tax payer in the country.

What is so detestable about this cynical Budget is the fact that it provides no help to the family. Families need good, well-paid jobs that will take them off benefit. Families in this country face a deplorable, if not disastrous, situation. One in three children are born outside marriage, one in five children live in a home where the natural father is absent, and one household in five have no working parent. A family that is without employment-based income faces immense difficulties.

That is a direct result of the "me first" culture—the instant gratification of the individual that was woven into the presiding economic philosophy of the past decade. The first step in undermining the family was its elimination from the tax system when child tax allowances were removed and replaced by child benefit—unlike the situation in Europe where most countries have both benefits. That gave the Government the green light to go ahead and discount families.

Mr. Booth: If the hon. Gentleman claims that families are boosted by employment and that the Budget does not buy jobs, does he deny the huge increase in jobs that is occurring in this country at present?

Mr. MacShane: Perhaps I did not speak slowly enough. If the hon. Gentleman had listened carefully, he would have heard me say that 90 per cent. of jobs created in the past 12 months were part-time.

Mr. Booth: I thank the hon. Gentleman for giving way again—I hope to catch Mr. Deputy Speaker's eye in due course. Is it not correct that a recent survey showed that only 13 per cent. of those in part-time work wanted full-time jobs?

Mr. MacShane: Every survey shows that the majority of those seeking full-time jobs resent it when they are obliged to take part-time work. Where is the tax revenue? If one walks 10, 20 or 30 yards from this place, one will stumble across beggars, and there is poverty in poorer areas that shames the rich nation about which the Chancellor spoke.

In refusing to support the family since 1979, the Treasury has sent out a clear signal that the social structure in which children develop best—the two-parent family—does not interest Ministers. In 1956, a two-child family in which one person worked paid just 3.3 per cent. income tax. This year, the same family will pay 22.3 per cent.—seven times as much taxation. A married couple in my constituency have kept detailed taxation records for nearly 20 years. They show that, in 1979, they paid 9 per cent. of their combined income in tax and, by last year, that figure had nearly doubled to 17.1 per cent. Those figures show clearly that the focus on the individual and on getting everyone into work—even into the lowest of low-paid jobs—has done much to undermine family life. I put my Front-Bench colleagues on notice—because we must try to solve the problem in future—that the issue will concern more and more people in our country.

The most squalid proposal in the Chancellor's announcement—the measure that will hit every family travelling overseas—is the doubling of airport tax. The hon. Member for Amber Valley (Mr. Oppenheim)—the "posthorn general"—is in his place and he must defend the airport tax on children in the Standing Committee. He probably thinks that an airport tax is something that he pays on his Gucci shoes when he buys them duty free. He will face tremendous resentment from families who must pay extra to take their children to Orlando, Cyprus or Europe. The Chancellor is not Santa or Scrooge but the Herod of family taxation, who makes our children's lives more miserable and does nothing to help families—the bedrock of the society that Baroness Thatcher said did not exist.

Trust is the core of this Chancellor's last Budget before he goes into political retirement for a long time. By the next election, a typical family will have paid an extra £2,120 in taxation as a result of the 22 tax rises. Whatever the Budget gives away with one hand, it takes away more

with the other—there are rises in insurance premium tax, a doubling of airport tax, council tax rises, increased prescription charges and the extension of value added tax to travel insurance. Chancellor "Bloke" is absolutely untrustworthy. He has done his best, but the message to the country to clear: "You will never be able to trust the Tories on tax, on the economy or with the stewardship of our country."

8.57 pm

Mr. David Nicholson (Taunton): The one point in the speech made by the hon. Member for Rotherham (Mr. MacShane) that I would take up is his professed alarm at the rise in exchange rates. I draw the opposite conclusion to him: we would be very rash to tie ourselves at any stage to the ERM—I say that as someone who favoured our joining the ERM a decade ago—or any more fixed arrangement. I remember exporters saying some 10 years ago, "We can't cope with an exchange rate of more than DM3 to the pound." As the hon. Gentleman will know, we tried to hold the rate at DM2.90 to the pound, after which it came tumbling down to, I think, below DM2.20; it is now up to DM2.45 or higher. There is no certainty in these matters; there are advantages and disadvantages to a high pound or, indeed, a low pound, and the market has to adjust to that, assisted by sensible monetary policy.

I praise the fact that, over the past four years, particularly during the chancellorship of my right hon. and learned Friend, we have had a sustained economic recovery, enabling, in this Budget and the last, modest tax reductions to be made. Those tax reductions resulted from a conjunction of the policies of growth that have been followed and of the tightness of the spending round. As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) pointed out from his experience, public spending reductions are not achieved merely by wishing them: one has to work hard year in, year out, month in, month out. I congratulate my right hon. Friend the Chief Secretary on what he has achieved this year and last year.

Various references have been made to reactions to the Budget. I repeat the quote from the Forum of Private Business:

"The best budget in a decade for owner-managed firms".

That organisation has often been pretty critical of the Government's policy on small businesses, so its reaction is good news. It has responded to the business rate freeze in the Budget, among other things, because in my constituency and elsewhere, as I know from speaking to my hon. Friends, there is concern about the impact of business rates. We should not stop with the freeze this year. We must work on the effect that business rates have on small firms, particularly small shops, because the burden on them has been crippling. We must keep up the pressure.

The hon. Member for Rotherham referred to a red-hot surge in house prices in London. That was a fantastic and ridiculous remark. We are, fortunately, experiencing a recovery in the housing market, which is having various beneficial economic effects. That is why the Bradford and Bingley building society remarked that this was a

"very good Budget for house buyers . . . good for building societies, good for builders and good for homeowners."

Mr. Christopher Haskins, chairman of Northern Foods, who, I believe, is a supporter of the Labour party, also commented on the Budget. He is the brother-in-law of Mr. Jefferson Horsley, the Liberal leader of Taunton Deane borough council, so in a sense I am getting blasts from both barrels. Mr. Haskins said:

"This has been a sound budget for business . . . A tight fiscal policy is preferable to higher interest rates."

That is why the Budget has been so widely welcomed, and why it will, I think, be welcomed in my constituency.

My constituents, and particularly the Conservative voters, do not share the rather extravagant hopes that exist, perhaps, in other sections of the Conservative party, or in other parts of the country, for dramatic cuts in direct taxation. In fairly substantial surveys that I have conducted over the past 18 months, Conservatives and non-Conservatives alike have put not risking inflation, not risking rising interest rates and not risking the stability of the economy before cutting direct tax.

Of course there will be a welcome for a modest cut in direct tax. Unlike my right hon. Friend the Member for Wells, I welcome the combination that the Chancellor adopted—taking 1p off the standard rate while helping those at the lower end of the income scale. I hope that the Conservative party will never forget that many of our supporters—indeed, many of our potential supporters—particularly in rural areas, are relatively low paid, and the idea that one can draw a line across incomes and say that most people above the line are Conservative supporters and most people below it are supporters of the Opposition is wrong: there are rich socialists and there are rich Liberals.

There is a large number of retired people in my rural constituency, many of whom vote Conservative and are interested in the social justice of fiscal policy. Furthermore, those who work in agriculture, retailing, public service or the health service—at least some of whom, I hope, will remain Conservative voters—expect the Government to take a reasonable attitude to fiscal policy. That is why I made my slightly controversial remarks in the debate on the Queen's Speech a few weeks ago about excessive low pay. I do not want a minimum wage, but excessive low pay should not be disregarded by the House.

In the context of the spending round, I welcome what has been done for the police in Avon and Somerset. I am grateful to my right hon. Friend the Minister of State, Home Office for sending me a letter, as he has to other hon. Members, in which he says that he has

"tried to cut through the complicated standard spending assessment terminology."

It was sad that my right hon. Friend the Secretary of State for the Environment was not more successful in that respect this afternoon.

My right hon. Friend the Minister of State points out that the Avon and Somerset constabulary will receive an increase in spending power of 3.9 per cent., or £6 million over this year, building on an above-average increase for the current year of 4.6 per cent. Information from the Avon and Somerset constabulary indicates that the total number of police officers should increase by 35 during the current financial year. Under the proposals, it will be able to recruit a further 57 police constables during the coming year. That I welcome, because we need extra police constables not to be sunk into Bristol but to police the towns and villages of Somerset.

[Mr. David Nicholson]

I am glad to see that the hon. Member for Bath (Mr. Foster) is in his place. Despite the difficult education spending settlement of two years ago for Somerset and elsewhere and the rather better settlement last year—as my right hon. Friend the Member for Wells has said, however, only £1.5 million of the total increase of £7.5 million went into the schools—despite those resource difficulties, the latest GCSE results show that Somerset took 14th place in the list of national results, doing better in terms of A to C GCSE passes than Devon and Wiltshire, and better also than counties such as Kent and Essex, which receive the area cost adjustment.

I do not, of course, disregard the importance of resources. I hope that the resources that we receive this year will substantially go into our schools. As for the argument over the area cost adjustment, I do not think that it is sensible to make a comparison with what goes on in the private sector. Public sector pay is determined on a different basis from pay in the private sector. I do not believe that authorities that receive the area cost adjustment have to pay over the odds for their teachers or other staff. I know that many in the House agree with me that we must make a vigorous onslaught on the area cost adjustment in future.

It has been claimed that the education settlement can be financed or funded only by a disproportionate increase in council tax. As I said to the hon. Member for Bath earlier, that is not sustainable in local education authorities that are already capped, but let us consider what happened last year to the districts. For example, Taunton Deane, which is Liberal-controlled, achieved—I refer to column *320* of written answers in *Hansard* on 14 November—a 135.7 per cent. increase in band D council tax. The only other authority in the south-west that approached that increase was Salisbury, Wiltshire, which is also Liberal-controlled. We shall see this year how the various authorities respond to perhaps a tight spending settlement.

As my right hon. Friend the Member for Wells is in his place, I am pleased to say that I listened with interest to what he said about the single currency. As I said at the start of my speech, I think that, in addition to political sovereignty and other arguments, there are enormous economic difficulties in our expecting to go down the single currency route in the foreseeable future. I hope that that will become clear within the Conservative party, and from the leadership of the party. My right hon. Friend the Prime Minister is right to keep all his cards in place, but the matter must become clear, for the reasons that my right hon. Friend has given in various pamphlets.

I shall study carefully the Single European Act, which was passed before I entered the House. The Conservative party's desire for universal free trade and its worship of the great god Mammon probably persuaded most of us to accept the Single European Act without looking at its regulatory and other implications. Perfect free trade in an entity has implications for exchange rate stability in that entity. It also has implications for social costs and the levels of excise taxation on some of the commodities to which my right hon. Friend the Member for Wells referred. I hope to return to those matters at an appropriate time.

9.10 pm

Mr. Michael J. Martin (Glasgow, Springburn): I shall try to be brief, because other hon. Members want to speak.

Two municipal by-elections will be held tomorrow in London. If Conservative Members are so confident that this is a good Budget, they should watch the results of those by-elections, because they will provide an important opinion poll. I think that the Conservative party will be rejected.

The Budget is not good news for people who are lucky enough to be in a job but have to drive a car. The Conservatives have hammered transport and local authorities. People nowadays need a car on the road if they have any distance to go for their jobs. The rise in car tax and petrol tax is not good news, and Conservatives Members are kidding themselves if they think it is.

My hon. Friend the Member for Rotherham (Mr. MacShane) mentioned airport tax. British Midland Airways and Air UK provide the city of Glasgow with an excellent shuttle service to and from London, which I use. One of the biggest complaints from the business community is about the extra tax, and now we have another one. Ten pounds on a ticket for one of the most expensive domestic flights in Europe—perhaps in the world—is not good news for the business community.

Every time a trade union leader says anything, Conservative Members say that they want to hear from the membership. They have said that employers' associations welcome the Budget, so let us hear from their memberships. I shall be hearing from the membership in my constituency and in my native city.

I no longer need to defend tobacco, because there are no tobacco jobs left in the city of Glasgow, which was famous for its tobacco industry. In a sense I am glad of that, because, although that industry was a good employer, I hate the idea of a product that causes emphysema, lung cancer and bronchitis.

It is silly and demeaning that tobacco products are smuggled in from the continent. Our excellent Customs officers must stand by and watch, because the Government have not given them the resources to stop that smuggling. If tobacco is smuggled across the channel, it must be easy to obtain the heroin and other drugs that we are all worried about.

Concern has been expressed about small shopkeepers. Newsagents that sell tobacco legally—so that the proper rate of tax goes to the Exchequer—are appalled that, within walking distance of their shops, smugglers are selling ill-gotten goods openly in railway viaducts. The privatised railway company ScotRail gives premises to people who smuggle goods. That is ridiculous. Those small shopkeepers are obeying the law—all of us are worried about small businesses that are trying to keep their heads above water—while, just down the road, smugglers are able to sell their goods in broad daylight.

As my constituency contains Tennents brewery and United Distillers, I welcome both the fact that no further tax has been applied to beer and the cut in tax on whisky. The whisky industry brings not only direct but indirect employment to my constituents. Advertisers, the printing industry and those who make containers benefit from it. In the old days, the Scotch whisky industry could take the sale of its product very much for granted, but now there is heavy competition. People are buying other products, including those from Japan and other parts of the world.

I am disappointed that prescription charges have risen again. It is sad that people should pay more than £5 for one prescription, when we know that, when a doctor calls, he will not necessarily hand out just one prescription. That hits the weakest members of the community.

I plead with the Minister to look at the provisions relating to local government. In areas of high unemployment such as mine, local government is a good employer of labour. Every time we hit local government, we damage employment prospects for men and women. There is no point in saying that we shall spend more on law and order, while telling local authorities that they must close their community centres. The police will tell us that the best places for youngsters are community centres—and, indeed, at night, schools can be used as community facilities. There is no point in closing such facilities as a result of local government cuts, and saying that more will be given to the police: that just does not make sense. We must ensure that all the services are there. I welcome spending on the police, but, as I have said, we must ensure that every service is there.

9.17 pm

Mr. Hartley Booth (Finchley): The fact that, along with others, I am speaking during the last few minutes of the debate gives new meaning to the phrase "time-sharing agreement", but I welcome the chance to add my few thoughts.

We heard a farrago of distortion from the hon. Member for Rotherham (Mr. MacShane), who, I felt, somewhat lowered the high standards of our debate with his personal remarks about my hon. Friend the Minister's shoes.

Mr. MacShane: He told me to say that.

Mr. Booth: I do not know what we are supposed to make of that sedentary intervention, but the point was made. The hon. Gentleman went on to demonstrate that he was still keen to ensure that the Labour party introduced control—Labour is always the party of control—over the economy.

From the hon. Member for Nottingham, South (Mr. Simpson) we heard the litany of small points to which we are accustomed. We are used to hearing privatisation berated. It is never said that, now that privatisation has happened, it is producing £50 million-worth of taxation for us all to spend on good things every week. The hon. Gentleman also referred to homelessness, waving his arms, but he did not say that for every homeless person there are five empty homes; nor did he say fairly, as he should have, that we are now lowering unemployment. The hon. Member for Glasgow, Springburn (Mr. Martin) should know that, even in his region in Scotland, unemployment is falling.

I was interested when the right hon. Member for Dunfermline, East (Mr. Brown) said that our unemployment was far worse than the rate in France. He has been presented as a man of probity and one who gets his facts right, but nothing could be further from the truth. We are miles ahead of France. Our unemployment rate is down to 8.1 per cent., whereas the European average is 11 per cent., and the situation in France is even worse. So much for his probity and accuracy.

I was surprised that the right hon. Member for Dunfermline, East did not say that, every time Labour comes to power, people do well—in France, Germany, Italy and in all our competitor countries. Our tax rates are pushed up and spending goes through the roof in this country every time Labour comes to power, and we are made uncompetitive abroad.

I should like very quickly to make a couple of points, because I know that time is running out. This debate has shown that the Chancellor is not going for the short-term fix; he is there for the long term. There is no cynicism in his Budget. The tax receipts from his many tax changes—such as taxes on profit-related pay, capital allowances on long-life assets, corporation tax on drilling and capital allowances on fixtures—will come in and benefit us in 1998, 1999 and 2000, not this year. So much for claims of a short-term, cynical fix for short-term benefits. The Budget has demonstrated the fact, once again—as my hon. Friend the Member for Brentford and Isleworth (Mr. Deva) said—that the Conservative party and the Chancellor major in honesty.

The two other points that I should like to make both concern the colours of the lateral thinking that we should hear expressed in the debate. This summer, I had lengthy correspondence with the Chancellor and his office—I was probably being a nuisance to him—about the black economy, which he agrees probably now stands at £50 billion. He has tackled part of that problem by telling us that the compliance that he will achieve through provision of 2,000 extra customs officers will bring in £6 billion, doubling the compliance improvements that have already been achieved by officials at the Inland Revenue. That demonstrated his lateral thinking, common sense and prudence.

In 1987, when I was an official in the Treasury, the white economy—the income that comes from all those good charities, foundations, companies and people who give from their own back pockets for good causes—stood at £12 billion, and it is probably now about £18 billion. That economy has been boosted on 32 occasions in the Government's 18 Budgets.

This morning, I heard a noble prelate speaking at an event on the other side of Parliament square—the hon. Member for Newham, North-East (Mr. Timms) might also refer to that speech, because he was there—and that prompted me to speak in this debate. He said—many people will not understand it unless I put it into context—that we have forgotten entirely about Overseas Development Administration funding and that we have not properly dealt with it. That funding is rising. We can be proud if we consider that funding, with the huge help that we have given to the white economy and military aid for humanitarian causes around the world.

I support this sensible Budget, in all its colourful aspects—dealing with the red account, tackling the black economy, widening the white economy and boosting the blue economy. The blue economy will continue to govern after the next election.

9.23 pm

Mr. Stephen Timms (Newham, North-East): I appreciated the colourful contribution by the hon. Member for Finchley (Mr. Booth). I am grateful to him and to my hon. Friend the Member for Glasgow, Springburn (Mr. Martin) for leaving me time to contribute to the debate.

As I listened to the Chancellor yesterday, I wished that I could introduce him to my constituent, a young man who visited the House of Commons for a meeting two

[Mr. Stephen Timms]

weeks ago; he asked to see me and we went for a cup of tea. He was a bright and engaging character in his mid-20s, and I asked him what he did. With some embarrassment, he told me that he has been unemployed. He had left school in 1987 and had not had a single job since. That is a disgrace. There was nothing wrong with him—no reason why he could not contribute to our economy. We are throwing away the talents and energies of a generation. We cannot afford to carry on in that way.

After the long debate in recent weeks about whether the Budget would be a moderately tax-cutting Budget or a swingeingly tax-cutting Budget, we have a tax-increasing Budget, as shown by the Red Book and our earlier exchanges. That is an extraordinary turn of events.

Although taxes have increased in the Budget, the public investment picture is bleak. Yesterday, the Chancellor again announced cuts to public sector capital investment. That investment totalled £20.7 billion in 1994-95 and £20.6 billion last year. The Chancellor now estimates that it will be £19.7 billion this year, £18 billion next year and £17.7 billion the year after that. It is an alarming decline. We are cutting when we need to invest in our infrastructure and lay the economic foundations for our future.

The Chancellor tells us that there is not a problem, because the decrease in public sector investment is compensated for by the private finance initiative, but the figures that he published yesterday show that that is not the case. Even allowing for the PFI, the total amount of publicly sponsored capital spending will fall this year and next year.

As Paul Shepherd, chairman of the Building Employers Federation, said last night:

"The worry is that cuts in public spending are real while PFI reflects hopes and expectations which in reality may not replace this lost work."

The PFI is not bridging the gap. Public investment, including the PFI, continues to fall. The Government are not doing enough on investment.

I shall make two specific detailed criticisms about the way in which the information on the PFI has been presented in the Red Book. They both relate to differences in the basis used for presenting the figures for, on one hand, the amount of capital investment being made under the PFI and, on the other, the future revenue costs of paying for it.

First, the Red Book presents the figures in a way that maximises the capital value of the PFI programme, but minimises the apparent future revenue costs. That is misleading, and it is distressing that the Government are not being frank. Secondly, the figures on future revenue commitments are not broken down by Department. That makes parliamentary scrutiny harder.

I am pleased that information has appeared on the PFI. The Red Book shows that £15.9 billion of Government spending is already committed between now and 2025 to fund PFI projects that have been signed, and that includes £1 billion every year in the first five years of the next century. But that is the tip of the iceberg. The figures that have been published apply only to signed contracts and most have not yet reached that stage.

I make two specific proposals. First, the Treasury should publish expected revenue commitments under deals that have been agreed as well as those that have been signed. Ministers are using those "agreed" figures when talking about capital investment, as in table 5.5 of the Red Book; they should be consistent and use the same definition for the revenue commitment figures. I ask the Minister: will the Government publish those figures, too? Secondly, the Treasury should give a departmental breakdown of forward revenue commitments. That would allow the proportional strain on individual Departments to be assessed.

Last week, in the Treasury Committee, I mentioned that the Department of Health says that it does not collect centrally information on the long-term revenue commitments incurred by individual NHS trusts. That information should be collected and presented.

As the hon. Member for Finchley presaged, I shall make a final point about the traditional cut in the overseas aid budget. It is a scandal that, because of the parlous state of Government finances, the Chancellor has opted to fund his tax cuts by reducing the overseas aid budget again. After 17 years of decline, the amount of our national wealth devoted to life-saving programmes will fall yet again. I commend the Chancellor for his initiative on debt, which has been widely appreciated, but it is not a substitute for our direct contribution to keeping people alive in the poorest parts of the world.

Some of the specific cuts in conventional public sector capital investment programmes are deeply damaging, including the cut for London Transport and the cut in the housing budget, which, as my hon. Friend the Member for Rotherham (Mr. MacShane) pointed out, is disastrous. I can do no better than quote the comments last night of the chairman of the Housing Corporation:

"All of us in the Housing Corporation are deeply disappointed by these further cuts . . . The Government's own estimates show a need for a minimum 60,000 new social lettings per annum. As the millennium approaches, provision will now be reduced to 45,000. Without satisfying basic housing needs, it is difficult to see how Government's policies to improve people's health, minimise crime, meet children's educational needs and boost individuals' employment prospects can succeed."

Such blunt speaking from a Government appointee is rare but welcome and highlights the scale of the problem.

The Budget does nothing to help and makes matters worse in several key areas. It is time for a change.

9.30 pm

Ms Dawn Primarolo (Bristol, South): We have had an interesting and diverse debate on the Chancellor's Budget, which is already unravelling. On the "Today" programme this morning, the Chancellor described how he viewed himself on television last night. He said:

"Here was the Chancellor, I thought, looking at myself on television, putting some taxes up, some down."

He could not have put it better. He was giving with one hand and taking back with the other.

The *Evening Standard* poll today shows that the nation is not impressed. Council tax bills will be forced up by the Government and, despite the Chancellor's claims, the typical family will be worse off as a result of yesterday's Budget changes.

During the debate, my hon. Friends have reminded the Government of their record. We shall continue to pursue that strategy, remind them of their record over 17 years, and not allow them to con the British electorate into thinking that they should be judged on only the past few

months. My hon. Friend the Member for Coventry, South–East (Mr. Cunningham) reminded them that they are 11th out of 15 on inflation and interest rates and 42nd in education, and have slipped from 13th to 18th in the international prosperity league.

The hon. Member for Bath (Mr. Foster) referred to the local government settlement and reminded the House again, as did other hon. Members, that the package announced by the Government will increase council taxes by at least £41 a year. He explained the mirrors and smoke screens that the Government have used, yet again, to try to make the country believe that they are investing more money in education when in fact they are investing less.

Considering the impact on council tax, my hon. Friend the Member for Walthamstow (Mr. Gerrard) also referred to the cruel manipulation of statistics and the reduction in housing spending at a time of great housing need. The Government have misrepresented that yet again.

My hon. Friend the Member for Nottingham, South (Mr. Simpson) referred to the growing inequalities that fracture our society. The Chancellor referred to the Rolls-Royce recovery, but it is a Rolls-Royce for the few, not for the many.

My hon. Friend the Member for Rotherham (Mr. MacShane) talked about his video link this evening with the Rotherham business community. He then went on to express some forthright views on Europe—to which he is passionately committed—and made some challenging comments, to which we shall no doubt return. He added a considerable spark to the debate.

My hon. Friend the Member for Glasgow, Springburn (Mr. Martin) described the impact of the Budget on his constituents. He set out the problems of smuggling, intimidation and the growth of organised crime.

Finally, my hon. Friend the Member for Newham, North–East (Mr. Timms) made a thoughtful speech on the problems of the private finance initiative and the waste of talent and energy of an entire generation as a result of the Government's strategy.

The Government have increased taxes and reduced spending on the health service. The dispute at the beginning of the debate was so intense that it caused the Chancellor to avidly read the Red Book and finally, with some help from the right hon. Member for Wokingham (Mr. Redwood), the Chief Secretary admitted that the Budget increased taxes.

Before I consider the details of the Budget, I shall refer briefly to the Government's proposals to increase VAT revenue. They created the problem when the former Chief Secretary to the Treasury, now the Secretary of State for Defence, introduced the future spending review. The number of VAT officers was savagely reduced, despite the fact that the Department had been informed that the cuts would reduce the ability of Customs and Excise to continue effectively to collect outstanding VAT and to ensure that the complex regulations operated properly.

We told the Government that the proposed cuts were counter-productive and that there was a considerable risk that evasion would increase, significantly undermining the long-term tax yield. The Paymaster General at the time—the right hon. Member for Wells (Mr. Heathcoat–Amory)—told us that Customs and Excise could maintain and improve its output with fewer staff. We are pleased that the Government belatedly understand the importance of VAT officers, although it is a tragedy for the country that revenue has been lost.

We also welcome the climbdown on the three-year rule and the equalisation between the Revenue and the taxpayer in respect of tax collection, but there remains an underlying problem, which the Government must address, relating to the appeals procedure and the time taken to settle disputes.

The Budget was big on boasts, but when we study them in detail they do not amount to much. Tax will still be high at the next election. The Government have shown that they are the biggest tax cheats around. They make promises, break them, replace them with more promises, and expect us to believe them. After 17 years, we are not about to do that. The burden of tax on the average family will remain high at the next election.

We need to test the Government, not on their recent record, but on their entire record. The Tory Government have perpetuated a number of myths. The first relates to enterprise, the second to fairness and the third is that they are committed to the family. None of them is true.

Far from being the enterprise capital of Europe, since 1979 Britain has suffered economic decline under the Tories, and the slowest average growth rate of any major industrialised nation. Britain's share of world trade has fallen to its lowest level this century.

As for fairness, one in five households are without work. That is nothing to be proud of. Living standards have decreased in the past two years. Manufacturing investment has fallen for the past three consecutive quarters, and is below the 1979 level. The United Kingdom is 19th in the OECD table for investment per head and 21st in that for investment. Britain's national debt has doubled since the Prime Minister took office in 1990, despite the bonanza of privatisation receipts.

The Budget means that the 22 Tory tax rises since 1992 will have cost the typical family £2,120 by the next election. It raises the overall tax burden, as the figures in the Red Book clearly reveal, with a rise of £350 million between this year and next. There is one brand new tax: an extension to 17.5 per cent. of VAT on travel insurance, car hire insurance and other types of insurance—as well as the increases in prescription charges and a number of other areas.

The Budget breaks the promise that the Prime Minister made at his party conference: that the national health service would get more money over and above inflation year on year throughout the years of the next Conservative Government. The Red Book gives the lie to that commitment. In real terms, the NHS budget goes down in the second and third years.

The Chancellor's plans for school spending represent £73 million less than is being spent now, yet they call this Budget fair. The Government's spending plans include a £56 million cut in the planned budget for nursery education, a £34 million cut in the budget for training and enterprise councils and a £20 million cut in capital spending on higher education.

The Chancellor says that he wants to attack welfare dependency. Indeed, he said in the 1994 Budget speech:

"We must combine greater prosperity for the majority of our people with measures to prevent the emergence of a deprived underclass, excluded from the opportunity to work and dependent on welfare."—[*Official Report*, 29 November 1994; Vol. 250, c. 1079.]

By abolishing one-parent benefit, he makes working lone parents worse off and discourages work among that group. He ruled out that measure last year on the ground that it

[Ms Dawn Primarolo]

would trap people on benefit. The Government failed to bring forward plans for welfare-to-work programmes to help people out of the vicious cycle of poverty, and engaged instead in a cruel and vindictive attack on that group of vulnerable people.

The Chancellor says that the current account will be in balance, but his own figures show that the trade deficit will worsen, reaching £4 billion in 1997. What have the Government presided over in this year, the international year of the eradication of poverty? There are now 14 million people, of whom four million are children, living in poverty in Britain—nearly three times as many as in 1979. Britain now accounts for one in four of Europe's poor. That is nothing to be proud of.

People are caught in the unbreakable cycle of high rent, poverty, benefits and unemployment—an interlocking system of personal disaster that denies them the opportunity to use their talents and abilities, about which my hon. Friend the Member for Newham, North–East spoke so well.

The Tories claim to be the party of family values, but their tax changes over 17 years have had the worst impact on people with children. Yes, children still count as part of a family. They are an unfair Government to have ensured that 62 per cent. of one-earner couples with children have lost out during their period in power. The number of individuals living in families without any member working has doubled since 1979 and now totals 9.1 million. One in three British babies are born into poverty, and the national survey by the Health Visitors Association shows that widespread child malnutrition and poor living conditions are re-emerging. That is nothing to be proud of.

The Government have failed in every area of policy. Labour sets three simple tests for the Budget. Is it honest? Most certainly, it is not. At every opportunity, the Government cook the books, misrepresent the facts and say anything to get political advantage. If they were not worried about that proposition, they would be prepared to open the books to an independent assessment of the state of the nation, so that all of us could decide where we are.

The Budget is not fair, because only a few people benefit. The 30 per cent. of poorest families are worse off as a result of the Budget. It is not a Budget for ordinary, hard-working families: it is a Budget to try to get the Government re-elected.

This is not a Budget that will strengthen the economy and equip Britain for the future. The Tories have admitted that productivity is falling in British industry, but there is nothing in the Budget for investment. Indeed, there are to be further cuts in public investment.

The *Evening Standard* poll sends a clear message to the Government. Eight out of 10 people said that they would not be better off as a result of the Budget, and seven out of 10 said it was not fair. They give a clear judgment. The Budget is the last gasp of a desperate Government. It is time they put their record to the people so that we can defeat them at the next general election.

9.45 pm

The Exchequer Secretary to the Treasury (Mr. Phillip Oppenheim): We have had an interesting debate. I thought that the comments by the hon. Member for Nottingham, South (Mr. Simpson), when he complained about the Rolls-Royce metaphor, missed the point. He probably thought that my right hon. and learned Friend the Chancellor meant Rolls-Royce, the rich man's car, but he meant Rolls-Royce the aero-engine manufacturer and I think that is a good analogy. *[Interruption.]* Whichever he meant, that is the analogy I will stick with.

When we came to power, Rolls-Royce—on the border of my constituency—had 10 per cent. of the world market for civil aero-engines. Now it has treble that and it threatens to overtake General Electric and Pratt and Whitney. That is a record I am proud of, because it has created secure, quality jobs and because, when my constituents travel abroad, they do so more and more on planes powered by Rolls-Royce engines.

Mr. MacShane: They will have to pay the airport tax.

Mr. Oppenheim: Will the right hon. Member for Dunfermline, East (Mr. Brown) tell us that the first thing that a Labour Government would do would be to reverse the airport tax? He is not prepared to do that. Fine, he accepts our agenda.

Mr. Gordon Brown: I did not hear the hon. Gentleman.

Mr. Oppenheim: The right hon. Gentleman should have been listening.

I agreed with much of the speech by the hon. Member for Glasgow, Springburn (Mr. Martin). He pointed out the difficulties caused to local traders by smuggling. It also causes difficulties for honest taxpayers, who have to pay more as a result. It causes difficulties to public services, because VAT funds, to a significant degree, hospitals, schools, law and order and the police. It is important to get it into perspective, because smuggling of, for example, tobacco represents around 1.5 per cent. of the total tobacco tax take and that is a significant amount in itself. That is why we have listened carefully to the consultations and decided, bearing in mind the enormous growth of organised gangs and crime in smuggling, that we will keep 1,100 customs officers and redeploy them. We will also link better with organisations and the armed forces to ensure that we clamp down on smugglers. Smuggling is a key area in which we must clamp down. The problem extends to smuggling endangered species, which is not a revenue earner, but is important none the less.

The hon. Member for Newham, North–East (Mr. Timms) made an interesting speech. He asked whether we would put more private finance initiative figures in the Red Book next year. My right hon. and learned Friend the Chancellor, and possibly even I, will reflect on that for next year's Red Book.

I listened with interest to the hon. Member for Rotherham (Mr. MacShane), but I must say that I am a little worried about him. He said he went to bed with a Trollope, he talked about red-hot thrusts and then he referred to me as the "posthorn general". I am seriously worried and I do not know what the hon. Gentleman has been smoking recently. He also cited Argentina as a great economic success story. When challenged to describe the economic policies that Argentina has followed for the past 10 years, he blustered and talked about a military

government. I can tell him that Argentina has followed free-market monetarist economic policies, and has been successful as a result.

I was pleased that the hon. Member for Coventry, North–West (Mr. Robinson) wandered into the Chamber earlier and made a couple of interventions. It is nice to see him, because I know that he is busy running around getting cash from business men for the office of the Leader of the Opposition. He is also busy, because he runs a very successful business—so successful that he has managed in the past couple of years to give himself massive increases in salary. I do not begrudge him that, but I should point out that it was not always quite like that. He used to run a company called Jaguar, during the great macho days of Labour's industrial strategy.

Mr. Campbell–Savours: Has the Minister given my hon. Friend the Member for Coventry, North–West (Mr. Robinson) notice of this?

Mr. Oppenheim: The hon. Member for Coventry, North-West is not even around.

When he ran Jaguar—

Mr. Campbell–Savours: This is out of order.

Mr. Oppenheim: The hon. Gentleman should listen.

When the hon. Member for Coventry, North–West ran Jaguar, its production slumped towards 10,000 cars a year. It was a byword for bad quality. Now, in the private sector—

Mr. Robert Ainsworth (Coventry, North–East): Will the Minister give way?

Mr. Oppenheim: I will in a minute, if the hon. Gentleman calms down.

In the private sector, Jaguar is successful and is making cars of which we can be proud.

Mr. MacShane: Under American management.

Mr. Oppenheim: I would rather that it had American management and made 50,000 or 60,000 cars a year than be under state control and losing a fortune that could be spent on hospitals and schools—as it was under the stewardship of the hon. Member for Coventry, North–West.

Mr. Ainsworth: The Minister is referring to my hon. Friend the Member for Coventry, North–West, who is not here to defend himself. I worked at Jaguar at that time under the chairmanship of my hon. Friend. We worked overtime on Saturdays and Sundays, when the oil crisis meant that every car manufacturer in the world wound up stacking up cars that they were unable to sell in the American prairies. The Minister should not attack my hon. Friend with such a load of nonsense.

Mr. Oppenheim: I do not blame the hon. Gentleman, or the work force; I blame the management and the Government at the time. The fact that the workers were working overtime indicates appalling labour management, because the company was building 10,000 cars a year. *[Interruption.]* If Opposition Members will calm down, they will hear me refer to the favourite subject of the right hon. Member for Dunfermline, East—league tables. Before I do, I should say how much I enjoyed the speeches of my hon. Friends the Members for Brentford and Isleworth (Mr. Deva), for Taunton (Mr. Nicholson), and for Finchley (Mr. Booth), who all made a number of good points.

The hon. Member for Bristol, South (Ms Primarolo) referred to the need to tie up tax loopholes and to increase the VAT take. Every time we tie up a loophole—in this Budget we are doing just that—Labour shouts, "It's a tax rise." It will be interesting to see what Labour does if it ever comes to power. One of the VAT loopholes that we tied up last time—*[Interruption.]* If the hon. Member for Bristol, South listens, she might learn something. One of the loopholes that we tied up last time was VAT on gold granules, and Labour published a leaflet calling that a tax rise.

Presumably, for fear of what Labour calls "putting up taxes", it will sign a tax avoiders charter and say to the clever accountants and well-paid tax lawyers, "Get on with it, boys. We don't want to be accused of putting up taxes." *[Interruption.]* If the right hon. Member for Dunfermline, East stops making animal noises for a moment, we can talk about league tables, which are his favourite subject.

Let us talk about Labour's prosperity league. Labour claims that the tables it used came from the Government's competitiveness White Paper, and that is true—up to a point. One of the tables compares the OECD ranking of GDP per person for 1979 with the World bank ranking for 1994, which allegedly shows Britain slipping from 13th to 18th. The trouble is that only one of the league tables was in the competitiveness White Paper. The 1979 comparisons quoted by Labour come from a different organisation, use different methodology and include different countries—*[Interruption.]* It is all very well for the right hon. Member for Dunfermline, East to say, "Oh, God." These are the facts, and he should listen if he has any claim to honesty.

One of the economies that the right hon. Member for Dunfermline, East claimed overtook us was Kuwait—an oil-rich nation. The other, Hong Kong, is hardly an example of socialist central planning. Hong Kong is possibly the most free-market, open economy in the industrialised world.

Mr. MacShane: Where are we?

Mr. Oppenheim: The hon. Gentleman asks where we are, and I shall tell him and put the matter in perspective for him. In 1960—*[Interruption.]* Hon. Members should listen for a minute. According to the consistent OECD series, in 1960 Britain was fifth equal. By 1970, we had slipped to 11th, behind France, Denmark and the Netherlands. By 1979, we had slipped to 15th, behind Germany, Sweden and Belgium. By 1994—15 years later—we had slipped by a further one place to 16th. During the same period, France slipped by seven places.

Mr. MacShane: Wow.

Mr. Oppenheim: The hon. Gentleman should listen to this and perhaps he will say that again.

In 19 years, from 1960 to 1979, Britain slipped by 10 places. In 15 years, from 1979 to 1994, a period of huge change in the global economy and of the advance of

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the east Asian nations, we slipped by one solitary place: we were overtaken by Japan. Everyone knows that Labour's favourite league tables are botched. They do not compare like with like: it is as silly as comparing Manchester United with the Dallas Cowboys.

I know that Labour Members like league tables, so I shall quote another. During the 1970s, Britain's manufacturing productivity grew at a third of the rate of Japan's, half the rate of France's and half the rate of Germany's. Since 1980, our manufacturing productivity has grown 50 per cent. faster than Japan. We moved from the bottom of the G7 league table in the 1960s and 1970s to the top, which is why, according to an independent report, after decades of decline, since 1979 we have closed three quarters of the competitiveness gap with Germany and we are catching up fast. Those are the facts, and that is why people say that there are lies, damned lies and new Labour league tables.

Let us move on to tax and debt—fertile ground for more spurious Labour league tables and statistics. The Leader of the Opposition said yesterday that we would go into the general election with a higher tax burden than when we went into the previous general election. That is wrong. One of the daftest claims by Labour spokesmen is that we have borrowed more than any previous Government, to which they add, carefully selecting their year, that debt has doubled since 1991—not 1990, note, or 1992, but 1991. Why 1991? Because that was the point in the cycle when debt was at its lowest.

I shall not be so selective. During the entire period we have been in power, since 1979, borrowing has been at half the rate—excluding privatisation receipts—that we had under Labour, and overall debt has been lower every year than it was under Labour. In fact, if we had carried on borrowing at the Labour rate, we could have cut a further 10p off income tax—

Mr. MacShane: Which one?

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): Order. The hon. Member for Rotherham (Mr. MacShane) has already made his speech. He will kindly let the Minister make his.

Mr. Oppenheim: Thank you, Mr. Deputy Speaker.

Of course, we would merely be deferring tax for future generations, as Labour did, because we have had to pay off a lot of debt that the last Labour Government incurred. I want to talk about privatisation and the windfall tax, another favourite topic of the right hon. Member for Dunfermline, East.

What are the policies of new, aspirational, stakeholding Labour, looking forward purposefully to the new millennium? All over the world, countries are privatising. In 1979, British Airways was the same size as Air France, making roughly the same losses, and it was rated by its passengers below Aeroflot. When we privatised it, the Labour spokesman said that it would become the "pantomime horse of capitalism".

The person who said that was the right hon. Member for Glasgow, Garscadden (Mr. Dewar), now the new Labour Chief Whip. Now British Airways is nearly twice as big as Air France and is the world's most successful airline. French, Italian and Spanish taxpayers are still contributing to their national champion, state-owned flag carriers, while British Airways makes a profit, the tax on which helps to pay for hospitals, schools and the police—not bad for a pantomime horse.

British Steel was the world's biggest loss maker, but now it is one of the most efficient steel makers in the world and has quadrupled its exports since 1979. I could go on, but I shall give Opposition Members some clear facts. In 1979, state industries were depriving schools and hospitals of £85 million a week; now, the privatised industries are contributing £55 million a week to hospitals, schools and the police. People know our policies; they do not know Labour's. I am told that, not long ago, Labour would not even tell us whether British Telecom was among the privatised utilities that would be hit by its windfall tax.

A new Labour publication called "Women Today" held a contest that invited people to win a day in Parliament. All they had to do was to say in no more than 100 words what the policies and priorities of a Labour Government would be. We are still waiting for those good ladies to send their replies.

Perhaps I am being unfair. Labour has said it will tax the privatised industries, even if it will not say which ones. Social democratic and socialist Governments all over the world, in Sweden, New Zealand and Australia, have privatised. Who still opposes privatisation? Not Cuba—it is going soft. The contradictions inherent in the final stages of Marxist Leninism are too much for Cuba. Only North Korea—

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

Health Services (South London)

Motion made, and Question proposed, That this House do now adjourn.—*[Mrs. Lait.]*

10 pm

Mr. Simon Hughes (Southwark and Bermondsey): This debate concerns a matter no less important than the Budget: the funding of health services in south London. Before the Budget, concerns were expressed by the Greater London branch of the Association of Community Health Councils for England and Wales, the Association of London Government and many others that the funding allocation for next year, let alone this year, would be far less than was needed.

My office carried out a survey, of which the Minister is aware, in October. It confirmed that the six south London health authorities projected a deficit of £20.2 million for this year. Lambeth, Southwark and Lewisham was £4 million down; Kingston and Richmond, £2.7 million; Bexley and Greenwich £2.3 million; and Merton, Sutton and Wandsworth had the largest deficit projection, of £11.2 million.

The Minister gave the hon. Member for Newham, South (Mr. Spearing) an answer late in October that confirmed that significant deficits were projected for this year. That remains the view of many of the health authorities in question. The day after the Budget, we must ask whether it has made any difference, and whether health services in south London will be any more secure in the months ahead.

I shall give just one example to personalise what would otherwise be a debate about facts and figures and miss being a debate about people. On 15 October, I received a letter from a pensioner living in Walworth. It began:

"I would like to introduce myself to you with a very big complaint.

My name is Lilian Burkhard and I am 74 years of age. From the age of 16 yrs until past retirement age, I was never unemployed or a burden to the country. In fact apart from my Old Age Pension (which I paid for) I have never received a penny of help."

In their retirement, Mrs. Burkhard and her husband live roughly equidistant from St. Thomas's hospital, King's college hospital and Guy's hospital, three of the best and most famous hospitals in the country.

Mrs. Burkhard continues:

"In February 1994 as I was having difficulty in walking and was in great pain, my doctor sent me to Kings College Hospital for X-rays on back and hip. These proved that I had a damaged spine and arthritis in the hip. I was informed that the hospital would send for me to have a pain killing injection. This was to ascertain which was causing the most pain. If it was back they could do nothing but a hip replacement was possible.

After waiting two years and not hearing from them, finding I could get no help on the telephone as my notes had been conveniently lost; my doctor sent a letter to St. Thomas Hospital as by this time I was suffering severe pain and discomfort. This letter was sent in February 1996 and I received acknowledgment in May 1996 making an appointment with a consultant for 31st October 96."

In August 96 I had a letter delaying my appointment for another three months until 30th January 1997. Note that to date I had been waiting from February 1994 and had not yet even seen a consultant.

By this time I was walking with a stick and in extreme pain so my Dr. wrote to the Chelsea and Westminster Hospital. (a friend of mine had only been waiting a fraction of the time I had and was already booked for her operation at this hospital). Within a week I had a letter making an appointment for 10th October 96. My appointment was kept and after the X-rays I was told I urgently needed a hip replacement and they would send for me in the New Year. So far so good! I thought I was getting somewhere but alas! Today just five days after being told the good news, I received a letter to tell me that the Health Authority covering my area cannot fund the operation."

The health authority, in a letter to me last week, just before I saw Mrs. Burkhard and her husband, confirmed the facts, apologised for the history of the case, but could give no guarantee as to when Mrs. Burkhard would have the operation which, since February 1994, it appears she has so urgently required. That is just one example; not the most dramatic, not someone about to die, but a deserving pensioner waiting for an important operation to give mobility, take away pain and give a decent quality of life.

Yesterday, the Chancellor made great play of the fact that he was being significantly generous to the health service. A Department of Health press release said:

"Stephen Dorrell announces £1.6 billion budget boost for patient services."

That is true, and I welcome all additional money for the health service. But the reality—we will debate this in full on Monday—is that next year will effectively see a standstill budget for the NHS, as the Government define it, and a reduced budget as the patients feel it.

The Chancellor yesterday acknowledged expressly that inflation rates in the NHS are higher than general inflation and—I heard the debate earlier between the shadow Chancellor of the Exchequer and the Chief Secretary—the reality is that the Department of Health spending figures, which appear in the press release, the Red Book and yesterday's publications, represent an increase of 2.8 per cent. next year.

That increase assumes a level of inflation within the Government target of 2 per cent., an assumption difficult for most people to believe, and health service inflation of no more than 0.7 per cent., again probably unprecedented in this Administration. Otherwise, there will be a standstill or a decrease in the NHS budget. After that—the figures are clear—a 0.7 per cent. reduction is projected for the following year, and only a 0.1 per cent. increase the year after. It does not matter whether one takes the current spending figures, the family health service figures, the central health figures, or the total revenue figures—the picture is similar.

The revenue spending total is up only 2.9 per cent. next year, as projected by Government yesterday, and 0.2 per cent. and 0.1 per cent. in the following years. Capital spending is up only 0.8 per cent. next year on the Government's figures, even after taking into account the private finance initiative, then a reduction of 0.7 per cent. and a 0.1 per cent. gross thereafter.

The Institute of Fiscal Studies, in its summary of the Budget today, said:

"overall Department of Health spending over the next three years is hopelessly tight."

What about the effect of yesterday's Budget, therefore, on south London? We shall be told the allocations tomorrow, but I want to give notice that we are expecting them and we need them to meet the deficit; otherwise there will be severe health service problems ahead.

In Merton, Sutton and Wandsworth, a deficit of £14.2 million next year has been projected. It is officially proposed to make up the difference by reducing

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expenditure on elective surgery, specifically proposing a 75 per cent. reduction in eye treatment, a 57 per cent. reduction in ear, nose and throat treatment, and a 90 per cent. reduction in teeth and mouth treatment. The authority is already at the limit of its patients charter waiting list requirement, which is 18 months. That would be considerably lengthened if any further cuts were made.

Kingston and Richmond health authority has a current deficit of £2.7 million. The projected savings needed are £6.6 million. The main savings are to come from a

"review of community health services".

That may mean a reduction in family planning services and services to older people with mental health needs. I was in Kingston at the weekend. The Acacia unit at Tolworth hospital has a ward for older mental health patients which is being cleared to make way for elderly patients who are blocking beds at Kingston hospital. There will also be further delays in elective operations in that authority.

According to the Department of the Environment national deprivation index, my own authority, Lambeth, Southwark and Lewisham, is the second most deprived health authority in the country. I quote from this year's annual report of our director of public health, who states that these three boroughs

"are three of the most deprived boroughs in England. Local residents experience increased premature mortality, and higher than average death rates from lung cancer and stroke, mental illness, accidents and violence. Communicable disease including TB, HIV and malaria are more common locally."

There are many other quotes which endorse that account of health deprivation.

A document on purchasing intentions was sent out by the health authority for consultation, which ends in the middle of December. A minimum reduction of £18.8 million is identified. There is an inherited commitment of £7.9 million from the last contracting round.

What, in particular, are we under pressure to fund? First, the largest number of mentally disordered offenders in the country, as the Government are aware. I understand that we need an additional £7 million next year, over the £3 million grant for this year. Secondly, we need help to give us a nationally adequate minimum mental health service, especially in psychotherapy and counselling services.

Thirdly, the acute sector is probably facing £7.5 million-worth of cuts next year. This year, waiting lists have gone up for non-fundholder patients from 12 months to 18 months. That is confirmed in a letter from the chief executive. We are already up to the patients charter limit. What next will happen?

I am told that there is likely to be a reduction of 15 to 20 per cent. in day case and elective admissions. Waiting times for many patients may be increased by a year. I am told by consultants across the authority that operations and numbers of occupied beds in many hospitals are being cut by 25 per cent. Almost every patient without a life-threatening condition is guaranteed to wait at least a year and possibly 18 months.

That is not just a statistic. Every delay in treatment reduces the chance of a cure and the possibility of an effective recovery. Furthermore, if only the most acute cases are treated when they desperately need treatment, medical students may never see routine elective patients at all.

The last sector that is likely to be cut, about which I am receiving increasing numbers of letters, are other community services such as complementary therapies for AIDS and HIV treatment.

Of the acute health authority budget—about £500 million—70 per cent. is fixed costs. The cuts will therefore have to come out of the remaining costs. The situation is dire already, and I do not believe that the Budget will make it much less dire in the months ahead.

Guy's and St Thomas's hospital trust, King's healthcare trust and Bethlehem and Maudsley trust, I gather, all face a similar pattern of elective surgery concerns and delays in non-emergency operations. Lewisham hospital trust has a work load 8 per cent. larger than last year. The three main purchasers have asked it to stop admitting any non-urgent waiting list cases for the remainder of this year, as of next month, and the health authority has said that it must reduce by a quarter the number of non-emergency treatments it purchases next year.

The Lewisham and Guy's mental health NHS trust is particularly concerned about services such as psychotherapy, and the Optimum health services NHS trust in my area of Southwark faces cuts of almost £1 million and will probably have to abolish hospital-at-home services, paediatric home care teams and possibly family planning clinics.

I have a shopping list for the Minister, to which I still hope he will be sympathetic—particularly regarding my last item. First, in the announcements tomorrow and in the Budget debate on health next Monday, we need some assurance that money will be provided this winter to meet this year's deficits and to close the gaps. Secondly, we need to know that health trusts and health authorities—particularly Lambeth, Southwark and Lewisham and Merton, Wandsworth and Sutton—will have the money next year to fund projected deficits.

Thirdly, as recommended by the Health Select Committee in June this year and as clearly represented by the health authority, we need a distribution of health service resources accurately weighted for social need—including racial mix, homelessness and mental health—to take effect from next April. The Government failed to respond adequately to that request in their reply in October, and have not yet agreed to rethink the formula from April next year.

Fourthly, I ask the Government to accept that we need a more accurate, revised calculation of the population. The Government rely on the 1991 census, which I am advised is inaccurate. If the new electoral register in my constituency is anything to go by, there has been a huge increase in numbers, and that fact should be reflected in the statistics used by the health service in allocating budgets.

Fifthly, we must have the money necessary to deal with the largest number of mentally disordered offenders in the country—funding used to be provided under the Home Office budget, but it has now come to the Department of Health. It would be grossly inequitable if that £7 million were not provided in addition to our other health authority budget.

Sixthly, we need a specific, adequate guarantee that we will receive funding to meet the minimum national standards of treatment for those suffering mental illness.

I understand that, according to the formula, we do not have enough funding to do the minimum required of us by good practice and the Department of Health. That is nonsense. My experience is that mental health demands are growing; I know that the Secretary of State understands that, and is very sympathetic to the cause.

Seventhly—and ultimately—we must have a patients charter that means something. If the maximum waiting period for operations is 18 months from first being seen by a consultant until being treated, the funding must be provided to guarantee that time frame—18 months is too long, but it must be guaranteed.

Lastly, when the Budget announcement and the propaganda and counter-propaganda has faded into background, and the debate on Monday has concluded and the resources are allocated, I hope that the Minister or one of his colleagues will agree to meet the chairs and chief officers of south London health authorities and the community health councils, in light of the facts and figures, to examine the real needs and see what can be done to make up the funding gap next year. Sadly, I and the people of south London believe that that shortfall will amount to millions of pounds. Sadly also, it will mean that many people like Mrs. Burkhard—who should have been treated at least two years ago—will still have to wait too long for vital, quality-of-life NHS treatment she needs.

10.18 pm

The Parliamentary Under-Secretary of State for Health (Mr. John Horam): I congratulate the hon. Member for Southwark and Bermondsey (Mr. Hughes) on his success in securing the debate, and I am pleased to have the opportunity to respond to him. As always, he has spoken knowledgably and eloquently about health services for his constituents. The Government are equally concerned to ensure that the best possible health services are available to the people of south London, as the hon. Gentleman was no doubt assured by my right hon. Friend the Secretary of State for Health when they met two weeks ago.

I also have a copy of the letter to which the hon. Gentleman referred, from the chief executive of the health authority, about the sad case of Mrs. Burkhard, and that case being examined closely. I hope that something positive can come of that examination.

As the hon. Gentleman says, Lambeth, Southwark and Lewisham health authority is his local health authority, although his debate tonight covers five other health authorities as well. Like every health authority, it is responsible for studying the health needs of the local population and for ensuring the availability and provision of appropriate care and treatment for local residents. In that, it is extremely effective, as is abundantly clear from the ever-improving services that are available to the hon. Gentleman's constituents.

Lambeth, Southwark and Lewisham health authority is the largest in London, with a population of 732,000. This year, it received £390 million to spend on hospital and community health care for its residents, and each year it spends more than £45 million on general medical services. As well as these substantial sums, it is receiving additional funding this year—as the hon. Gentleman is aware—£3 million of which is to assist with the provision of services for mentally disordered offenders, who would otherwise be in the criminal justice system with their mental health needs ignored.

In addition, £1.4 million of mental health challenge fund money has been made available, and London initiative zone funding to the tune of £15 million has been provided this year to assist with the development of primary care services. It will get more next year, in line with our commitment to year-on-year increases in health service funding. In his Budget speech yesterday, the Chancellor said that the NHS will receive substantially more next year.

The hon. Gentleman commented on the percentage increase and the real increase, taking into account NHS service inflation as opposed to general inflation. He is wrong. As he knows, the overall increase in the health service budget is £1.6 billion, an increase of 2.9 per cent. in real terms—that is, taking off the standard retail prices index deflator, which is approximately 2 per cent. The amount available for the hospital and community health service part of the total budget is £1.2 billion—the amount, roughly, that goes to help authorities, as the hon. Gentleman is aware. That is an increase of 3 per cent. in real terms.

The hon. Gentleman seemed to be arguing—perhaps I misunderstood—that, as inflation in the health service is rather greater than the general rate, those sums will be taken away by national health service inflation. That cannot be so. Although inflation in the health service may be a bit greater than it is generally, it is not 150 per cent. greater, which it would need to be to take away all the extra money—for example, the 2.9 per cent. or 3 per cent. real increase as opposed to the 2 per cent. general inflation rate. I am surprised that he made that charge, but perhaps I misunderstood him. In my view, the increase is substantial.

This debate is taking place the day before my right hon. Friend the Secretary of State for Health is due to announce the individual totals for each health authority. I remind hon. Members that not only is more money going to Lambeth, Southwark and Lewisham health authority, and others, this year than ever before, but, with the merger of district health authorities and family health service authorities from the beginning of last April, and with ever-increasing efficiency, more money is now available for health services and direct patient care. One should not forget that we also expect efficiency gains of several hundred million pounds.

Lambeth, Southwark and Lewisham's population is characteristic of London's densely populated inner-city areas. Hospital and community health services funding is largely based on a national formula worked out on the size of the local population, weighted for factors such as the number of very young or very old people and the degree of social deprivation that exists. It also takes account of market forces, such as the higher costs of staff, buildings and land in the south-east.

The new allocations formula includes two powerful and sensitive measures of need: one for general and acute services; the other for psychiatric services. These two measures take account of a wide variety of health and socio-economic factors associated with the need for health care, such as unemployment, permanent sickness, elderly people living alone, and single-parent households.

I must correct the hon. Gentleman on one point that he made about the 1991 census, on which he thought that the existing capitation formula relied over-heavily. Of course it takes it into account, but nonetheless the formula has

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been updated year by year for population factors. It is not simply based on the 1991 figures, which are obviously out of date.

Lambeth, Southwark and Lewisham health authority's funding this year is only slightly below the funding that it should receive according to the formula. The funding therefore well reflects the local social and economic situation. The same can be said for all six south London health authorities. As a whole, their combined allocations are slightly above their total capitation share.

We must await tomorrow's announcement to learn how close the authority will be to its weighted capitation position next year. However, with the increasing resources that are being made available to the NHS and our commitment to bring all health authorities to their capitation position as rapidly as possible, hon. Members might draw their own conclusions.

Before I say any more about funding or service planning for next year, I should say something about the financial position of the health authority this year, and the ability of the service to cope for the remainder of the year.

On current estimates, Lambeth, Southwark and Lewisham health authority is forecasting that it will overshoot the budget that it set at the beginning of the year by about £1 million, or about one quarter of 1 per cent. of its allocation. It considers the position to be manageable. The situation certainly does not suggest that local people should in any way be concerned about the continued availability of good-quality services; nor does it suggest a service close to collapse, as some commentators have implied.

Plans have been laid over recent months by the health authority, working closely with local trusts so that the surges in emergency demand that occur at times during the winter can be dealt with as effectively as possible.

I shall deal now with the position next year. First, I should say that the health authority has been extremely open with the local community about its hopes and fears for next year. I am glad that the hon. Gentleman acknowledges that. It is right that this openness should be commended, for it is right that health authorities should be frank and honest in their discussions.

The health authority has adopted a very cautious approach that has led to the prediction that its budget deficit next year will be about £18 million. I stress that that is not the actual position that it is likely to find itself in next year, and does not imply that it must find £18 million-worth of savings within the budget. I repeat that the figure is £18 million, not £80 million. The hon. Gentleman will know what I am talking about. I repeat the figure in the light of a mishearing that occurred the other night.

The initial purchasing plans produced by health authorities this September are a starting point for the development of local purchasing strategies for the next business year. They are, in effect, cock-shies to get the discussion going. As there are a number of unknowns at this stage, assumptions will certainly change with time. For example, I believe that one assumption that the authority is making now is that there will be certain capital charges arising from phase 3 at Guy's hospital, which is not necessarily correct. I give that as one example of the sort of assumptions that have been built into the figure of £18 million which are unlikely to be realised.

It is only right, given that health care resources can never be infinite, and that health authorities have to prioritise competing demands, that they should outline some of the difficult choices that they as purchasers must make, and involve the local community in making those choices. I know that the hon. Gentleman attaches great importance to that involvement. It appears to be happening in Lambeth, Southwark and Lewisham.

The health authority will be refining its plans as information about next year's resources becomes available and in the light of the comments elicited by the draft plan—including, of course, those of hon. Members. Final plans will be published in the spring of next year.

Health authority purchasing plans are developed and agreed in partnership with general practitioners, who are closest to the patient and uniquely placed to ensure that their needs and wishes are reflected in local strategies. Indeed, about 90 per cent. of all contact that patients have with the NHS takes place in GPs' practices, with patients' needs varying considerably between one practice and another.

Taking this diversity into account, Lambeth, Southwark and Lewisham health authority has been working closely with individual practices to obtain accurate information about local problems and requirements, so that the most appropriate services can be developed in every practice, and commissioned from local hospitals and specialist services, to enable the most effective use to be made of the very substantial resources available to the health authority.

The people of south London have access to first-rate services—services that are being further improved by the investment and restructuring that is taking place in both primary and secondary care. The funding of health services in south London, which is already at its highest ever level in real terms, is to be further increased ahead of inflation. This is all excellent news for the hon. Gentleman's constituents, and for the people of south London as a whole.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Ten o'clock.

House of Commons

Thursday 28 November 1996

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

MESSAGE FROM THE QUEEN

DOUBLE TAXATION RELIEF

The VICE-CHAMBERLAIN OF THE HOUSEHOLD reported Her Majesty's Answer to the Address, as follows:

I have received your Address praying that the Double Taxation Relief (Taxes on Income) (Latvia) Order 1996, the Double Taxation Relief (Taxes on Income) (Denmark) Order 1996, the Double Taxation Relief (Taxes on Income) (Finland) Order 1996, the Double Taxation Relief (Taxes on Income) (China) Order 1996 and the Double Taxation Relief (Taxes on Income) (Republic of Korea) Order 1996 be made in the form of the drafts laid before your House.

I will comply with your request.

Oral Answers to Questions

TREASURY

Endangered Species and Products

1. **Mr. Tony Banks:** To ask the Chancellor of the Exchequer if he will give details of seizures made by Her Majesty's Customs and Excise of endangered species and products during the last 12 months. [4856]

The Exchequer Secretary to the Treasury (Mr. Phillip Oppenheim): In the financial year from 1 April 1995 to 31 March 1996, Her Majesty's Customs and Excise seized 4,374 live animals, 12,178 parts of derivatives of endangered animals species and 2,748 plants. In the first half of the current financial year, Customs and Excise has seized 20,936 live animals, 4,446 parts of derivatives and 89 plants. The dramatic increase in the live animal figure is explained by two individual seizures of 10,000 medicinal leeches.

Mr. Banks: Those are terrible figures, although the whole House will congratulate Customs and Excise on its vigilance in seizing the items. I realise, of course, that the Minister is something of an endangered species himself, but does he agree that those who trade and traffic in endangered species are among the worst criminals on earth? They are even worse than drug traffickers, because their vile trade threatens whole species. What additional resources will the Minister make available to Customs and Excise? What particular support has he given to Europewide initiatives? Is there something we can do about the appallingly low level of fine that is imposed on traffickers who say that they did not realise that what they brought in was an endangered species? Surely we must do far more.

Mr. Oppenheim: I agree with many of the sentiments that the hon. Gentleman expresses. I personally consider the illegal trade in endangered species to be particularly horrible. Its detection and stamping out are among the most crucial and important of the roles of Customs and Excise.

In response to the other part of the hon. Gentleman's question, he may say that Tory Members of Parliament with majorities such as mine are an endangered species, but so apparently is the species known as socialist red in tooth and claw, which is how he used to like to characterise himself. However, I see that his new habitat is the director's box at Stamford Bridge: perhaps he has come over all aspirational and has sold out to new Labour's mobile phoneys. Either way, we endangered species should stick together. I take his comments very seriously and I entirely agree with him.

Unemployment

2. **Mr. Congdon:** To ask the Chancellor of the Exchequer what assessment he has made of the factors, with special reference to fiscal and monetary factors, which have contributed to the United Kingdom's fall in unemployment since its peak. [4857]

The Chancellor of the Exchequer (Mr. Kenneth Clarke): Sound public finances, low inflation and low interest rates have helped unemployment to fall to its lowest rate for more than five and a half years. My Budget will ensure that it continues to fall.

Mr. Congdon: Does my right hon. and learned Friend agree that our success in reducing unemployment is in sharp contrast to the record of France and Germany? Does that not show conclusively that we would be foolish to sign up voluntarily to the social chapter, which would impose additional costs on companies, and that we should continue to resist any attempt by our European partners to impose their sorts of social costs on Britain, whether by the front door or the back door?

Mr. Clarke: I agree entirely. Even when the other continental countries achieve better rates of economic growth, their experience tends to be that that growth does not create jobs as it does in this country. That is because they are over-regulated, they have inflexible labour markets and the costs of employment are far too high. It is therefore extremely important that we should repudiate the social chapter. That sentiment is shared by large numbers of German, French, Dutch and other industrialists. It is quite extraordinary that the British Labour party continues to advocate a turn towards that approach to employment, when the business community in the rest of the continent is hoping to get away from it.

Mr. Malcolm Bruce: In view of the need to keep down unemployment and sustain that reduction, is the Chancellor prepared to contemplate an increase in interest rates, if that is recommended by the Governor of the Bank of England at their next meeting? How does he think the unemployed and those on low incomes are helped by the continuing increase in indirect taxes, given that they do not benefit from the reduction in direct taxation?

Mr. Clarke: First, interest rates sometimes go down and sometimes go up. I shall set interest rates at whatever level is necessary to achieve the inflation target, which is important to keep our present healthy recovery on a sustained course for many years to come.

On the hon. Gentleman's second point, one of the most significant changes that I have made in the Budget is to raise the thresholds for income tax, which measures have taken about 400,000 people out of tax altogether since the last election.

Mr. Evennett: Will my right hon. and learned Friend confirm that low inflation is absolutely essential for future economic prosperity and that it is only Conservative Members who believe in low inflation, because high inflation destroys jobs and destroys people's incomes?

Mr. Clarke: We believe in it, we are delivering it and the present experience of living in a low-inflation economy is the best that the British people have had for 50 years. To put that at risk now by going back to Labour Governments—who habitually and frequently had inflation rates going into double figures during their terms of office—would be a disaster for this country.

Mr. Milburn: Is not the reason why the Chancellor has put up taxes 22 times since the last general election that he has failed to tackle the real level of unemployment, where one in five households of working age have no breadwinner? Will he confirm that his tax-raising Budget means that the typical family will pay an extra £2,120 in tax by the time of the next election?

Mr. Clarke: That is a ridiculous choice of figures to give as the background to a Budget that stimulates further the expected rise in living standards of the ordinary people of this country because the economy is doing so well and because we have returned to our tax-cutting agenda and lowered income tax. That £2,000 figure is apparently some cumulative, rolled-up calculation of the difference between tax paid and what tax would have been if it had not been indexed, and it also takes account of the fact that earnings are going up.

What is happening in this country is that more people are working, more people are unemployed—*[Interruption.]* If the Opposition believe that, the figures get even sillier. More people are working, fewer people are unemployed, they are earning more and their earnings are worth more. The Labour party is then astonished to find that some people are therefore paying more tax. They are paying more tax because they are better off—their earnings are higher and the average family is £100 a week better off since 1979.

Mr. Duncan Smith: Does my right hon. and learned Friend agree that it is quite ridiculous that Spain, whose natural non-wage costs should be low because of its historical position, now finds that its non-wage costs and the overall cost of employing a worker are almost as high as those of Germany, even though Spanish productivity is nowhere near as high? Does that not demonstrate that the policies that Spain followed under previous socialist governments are exactly what that lot over there would have done?

Mr. Clarke: I do not think I would upset many of my Spanish friends—I am very fond of Spain—by saying that the Spanish have one of the most inflexible and over-regulated labour markets in western Europe and they suffer for it. I believe that the rate of youth unemployment in Spain is more than 30 per cent., which is appalling. More than 30 per cent. of the Spanish work force are on short-term contracts, trying to avoid certain labour regulations that go beyond even the social chapter, which itself causes great damage to employment prospects in Spain, as it does across the rest of the continent.

Manufacturing Industry

3. **Mr. Barry Jones:** To ask the Chancellor of the Exchequer if he will make a statement about his fiscal proposals to assist United Kingdom manufacturing industry. [4858]

The Chief Secretary to the Treasury (Mr. William Waldegrave): The Government's economic policies provide the environment for a healthy and successful manufacturing sector.

Mr. Jones: Does the right hon. Gentleman accept that the strengthening pound is posing very real problems for Britain's export industry? Does he agree that, for example, British Steel, which is one of the leanest and

fittest of companies, is encountering problems in exporting? What will his Government do to tackle this growing problem?

Mr. Waldegrave: As the House knows, the Government do not maintain an exchange rate target. I agree with the hon. Gentleman that the privatised British Steel's export performance is marvellous—up by about 400 per cent. since it was denationalised—and it is a fine company. We do not maintain a target for the exchange rate and do not intend to do so.

Mr. Wilkinson: Does my right hon. Friend agree that the extremely positive measures that Her Majesty's Government have taken in the Budget—for example, reducing corporation tax for small companies to 23p in the pound, in line with the standard rate of income tax, and reforming the uniform business rate—are immensely helpful, as small companies have to expand, by virtue of their retained profits, and those retained profits should be healthier by virtue of Her Majesty's Government's measures?

Mr. Waldegrave: My hon. Friend is right that the measures in the Budget, and the climate for business maintained and supported by the Budget, are extremely good for small business. That is why the welcome given to it, in resounding terms, by the Forum for Private Business was accurate. It said that this was

"The best budget in a decade for owner-managed firms."

The same is true for other small firms, which have the benefit of the action on business rates and the benefit of the lower corporation tax. My hon. Friend was entirely right in what he said.

Mr. Grocott: Can the Chief Secretary confirm that the number of jobs in manufacturing industry has fallen terrifyingly since the Conservative party came to power in 1979? Can he explain to the House whom he blames for that?

Mr. Waldegrave: What matters, surely, is manufacturing output, which fell under Labour. This country has had a remarkable turnaround in manufacturing productivity since 1979, and we have now outpaced Germany and France. That is the key figure for the future of British manufacturing industry, and it is why, for example, Britain is Europe's biggest exporter of televisions and microchips, and of other products of other industries out of which we had been driven when Labour governed this country.

Income Tax

4. **Mr. John Marshall:** To ask the Chancellor of the Exchequer what representations he has received about the 20p income tax band. [4859]

The Financial Secretary to the Treasury (Mr. Michael Jack): We listened to many representations on this and many other subjects in the run-up to the Budget.

Mr. Marshall: I thank my hon. Friend for that answer and I thank my right hon. and learned Friend for widening the 20p income tax band so that one in four taxpayers now pay a standard rate of tax of 20p in the pound compared with the 33p in the pound that they paid in 1979. That is real progress. Would it have taken place if we had followed the spending policies of the Labour party, which is never undersold when it comes to making promises?

Mr. Jack: My hon. Friend has put his finger on a very important point, because the last Labour Government disguised their position on tax by overborrowing to the tune of another 10p on the basic rate of tax. Our basic rate has come down by 10p—from 33p down to 23p—and now, for a quarter of all taxpayers, as my hon. Friend says, the 20p band is their basic rate of tax.

Mr. Olner: In spite of all the rhetoric that we have heard over the past two days, the fact is that the Tory Government have put up taxes in this Budget and they are higher than ever before. When will the Government come clean and tell the British people that the Conservatives are the tax-raising party in this country?

Mr. Jack: The hon. Gentleman is always a pleasant man in the House, so I say this to him quietly: does he not remember the 83p rate of tax or, indeed, the 33p basic rate when the Labour party was last in power? His question is another cover-up for the embarrassment that he and his right hon. and hon. Friends feel for the fact that this Budget has delivered, in rising living standards, some £370 a year extra to the average family on average earnings. That is £7 a week. That is £20 a week since the previous election and £100 a week since 1979.

Building Societies

5. **Mr. French:** To ask the Chancellor of the Exchequer what discussions he has had with building societies about the future of mutual status. [4860]

The Economic Secretary to the Treasury (Mrs. Angela Knight): Since I published the last draft of the Building Societies Bill in March, I have held frequent discussions with a great many building societies on a number of issues. I have also spoken to the Building Societies Association on several occasions.

Mr. French: Does my hon. Friend share my concern that, notwithstanding the strong representations made over the past month, some building societies that are currently converting seem determined to ride roughshod over the perfectly legitimate bonus expectations of particular categories of customer, especially second named account holders who are disabled? Does she agree that it is highly desirable for pressure to be put on such societies to change their attitude to the problem?

On a wider front, does my hon. Friend agree that those societies should be required not merely to explain why they are demutualising, but to justify the particular formula that they have chosen to adopt? Part of that should involve an independent assessment of a society's overall assets, so that the members' legitimate interests can be established.

Mrs. Knight: The Building Societies Act 1986 requires societies to provide members with all material

information, and the Building Societies Commission checks that the information sent out complies with that requirement.

As for the issue of disabled people and other groups, within certain constraints the existing Building Societies Act allows societies to devise a variety of schemes involving, for instance, making a pay-out to each member, making a pay-out for each account and making a pay-out for each name on the account through the first named members. It is for the building societies themselves to decide which scheme they feel is most appropriate—and, of course, for the members to decide.

Capital Allowances

6. **Mr. Nicholas Winterton:** To ask the Chancellor of the Exchequer if he will make a statement on capital allowances. [4861]

Mr. Jack: Our view is that the capital allowance system should be neutral so that it does not distort business decisions.

Mr. Winterton: I congratulate the Government on achieving sustainable growth with low inflation and low interest rates, but does my hon. Friend share my concern about the level of investment in industry? Although investment has increased, it has perhaps increased from an all-time low base. Does my hon. Friend agree that capital allowances are the most effective way of targeting fiscal incentives at successful companies? Will the Treasury review its current position?

Mr. Jack: I know my hon. Friend to be a passionate supporter of manufacturing industry in particular: he takes a keen interest in these matters. I believe that the best way in which to assist his cause and, indeed, that of the country is to have a successfully growing economy, and my right hon. and learned Friend the Chancellor has projected growth of 3½ per cent. in his Budget. We expect investment in industry, which has already risen by 6 per cent. this year, to rise by 10 per cent. next year. We do, of course, give capital allowances to industry, but the pay-off that they have for the current system is certainly Europe's most competitive main corporation tax regime.

Mr. Sheldon: In his Budget statement, the Chancellor of the Exchequer announced in principle that capital allowances should bear a relation to the life of the asset. That is something with which we should all agree, but it does not happen in the case of a number of high-tech projects. Will the Financial Secretary look into the position again, to ensure that every incentive is given to manufacturing industry when it invests in high-tech projects and that that relationship between the life of the asset and capital allowances is converted into some sort of reality?

Mr. Jack: The right hon. Gentleman will be aware that the Budget made no changes to the very generous tax reliefs in the context of scientific research allowances. That is particularly valuable to high-tech investment. As for long life assets, I am delighted to have the right hon. Gentleman's support.

Mr. David Shaw: Will my hon. Friend confirm that the changes to depreciation for tax purposes in respect of long life assets are such that the utility companies will be paying about another £3 billion in tax over five years? As a consequence, they will have no money to pay for a windfall profits tax; but, more important, they will not be able to recover the adjustment in tax allowances that my hon. Friend is making from the price cap. People know that, under a Conservative Government, any extra taxes that the utility companies pay will not result in price increases, as they would under a Labour Government.

Mr. Jack: My hon. Friend is extremely astute. He is a darned sight more astute than many of the Opposition Members who have been pontificating on economic matters in the past 24 hours. His calculation rightly reflects the heavy investment to which the utilities are committed. We have made changes to bring the tax treatment of allowances on long life assets into line with accountancy practice. That affects all sections of industry.

Mr. Mike O'Brien: Will the Minister confirm that, although the Chancellor delivered the Budget with all the flair and panache of a second-hand car salesman selling a dodgy motor, what we saw when we looked under the bonnet was a tax-raising Budget? The Government have raised taxes for individuals 22 times in recent years. That has contributed to the pressure on all businesses, which has been added to by the Government's policies on capital allowances, and by the failure of their economic strategy. This is not a Government for business; they are a Government who undermine business.

Madam Speaker: Order. As far as I know, the Opposition Front-Bench spokesman did not ask a question, but I am sure that the Minister is capable of dealing with that.

Mr. Jack: I was shocked to find that the hon. Gentleman had finished. He sounds like a worn-out record. The Chancellor's Budget was good for business. The hon. Gentleman must have been asleep, or he would have heard the announcement in the Budget of measures that will address the concerns of small businesses about the uniform business rate. He would also have learnt that the economy will grow at 3½ per cent. next year, which is good for business. He would also have heard that investment in industry will rise by 10 per cent., and that our prospects for sales overseas have improved. All that and many more good things were what business wanted. The chairman of ICI welcomed the Budget, as did GKN and many business leaders.

Privatisation

7. **Mr. Whittingdale:** To ask the Chancellor of the Exchequer what assessment he has made of the effects on the public finances of the Government's privatisation programme. [4862]

Mr. Waldegrave: Total receipts from the privatisation programme from May 1979 to March 1996 were £81 billion at 1995-96 prices. That has helped the Government

to ensure that public debt as a share of gross domestic product is among the lowest in the European Union. In 1979, it was among the highest.

Mr. Whittingdale: Has my right hon. Friend seen the recent survey, which shows that, between 1980 and 1982, the nationalised industries cost the taxpayer £300 million every year, and that between 1987 and 1995 those same industries contributed £4.8 billion to the Exchequer every year, excluding privatisation receipts? Did not the Labour party oppose every single privatisation? Even now, it would destroy that success by political interference through the regulator, and by the imposition of a windfall tax.

Mr. Waldegrave: My hon. Friend is right. I have seen the tax figures to which he referred, and they certainly show that those industries make a large net contribution to the Exchequer. I should like to draw another dimension to my hon. Friend's attention. Without privatisation proceeds, and other things being equal, our debt stock would now be higher by about £100 billion. That includes extra debt interest totalling £37 billion since 1979, which is 5 per cent. of GDP. They would have been the figures if we had not privatised those industries, although the principal reasons for privatisation were the huge supply-side gains and the gains to the consumers.

Mr. Pearson: As it is impossible to identify in the Red Book the level of asset sales built into the Budget, will the Minister confirm what assets will be sold in the next financial year? Will he publish a table to make it clear, so that we can all see how the Government are selling off the country's assets?

Mr. Waldegrave: I am glad to hear that the hon. Gentleman is still in old Labour mode on privatisation—I suspect that that applies to the whole of his party. The level of asset sales in any particular year that is coming depends on achieving the proper price for those assets. It is unwise to give too much detail in advance of sales. That has always been the custom in the House.

Mr. Legg: I congratulate my right hon. and learned Friend the Chancellor on his statement in the Budget that the student loan book is to be privatised. In line with my right hon. and learned Friend's assurances to the House in his statement on Monday, will my right hon. Friend the Chief Secretary confirm that the Maastricht convergence criteria will not be fudged and that the estimated £3 billion proceeds from that sale—which is equivalent to almost 0.5 per cent. of gross domestic product—will not count towards achieving our 3 per cent. Maastricht deficit criteria?

Mr. Waldegrave: In privatising the student loan book—a sensible thing to do—it was not in our mind to achieve any particular level of anything. We are following the sensible policy of transferring risk to the private sector and getting the Government out of a business that they should not be in—ownership of a large loan business. It is sensible to do so.

Taxation

8. **Mr. Martlew:** To ask the Chancellor of the Exchequer how much tax a typical family will pay in the next financial year; and what was the figure in 1992. [4863]

Mr. Jack: A family on male average earnings should be about £370 better off next year after earnings growth, tax and inflation. This total takes the rise since 1991-92 to £1,130.

Mr. Martlew: Does the Minister realise that the rhetoric does not meet what was stated in the Budget? Is not the reality that a penny off tax has been more than cancelled out by the increase in indirect taxation? Because of the local government settlement yesterday, families in my constituency will be paying 6 per cent. more in council tax and will suffer a 6 per cent. cut in services. They will be paying more for less.

Mr. Jack: I must correct the hon. Gentleman. The penny cut in the basic rate of tax was not the only tax reduction in the Budget. My right hon. and learned Friend the Chancellor increased the starting point for tax by enlarging allowances by £280 and he also widened the 20p band. Those are important further tax changes that the hon. Gentleman did not mention.

The figure that I gave a moment ago takes into account all those factors and the growth in earnings in real terms occasioned by the economy's excellent performance—*[Interruption.]* It is not rhetoric; it is fact. People will be £370 a year better off under the Budget.

On the point about council tax, perhaps the hon. Gentleman should listen to what Sir Jeremy Beecham—a Labour supporter—had to say. He suggested a level of 66p a week for a band C house. The hon. Gentleman should keep things in perspective.

Mr. Brazier: Does my hon. Friend accept that many Conservative Members are very glad that so much of the Budget tax cuts are focused on the low-paid, principally through the increased allowances? Does he agree that one of the keys to reducing unemployment—and, indeed, tackling a number of other social ills—lies, rightly, in assisting those working hard on modest wages to put some clear blue water between them and their families and those who, for whatever reason, find themselves fully dependent on the state?

Mr. Jack: My hon. Friend, who shows his usual perceptiveness, has put his finger on an extremely important part of the Budget, which is to improve the work incentive. By raising the starting point for tax, we are helping people who want to get back into the labour market, but who may initially have to accept lower-paid jobs. The widening of the 20p band will also help them. That help is realistic and is targeted towards those people—unlike the barmy idea of a 10p starting rate suggested by the Opposition. Where will the money for that come from? All it would do would be to help all the people who are not at the heart of my hon. Friend's question.

Mr. Darling: Does the Financial Secretary agree with the conclusion reached by his right hon. Friend the Chief

Secretary in last night's debate, when he confirmed that taxes will go up this year? Is not one reason why the Conservatives are behind in the polls that they keep breaking their promises on tax? The hon. Gentleman is increasingly aware, as is the Chancellor, that one reason why the Conservative party simply is not capable of being led is that it breaks its promises on tax and spending again and again.

Mr. Jack: I do not recall my right hon. Friend the Chief Secretary making any such admission. I remember an exchange about the tax burden, when he put the record straight and said that, as a result of this Budget, the tax burden would be the same as it was when we went into the last general election. The hon. Member for Edinburgh, Central (Mr. Darling), in putting his question, does not take into account the 25 Tory tax decreases since 1992—*[Interruption.]*

At least Labour Members' mirth shows that they are awake and have received the message that 25 is a bigger number than 22. They do not like the fact that, taking it all into account, the family on average earnings will be £370 better off as a result of the Budget. Those are the facts, and they do not like them.

Mr. Cash: Does my hon. Friend accept, without being a Cassandra in any way, that the reason why that lot opposite are incapable of doing anything to help families in relation to tax is that they were up to their eyes in endorsing the exchange rate mechanism, which led to the public sector borrowing requirement going up so high, which in turn led to our having to impose taxes, including value added tax on gas and fuel? They are caught by the fact that they are up to their eyes in it the whole time.

Mr. Jack: My hon. Friend underscores the fact that, whenever they have made any attempt to run Britain, Labour Members have been up to their armpits and beyond in debt. Labour is a high debt, high spending and high tax party.

Exchange Rates

9. **Mr. MacShane:** To ask the Chancellor of the Exchequer what estimate he has made of the impact of the rise of sterling since January on British exports. [4864]

Mrs. Angela Knight: The trade figures in goods released yesterday for the third quarter show that the volume of UK exports of goods, excluding oil and erratics, were up by 3 per cent. on the previous quarter, and 7½ per cent. on a year earlier. Exports have been performing well this year, despite the rise in the pound and weakness of activity in Europe.

Mr. MacShane: Does the Minister share the concern of many of our leading exporters about the continuing rise in sterling? Yes or no?

Mrs. Knight: The best thing for our exporters is to continue to be competitive and to show the sort of performance that they have shown in the past. They have been doing an excellent job, and will continue to do so. We expect exports to increase next year, not least because activity in Europe looks likely to start to improve.

Mr. Pickles: Exporters in my constituency say that what they need more than anything is a period of stability. They want low inflation, low interest rates and to be able to invest. They have had 49 months in which inflation has been below 4 per cent. Does my hon. Friend agree that that is the most important thing for exporters?

Mrs. Knight: My hon. Friend is entirely correct because, in the past, a low exchange rate has been accompanied by high inflation, which has rapidly eaten away any trading advantage that the United Kingdom might have had. That is why concentrating on a low inflation target means that UK exporters have the stability that they need. It enables them to ride out any short-term currency fluctuations. The continuing stability in the UK has been recognised by many companies—large and small, exporters and non-exporters. We are determined to keep that stability. During the last Labour Government, this country's biggest exports were probably companies leaving Britain.

Population Estimates

10. **Mr. Barnes:** To ask the Chancellor of the Exchequer if he will arrange for (a) mid–term population estimates and (b) electoral registration figures to be produced by parliamentary constituencies as well as district council area. [4865]

Mrs. Angela Knight: Mid-year population estimates are prepared for local and health authority areas. The latest estimates were published by the Office of National Statistics in August 1996. Electoral registration figures are produced both for local government areas and for parliamentary constituencies and are placed in the House of Commons Library.

Mr. Barnes: I knew that—that is not the answer to the question I asked. I asked whether the electoral registration figures for the eligible population in parliamentary constituencies would be produced alongside the figures on parliamentary registers. If they were, we and our constituents would see that, in each constituency, on average, 5 per cent. of people are missing from electoral registers. In a year when we are moving towards a general election, it is important that we should try to put the electoral register right.

Mrs. Knight: I think that everyone is concerned that people should register to vote and that our electoral registers should be correct. The hon. Gentleman—who has a long-standing concern on this issue—is incorrect about the number of people whom he thinks are not registered to vote. I remind him that the resident population probably includes about 1 million non-Commonwealth and non-Irish citizens who are not eligible to vote. I understand that he is concerned about the fact that there are about 57 fewer people on the electoral roll in his constituency this year compared with last year; I suggest that that may have something to do with him.

Labour Statistics

11. **Mr. Harry Greenway:** To ask the Chancellor of the Exchequer if he will make a statement on the number of people currently in work. [4866]

Mr. Oppenheim: Total employment has risen by more than 200,000 people during the past year,

more than ¾ million since the end of 1992, and more than 1.3 million since the end of 1979. We now have a higher proportion of our working age population in work, and a lower unemployment rate, than any other major EU country.

Mr. Greenway: Is it not a matter for congratulation that unemployment is continuing to fall so dramatically? Is that not due, at least in part, to falling taxation levels? When we speak of falling taxation levels, should not we reflect on the reduction of the top tax rate, in 1979, of 83 or even 98 per cent. and the standard rate of 33 per cent.? Those were the taxation levels under the Labour party, and they would be again if Labour ever had the chance. It is a high taxation party—and always will be.

Mr. Oppenheim: My hon. Friend is right. It is worth reminding Labour Members that, when they were in power, borrowing was twice the level it has been under this Government, and that, since we came to power, we have moved from the bottom to the top of the league in manufacturing productivity growth. That is why we have moved from almost the bottom of the European employment league to almost the top. That is good for Britain, good for exports and good for the prosperity of British people.

Mr. Foulkes: Is the Minister aware that—like the rest of us—the local Labour party in New Cumnock did not believe the unemployment figures? Therefore, some of its members knocked on every door in the town of New Cumnock, and got the real figures. More than twice as many people are unemployed as appear on the register. On the register are only those who receive benefits, and they are far fewer than the real number. The figures are bogus, and the Minister knows it.

Mr. Oppenheim: I suspected that an Opposition Member would fall into that trap, so I was very careful not to quote the claimant count but labour force survey figures. The Trades Union Congress has called those figures "wholly reliable", and the Labour party stated that it would like to base unemployment on them. They are International Labour Organisation figures, and they are totally comparable with figures quoted overseas. They have nothing whatsoever to do with the claimant count.

Mr. Budgen: Will my hon. Friend confirm that the most important factors that decide the employment level at any one time are completely outside the control of any Government? Will he also confirm that the recent rise in sterling, which had an effect on manufacturing industry, was outside the control of the Government, and unexpected by them? Is not that a very good indication of how the pound can never be constrained, either within an exchange rate mechanism or a single currency?

Mr. Oppenheim: I do not agree completely with my hon. Friend. Jobs and the levels of manufacturing, productivity and exports can be affected by Government supply-side policies, by fiscal policies and by other policies. That is why Conservative Members should take some credit for the success of the British economy in the past 17 years. We have closed no less than three quarters of the competitiveness gap with Germany which had opened up in previous decades.

Mr. Beggs: May I congratulate the Minister on his statement and on the policies that the Government have been pursuing, which have achieved such a drop in unemployment? May I also pay tribute to the Industrial Development Board and to Baroness Denton for their efforts and success in attracting new investment to Northern Ireland? Does the Minister agree that small companies across the United Kingdom can contribute to a further fall in unemployment by concentrating more on marketing and exporting the products that they manufacture? Will he invite the Secretary of State for Social Security to consider further the plight of those on jobseeker's allowance who may have difficulty finding employment, and who are at personal loss because they do not receive travel allowance?

Mr. Oppenheim: I agree with virtually everything that the hon. Gentleman said. One advantage of the jobseeker's allowance is that it helps to identify people who have difficulty getting employment because of illiteracy and other factors. I endorse what he said about the IDB, but however much help the IDB gave to attract inward investment—it has been very successful—it would be wasted were it not for the fact that the productivity of the British work force has increased dramatically, and faster than that of our major competitors in recent years. That is a major reason why so many companies that could go anywhere in the world are attracted to Northern Ireland and Britain.

PRIME MINISTER

Engagements

Q1. **Mr. Gallie:** To ask the Prime Minister if he will list his official engagements for Thursday 28 November. [4886]

The Prime Minister (Mr. John Major): This morning, I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Gallie: Is my right hon. Friend aware of the concerted campaign by Labour-controlled authorities against compulsory competitive tendering? Is he further aware that my local authority, South Ayrshire, favours direct labour organisations against the interests of small local contracting companies that have provided excellent services at low cost for a number of years? Does he agree that the fact that my right hon. Friend the Secretary of State for Scotland highlighted that wasteful practice led to his being awarded the title of Parliamentarian of the Year?

The Prime Minister: My hon. Friend is right to draw attention to the wasteful behaviour of a large number of Labour-controlled local authorities. Before the Opposition complain about council tax levels, they should put their own house in order. If they did, they would be able to hold down council tax.

Mr. Blair: Will the Prime Minister confirm that, according to the Red Book, the overall tax burden next year will be higher than it is this year?

The Prime Minister: No, I do not confirm what the right hon. Gentleman has been saying. For some time,

the right hon. Gentleman has been desperate to cover up the fact that living standards are rising. The Opposition have produced the most spurious attacks on tax in the past few weeks. They claim that there have been 22 new taxes over the past five years, but I can identify 25 tax reductions in the past couple of years. The right hon. Gentleman takes no account of rising incomes and people moving into higher tax brackets, so he is painting a misleading picture. We have the lowest rate of basic tax for 60 years. It was 33p and it is now 23p.

Mr. Blair: The Prime Minister wants to take credit for the fact that people's earnings have increased, but they have earned that money, not the Government. Is it not curious that the Conservative party no longer wants to talk about tax? Will the Prime Minister return to the central question that I asked him? Is it or is it not right, according to his own Red Book, that the overall burden of taxation next year will be higher than it is this year? As one of his hon. Friends said, the answer can only be yes or no. Which is it?

The Prime Minister: If the right hon. Gentleman had listened to what I just said, he would have had his answer. The right hon. Gentleman does not take into account the fact that more people are working and incomes are rising. Had the Labour party presented a Budget earlier this week, taxes would have increased quite dramatically. On the one hand he accuses us of cutting expenditure and on the other hand he accuses us of putting up taxes. We have kept direct tax down and we have increased expenditure on health, the police and other important services.

Mr. Blair: Perhaps, on the third occasion, the Prime Minister will now answer the question. Because of all the taxes in the Budget—the insurance tax, the airport tax, the council tax, the fuel tax, the abolition of profit-related pay—according to his figures, the tax burden is to rise next year. It will rise not just next year but, according to the Government's plans, the year after, the year after that and the year after that, to a level higher than under the last Labour Government. Perhaps the Prime Minister will now answer the question: is it true that the tax burden is to rise next year? If it is, is not the reputation of the Tories as a low tax party now dead and buried?

The Prime Minister: The more people work, the more they earn. That is the point that the right hon. Gentleman does not seem to understand. If he thinks that taxes are too high, which ones would he cut? What support has he given us in cutting taxes? If he thinks that tax is too high, will he indicate that he will not proceed with the windfall tax, or a tartan tax, or a health tax or a teenage tax? How will he pay for the £30 billion-worth of promises that he has made? The plain fact of the matter is, however he huffs and puffs, people know that dogs bark, cats miaow and the Labour party puts up taxes.

Mr. Aitken: Is my right hon. Friend aware that the French lorry drivers dispute is now causing serious traffic chaos and economic hardship in Kent, particularly around the channel ports of Ramsgate and Dover? Now that the strike is going on, it may have a much wider impact on the country. Will my right hon. Friend make strong diplomatic representations to the French Government to extract a firm commitment that full and fair compensation will be paid to British lorry drivers whose livelihoods have been affected by the mindless militancy of their French counterparts?

The Prime Minister: I am horrified by the consequences of the dispute for British drivers and companies. Claims for compensation must be met by the French authorities. We have made that point to them. I hope that, very soon this afternoon, the leader of the Labour party will make clear his condemnation of one of his own Members of the European Parliament, who has today described the striking French lorry drivers as "a shining beacon".

Mr. Prescott: What sort of Government is there in France?

The Prime Minister: The deputy leader of the Labour party asks what the Government in France are. What are the strikers and why are they being supported by Labour Members of the European Parliament? Will the deputy leader of the Labour party go down and talk to British lorry drivers and tell then that he thinks that the strikers are a shining example?

Mr. Prescott: It is a Tory Government in France.

The Prime Minister: The right hon. Gentleman is the strikers' friend now, as he always has been.

Mr. Ashdown: I wonder why the Prime Minister and the Government do not realise why people are so fed up with all this lying about tax. Is not the central question this: does the Prime Minister really believe that the British people are so stupid that they could be tempted to vote Conservative again because he has cut their income tax by 1p, when his own figures show that he has forced their council tax up by between £40 and £60 a year?

The Prime Minister: If the right hon. Gentleman wishes to talk about council tax, he might look at the council tax levied by local authorities under Liberal Democrat control. He might realise by how much their council taxes have gone up. He might remind the British public again that he is committed to increasing the standard rate of income tax. I hope that he will make that entirely clear. He is calling for more money to be given to Liberal Democrat councillors, who are

"politically inexperienced and potentially a liability".

That is not what I think; it is what his party's internal document says about its councillors.

Mr. Hunter: Will my right hon. Friend confirm that it is not his policy to barter or bargain for the restoration of an IRA ceasefire, which should never have been broken, and that Sinn Fein's self-exclusion from the talks remains absolute, unless or until there is an unequivocal restatement of the ceasefire and the Provisionals establish over a period of time a commitment to exclusively peaceful means?

The Prime Minister: There has been a great deal of rumour and disinformation on this issue in recent weeks. The Government have had a number of exchanges with the hon. Member for Foyle (Mr. Hume)

and others about the possibility of a new IRA ceasefire. We have made it absolutely clear throughout those exchanges that IRA-Sinn Fein should give up violence once and for all and commit itself to exclusively peaceful means. We have also made it clear that we cannot and we will not change our policy to bargain for a ceasefire. In order that that should be absolutely clear, we are publishing today a statement of our policy, which we sent to the hon. Member for Foyle last weekend. A copy is being placed in the Library together with a short explanatory statement.

The talks that have been carrying on for some time are likely to break for Christmas soon and to resume later in January. When Sinn Fein could join the talks depends on its own actions—[HON. MEMBERS: "This is a statement."]

Madam Speaker: Order. Listen to the answer to the question. These are crucial issues that concern our country.

The Prime Minister: I must tell hon. Members that this a matter of great interest to people not just in Northern Ireland but everywhere.

When Sinn Fein could join the talks depends on its own actions. We need to see an unequivocal restoration of the ceasefire, we need to be able to make a credible judgment that it is lasting, and we need to know that Sinn Fein will sign up to the Mitchell principles. Those matters are in Sinn Fein's hands. We are not seeking delay; we wish to see inclusive talks involving all parties as soon as possible, but if Sinn Fein continues to exclude itself, the talks must and will go on without it.

Q2. **Mr. Martlew:** To ask the Prime Minister if he will list his official engagements for Thursday 28 November. [4887]

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Martlew: Does the Prime Minister sanction the Tory party campaign on "Honest John"? If so, does he agree that it is designed to deceive the public over tax? When are posters going to go up saying that the Prime Minister promised not to increase VAT, a promise that he broke; and that he promised not to increase taxation year in, year out—another promise that he broke? Is not the reality that nobody believes "Honest John"?

The Prime Minister: I am grateful to the hon. Gentleman for drawing attention to our posters that indicate that we now have lower income tax, higher living standards and lower unemployment, and that that has come about directly as a result of policies that we have followed over the past few years as the Government. I am glad that he draws attention to those advertisements. I hope that everybody will see them.

Q3. **Sir Irvine Patnick:** To ask the Prime Minister if he will list his official engagements for Thursday 28 November. [4888]

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Sir Irvine Patnick: I thank my right hon. Friend for his reply. Is he aware that Sheffield city councillors have increased their council allowance by 200 per cent., that Sheffield city council spends £350 per pupil on education administration, whereas other metropolitan authorities spend only £250, and that Labour Members of Parliament get free accommodation from Sheffield city council? Is he also aware that Silverdale school in my constituency, which is in need of urgent repair, has been informed that there is no money for such repairs? Does not that show how Labour runs Sheffield city council and how it would run the country?

The Prime Minister: The more Opposition Members barracked my hon. Friend, the more it was clear that he had hit a bull's-eye by pointing out the way the Labour party behaves in local government. He mentioned Sheffield. Certainly it is one of the councils that have failed to collect millions of pounds of council tax.

Mr. Prescott: What about Westminster?

The Prime Minister: The right hon. Gentleman mentions Westminster—but he neglects to mention Southwark, Leeds, Newham, Camden, Bristol, Liverpool, Manchester, Birmingham and Lambeth, all of them Labour councils over many years or dominant Labour under no overall control. What is it they say about Labour?

"New Labour in local government offers excellence and efficiency."

Those are not my words, but the words of the right hon. Member for Sedgefield (Mr. Blair).

Q4. **Mr. Barnes:** To ask the Prime Minister if he will list his official engagements for Thursday 28 November. [4889]

The Prime Minister: I refer the hon. Gentleman to the reply I gave some moments ago.

Mr. Barnes: As a matter of statistical integrity, will the Prime Minister confirm what he sought to avoid in answering my right hon. Friend the Leader of the Opposition—that page 88 of the Red Book, which deals with total taxation and national insurance contributions, shows that there is an increase year by year over the next five years in the amount that will be paid out as a percentage of gross domestic product? Will he be honest?

The Prime Minister: As I said to the right hon. Member for Sedgefield and other hon. Members earlier, that is the impact of more people working and being paid more, and of fiscal drag. Those are the facts that the hon. Gentleman does not understand. The reality is that people have more net income in their hands than they have had at any time in the past, and living standards are rising. However he tries to muffle reality, he cannot hide from that fact.

Mr. Faulds: On a point of order, Madam Speaker.

Madam Speaker: Order. Points of order come after statements and I have two statements now.

E. Coli (Scotland)

3.31 pm

The Secretary of State for Scotland (Mr. Michael Forsyth): With permission, Madam Speaker, I wish to make a statement about the E. coli outbreak in Scotland. The first indication of the food poisoning outbreak involving E. coli 0157 came on Friday 22 November. It was identified in the Wishaw area of Scotland and, following preliminary investigations by the local authority environmental health officers, it rapidly became apparent that the most likely common source of the outbreak was a single butcher's shop in Wishaw. By 9 pm on the same evening, environmental health officers had visited the owner and the premises concerned. All the cases investigated to date have connections with food from the butcher's premises in Wishaw.

The hon. Member for Motherwell, South (Dr. Bray), in whose constituency the likely source of the outbreak is situated, has been rightly concerned about its effects, and I wrote to him last night to report to him the latest situation, following inquiries that he made to my office.

I can now report to the House that the total number of cases reported is 132, with 64 cases confirmed and 68 awaiting confirmation. I very much regret that a total of five elderly people have died, four in the Wishaw area and one in Forth valley. On behalf of the Government and the House, I wish to extend our deepest sympathies to the bereaved families. I sincerely hope that all others affected can make a full and speedy recovery.

On the basis of all the data that have been collected to date, it would appear that the epidemic peaked round about 20 to 22 November. There is still the possibility of further cases occurring up until this coming weekend. Thereafter, there is still, of course, the possibility of secondary cases occurring as a result of person-to-person spread.

When news of the outbreak was first notified to the health board—on the afternoon of Friday 22 November—local action was taken immediately to id. ntify the source. On Saturday 23 November, the butcher agreed to cease production and distribution of cooked meat and meat products. Further investigations were carried out to establish the supply routes from the butcher's shop, and hence the further premises that might be selling contaminated produce.

The initial indications from the investigations were that the further premises were localised in the north Lanarkshire area. The full local control arrangements, involving both the local authority environmental health officers and Lanarkshire health board officers, were set in action.

On Tuesday 26 November, the local outbreak control team identified distribution of contaminated produce beyond Lanarkshire, and food poisoning cases were reported in Forth valley. Following detailed consultations late on 26 November between Scottish Office officials and the local control team about the difficulty of identifying the distribution premises outwith the local area, a food hazard warning notice was issued early on 27 November to the environmental health departments of all local authorities in Scotland, to directors of public health and to consultants in public health medicine. It sought their immediate assistance, especially the assistance of those in the Central belt, in tracing any potential infected food that may still be on the market.

Given that most cases are still within the Lanarkshire health board area, and that all the evidence points to a single primary source of the outbreak in Lanarkshire, the outbreak control team in Lanarkshire remains the main focus of activity in respect of investigation and control of the incident. All the necessary measures have been implemented, and the procedures are working well. Scottish Office officials are attending meetings of the control team and are keeping careful watch on the further spread of cases.

Any newly reported cases of E. coli 0157 occurring in Scotland will be fully investigated locally by consultants in public health medicine, to see whether any connection with the Lanarkshire incident is established. I am therefore satisfied that existing procedures are working, and that all that can be done to contain the outbreak is being done.

However, it is clear that we need to establish exactly what happened, and to take any measures necessary to minimise the possibility of a repetition of the incident. I have therefore decided to appoint an expert group to investigate the circumstances surrounding the outbreak, and to advise me on any implications for food safety and on the general lessons to be learnt.

Professor Hugh Pennington, professor of microbiology at Aberdeen R(val Hospital NHS trust, and Scotland's foremost authority on E. coli, has kindly agreed to chair the group. It will not, of course, replace or cut across the other necessary investigatory work or any legal processes that might flow from the tragic outbreak. The full terms of reference and membership will be announced shortly. The members will be selected for their expertise in epidemiology and food control procedures, and will be supported by the chief medical officer for Scotland.

In the short term, we are issuing a further priority food hazard warning to all local authorities, asking them to remind butchers and meat product manufacturers of the need to exercise the highest level of hygiene in their premises. The Scottish Federation of Meat Traders Associations has been closely following the incident, has as a matter of urgency issued guidance to all its members in Scotland, and is reissuing the Department of Health publication entitled, "Safer Cooked Meat Production Guidelines".

In addition to those immediate and practical steps, the need for scientific investigation of the organism has been recognised by the Government's Advisory Committee on the Microbiological Safety of Food, and in 1995, in response to the committee's findings, the Department of Health in England invited research proposals. Following assessment of the proposals received, 15 projects were approved for funding this year, four of them based in Scotland. Those projects take the cost of the on-going research effort to about £2.3 million.

It remains the case that routine hygiene measures, including hand-washing, keeping raw and cooked foods separate, cooking meat thoroughly and pasteurisation of milk and dairy products, will substantially reduce the risk of acquiring E. coli 0157 infection and other food-borne infections. In March this year, the chief medical officer issued to health boards and local authorities revised guidance setting out the basic principles for the investigation and control of outbreaks of food-borne disease. That guidance will be kept under careful review.

This is a serious matter and it demands a serious response. I should like to pay tribute to the efforts of North Lanarkshire's environmental health officers and the officers of Lanarkshire health board, and to national health service staff and general practitioners for the quality of care that they have given to the unfortunate victims. It is important that we should learn and apply all the lessons that we can from this incident. Professor Pennington and the chief medical officer for Scotland will report as quickly as possible, and we shall act on their findings.

Mr. George Robertson (Hamilton): I thank the Secretary of State for his statement and the information that he has given to the House. However, I regret the fact that, despite the normal courtesies, I saw the statement five minutes before 3.30 pm. Frankly, that is not good enough to allow us to make the sort of informed response that the House and the people outside deserve.

I am a Lanarkshire Member of Parliament and, with my colleagues, I know how worried and concerned people are in that part of Scotland about what is a public health emergency of the gravest proportions. I add my words of sympathy and condolence to those of the Secretary of State, to all those who have been bereaved, hospitalised or affected in any way by this horrible tragedy. I also wish those who are affected by it the same speedy recovery as the Secretary of State wished them.

I add my commendation to the agencies involved, for their prompt action—among them, North Lanarkshire council's environmental protection department, Lanarkshire health board and GPs across the county and more widely. I wish to single out the staff of Monklands and Law hospitals who have worked round the clock since last weekend to the point of exhaustion, tending with their usual dedication and care those struck down by E. coli 0157.

I have no wish to add in any way to existing public concern or to encourage any panic among the people whom I and my colleagues represent and care deeply about. But I hope that the Secretary of State will recognise that, in the circumstances today, some blunt questions have to be put and answered by Ministers if confidence is to return.

The outbreak was detected last Friday and, by that very evening, it was clear that the source was meat from James Barr and Son, Wishaw, which had been persuaded then to stop the sale of cooked, but not raw, meat. On Saturday, Monklands district general hospital was already preparing to deal with possibly a hundred cases. Given all that, how is it that only last night at 10 o'clock—five long days later, and with the death toll at five and rising—and only under pressure from Lanarkshire's Labour Members of Parliament, was the first list of outlets published? Why was there not an earlier publication of the list? Did the public not have a right to know where the suspected meat was going and the right to take precautions against these most virulent of bacteria?

Is not denying people the information that might prevent illness or even death showing a wilful and arrogant disregard for public health and public safety? Is it true that one of the reasons given for withholding the list of outlets was "commercial considerations"? Is it not long beyond time that the consumer interest was always put ahead of commercial considerations? Was the Scottish Office behind the decision to withhold information about outlets, as the Minister's statement seemed to suggest that the Department was involved all along? What advice did the Department give to Lanarkshire health board and North Lanarkshire council about informing the people of the area?

Why is it that even at lunchtime today—six days on from the detection of the outbreak—a further 11 outlets were discovered and their names published? Is that the final list of all the outlets that took the meat? As it is possible that some infected meat might still be in fridges and freezers, will the Scottish Office publish local and national advertisements showing the known outlets for the meat? Given that knowledge of that bacterium is considerable, and that its incidence in Scotland is much higher than in the rest of the country, can the Secretary of State add to the information that he has given about the special research that has been commissioned into the reasons for that incidence and the reasons why that seems to be a particular problem in Scotland?

The Secretary of State told us about the applications for relevant research that were accepted, but how many were turned down? Last year, the Government's Advisory Committee on the Microbiological Safety of Food produced a report on E. coli, calling for more research and for guidelines on packaging and cooking beef. Were those recommendations put into practice and were any of the on-going special research projects turned down, terminated or cut back?

Does not this latest food safety emergency underline what folly it would be to make any further cuts in major food agencies or environmental protection departments? Does not it re-emphasise the need for a food services agency, to keep an appropriate distance between consumer and producer interests in the food industry and to increase public confidence in food safety?

As the Secretary of State rightly says, the situation is serious and demands serious responses, but is not it time that we started to learn lessons before, and not always in response to, emergencies such as the one that we now face?

Mr. Forsyth: I am grateful to the hon. Gentleman. There was no discourtesy intended in his receiving the statement five minutes beforehand: I completed it at 3.15 pm, being anxious that the House should have the latest possible information. I hope that he will understand that.

I am extremely grateful to the hon. Gentleman for the tribute that he paid to the local authority and national health service staff who have been involved in dealing with the matter. He asked me a number of specific questions. I emphasise the fact that, quite rightly, the matter has been dealt with at a local level, by the local health board and environmental health officers from the local authority.

The hon. Gentleman asked why the list of outlets was published only last night. The information was gathered locally and I understand that the initial view was that the list should not be published until it had been established that the outlets had received material from the butcher concerned. It was for those who obtained the list to decide whether to publish it, and last night they did so.

I agree that public health concerns should be foremost: although there may be a balance of interests to be struck, the public health interest should always predominate, and

[Mr. Forsyth]

I believe that that was the conclusion reached locally by those concerned. The hon. Gentleman asked whether the Scottish Office was behind the decision. No, it was not. Indeed, I was informed yesterday evening that there was some concern about making the information available, and I suggested that it should be published if possible.

The hon. Gentleman asked whether it was the final list. There have been difficulties in obtaining all the information required, partly because some of the food that was distributed was not properly labelled, which is of course contrary to the regulations. All those matters will need to be examined and may or may not form part of subsequent action by the appropriate authorities.

The hon. Gentleman asked whether the Scottish Office would publish advertisements. As I have already explained, that is a matter for the local health board, but I would certainly encourage it to do so, and my information is that it plans to do so. I agree that it is important that people who purchased food and, perhaps, put it in a freezer or elsewhere, should be aware of the outlets that are suspect. I understand that a large quantity of food has been recovered from those outlets and is now subject to examination.

On research, the chief medical officer told me earlier today that research projects were assessed very much on their merits. I believe that the hon. Gentleman has a valid point, and it is one of the matters on which I would expect Professor Pennington to report.

On whether establishing another quango might be the best way of coping with such matters, there is nothing in the information that has been made available to me to suggest that Lanarkshire health board and the North Lanarkshire local authority and its environmental health officers have done anything other than to discharge their duty under extremely difficult circumstances—which will no doubt become apparent at a later stage—with the utmost distinction.

Mr. Allan Stewart (Eastwood): I join my right hon. Friend and the hon. Member for Hamilton (Mr. Robertson) in expressing the deepest sympathy to the relatives of those who have died and to those who have suffered in this tragic, serious and unexpected epidemic. My right hon. Friend was right to take decisive action by setting up the expert group under Professor Pennington. It will wish to act speedily and thoroughly. In the circumstances, would it be sensible for it to consider issuing an interim report speedily and the more detailed report thereafter? Of course, that will be a matter for the group, but will my right hon. Friend assure the House that that possibility will be borne in mind?

Mr. Forsyth: My hon. Friend's suggestion is helpful. I plan to publish in full Professor Pennington's advice; I am grateful to him for agreeing to undertake this task. I expect him and his colleagues to provide advice as and when it seems appropriate and we shall act on it speedily. Whether it is necessary to publish an interim report will, as my hon. Friend said, be a matter for him. I would like to think that the report could be concluded speedily.

Other procedures will have to be followed. My noble Friend the Lord Advocate will need to consider whether a fatal incident inquiry is required and there may be other legal proceedings. I am anxious that Professor Pennington should get on with his work in parallel with those processes, to alleviate public concern and to avoid a repetition of this disastrous and ghastly outbreak.

Mr. James Wallace (Orkney and Shetland): On behalf of my right hon. and hon. Friends, I echo the condolences expressed and wish a speedy recovery to those who are suffering. The Secretary of State told the House that information on outlets was provided as soon as it was compiled. That begs the question why it took so long—from last Friday, when the first incidents were reported, until last night—to trace the outlets. Does he have any information on that? He may be aware that an article in *The Independent* last summer said that the food science laboratory at Torry, Aberdeenshire was at the forefront of E. coli 0157 research. Can he say whether, in the changes and redistribution of staff that followed the closure of the laboratory, the research team has stayed together to continue its work or has been broken up?

Mr. Forsyth: As the hon. Gentleman knows, I was anxious to maintain that expertise in Scotland. Professor Pennington is the foremost expert in the subject and was very much involved in that. I am afraid that *The Independent* is not on my regular reading list and I am not familiar with the article to which the hon. Gentleman referred. I would be happy to look at it and let him have the detail on it.

On the compilation of the list, the hon. Gentleman will understand why I am reluctant to go into detail. I am not fully familiar with the background, but I have been assured that everything was done to try to get the material together. It depended on getting information from the butcher concerned.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): That would take only 10 minutes.

Mr. Forsyth: The hon. Gentleman says that it would take 10 minutes. At the beginning, the information available may not have been as comprehensive. I understand that every effort was made to establish the information. The difficulties have been compounded by the fact that some of the food was distributed without proper labels and passed to other sources. All those things have created difficulties. Like the hon. Member for Orkney and Shetland (Mr. Wallace), I have asked some searching questions about the matter and I have been assured that all those involved have done everything possible to acquire the information as speedily and effectively as possible. I believe that that is the situation.

Dr. Jeremy Bray (Motherwell, South): I wish to add my condolences to my constituents and their families, especially the families and friends of the four who have died. I wish a speedy recovery to all those affected.

The immediate concern of everyone in Lanarkshire is that all contaminated cooked meat products should be cleared out of the food supply chain. I met the chief officers of Lanarkshire health board this morning with the public health consultant Dr. Ahmed, who has been in charge moment to moment, as well as the responsible public health officials of North Lanarkshire council and my hon. Friend the Member for Motherwell, North (Dr. Reid). A first step has been taken by publishing, after unnecessary delay,

the known retail outlets of the products of John Barr. The distribution system was informal. As the Secretary of State said, only this morning 11 more channels have come to light. There may be more still to come.

In those circumstances, steps clearly need to be taken to carry the information and advice through to people's homes. Probably the biggest store of contaminated material is now in the fridges and freezers of many people throughout the central belt of Scotland, and those people must be reached. Will the Secretary of State encourage Lanarkshire health board in the conclusion that it reached this morning, that it should publish full display advertisements in the national press, advising people of what to do, the nature of the products, and the sources from which they may have obtained them?

Is the Secretary of State aware that it is not generally understood that freezing does not make contaminated foods safe and that contaminated food that has been put into the freezer and then brought out possibly weeks later can be every bit as dangerous as that which is freshly eaten? Is the Secretary of State aware that all available information channels need to be used urgently to get home the message especially to families with children or old people? Is he aware that people in Lanarkshire will warmly welcome the appointment of Professor Hugh Pennington and the expert group to look into the matter?

There has been a major breach of food hygiene in Lanarkshire and it is important that all possible steps be taken immediately. There is an immediate need for a quick, independent quality control check of the implementation of the current measures. Is the advice getting through to the shops? Are the GPs fully informed? What is happening in homes? Both Lanarkshire health board and North Lanarkshire council would welcome a quick, independent, quality control audit of that nature. Will the Secretary of State ask Professor Pennington to carry it out?

Mr. Forsyth: The whole House has considerable sympathy for the hon. Gentleman and his constituents and I thank him for the courteous and typically concerned way in which he has gone about carrying out his duties. I agree with him about the importance of ensuring that the health board makes the information widely available. As he said, it has decided to take advertisements, and I believe that that is the right thing to do. The hon. Gentleman is right about the need to ensure that any food that may have got into freezers is traced. Proper and full cooking will destroy the E. coli bacteria in raw meat. Those who believe that they may have processed meat from one of the sources that have been identified should contact the environmental health officer in their local authority immediately.

The hon. Gentleman asked me for a specific response to the specific suggestion that there should be an immediate quality check from outside, without in any way casting doubt on the quality of the work that has been done by the responsible people in Lanarkshire. That is a sensible suggestion. Whether it should be done by Professor Pennington or through our chief medical officer is a matter on which I would want further advice, but I am happy to respond to the hon. Gentleman's request, if he feels that that would be helpful in restoring or reinforcing confidence within his constituency.

Mr. Bill Walker (North Tayside): My right hon. Friend will be aware that all the people of Scotland will now be deeply concerned about the possible impact of this problem, not only in Lanarkshire but elsewhere. I received two telephone calls today—I am sure that other hon. Members have had similar calls—about serious food-related problems, such as sickness, in my constituency. I am no medical expert and I have no idea what those problems are, but I am sure that we have to avoid causing panic. We must also ensure that people are made aware of what the problem really is, and I welcome the setting up of the group under Professor Pennington. I hope that it will produce information that will be helpful in some way, both now and in the future.

Mr. Forsyth: I am grateful to my hon. Friend. He is right to say that wider concern will be felt. As I said in my statement, all the evidence so far is that the E. coli can be traced to the one butcher's shop—the difficulty has been following the line through all the tributaries. My hon. Friend can reassure his constituents. I am sure that Professor Pennington will want to consider wider measures that we can take to deal with the problem, and I assure my hon. Friend that we shall act speedily and swiftly in response.

Mrs. Helen Liddell (Monklands, East): I associate myself with the expressions of condolence. I pay tribute to the medical and nursing staff of Monklands district general hospital in my constituency and of Law hospital in the constituency of my hon. Friend the Member for Motherwell, North (Dr. Reid).

Given that the medical staff of Monklands hospital were told on Saturday that a crisis of some significant proportions was likely to be visited upon them, why was action not taken at the time when people are most likely to consume cold meats and other meats—that is, immediately after purchase—to ensure that they did not do so? As any housewife would say, it is rather late to start warning people on Thursday not to eat foods that they might have bought on the previous Friday or Saturday.

Does the Secretary of State accept that the lackadaisical attitude displayed by the Scottish Office in alerting people to the dangers of those meats has led to further illness and perhaps to people consuming those meats even at this late stage? Does he further accept that my constituents are grievously concerned about the lack of action and about the fact that local hospital facilities are now sorely stretched, which problem could have been reduced had action been taken earlier?

Mr. Forsyth: I know that the hon. Lady is new to the House and may not be aware of the procedures, but the responsibility for a local outbreak is a matter for the environmental health officers of North Lanarkshire local authority and the local health board, and nothing about their actions could be described as lackadaisical. They seem to have carried out their duties properly and efficiently, in a way that no one in the Scottish Office would criticise.

The Scottish Office became involved—as it was required to be—only when it became apparent that the outbreak might not be confined locally, which was well after the weekend. The hon. Lady would do well to wait

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until she has the facts before she starts to criticise people who have been working extremely hard to protect the welfare and health of her constituents.

Mr. Phil Gallie (Ayr): Sympathy and concern, especially for those who are directly involved, must be in the mind of all who think about this problem. However, other thoughts strike us, too. One of the thoughts that strikes me is the fact that awareness of food hygiene and the proper handling of meats is essential for all those involved in the meat production process. It also strikes me that that is perhaps even more important in the light of the concerns that we have expressed in recent times about bovine spongiform encephalopathy.

Mr. Forsyth: My hon. Friend is absolutely right. People sometimes complain about regulations, but they are necessary. The clear lesson from this outbreak is that the proper handling of meat products and the proper use of utensils and storage of food is very—*[Interruption.]*

Madam Speaker, it is extremely difficult to speak over the voices of Opposition Members.

Madam Speaker: Order. Hon. Members should not be discussing this issue with the shadow spokesman on Scotland, but paying attention to the Secretary of State, who is attempting to answer questions.

Mr. Forsyth: I am grateful to you for your protection, Madam Speaker.

The proper handling of utensils and the proper storage of food, cooked and uncooked, is very important, and we have taken steps to try to reinforce that practice through the meat trade and through actions by the Scottish Office. It is one matter on which we shall look to the expert group to give further advice.

Mr. Robert Hughes (Aberdeen, North): Although I fully accept that the closure of the Torry research laboratory will have had no effect whatever on the current outbreak, does it not serve as a warning that we should not skimp on research on bacteria such as E. coli? Quite apart from looking at food hygiene and distribution, will Professor Pennington examine the original source of E. coli, because where it comes from is just as important as where it went?

Mr. Forsyth: I agree with the hon. Gentleman. I hope that it will not embarrass him when I say that, to a degree, he and I, with the Under-Secretary of State, my hon. Friend the Member for Aberdeen, South (Mr. Robertson), made common cause in ensuring that vital research jobs and activities remained in Scotland. I think that the stand that we took is vindicated, and the quality of research carried out in Scotland benefits the whole of the United Kingdom.

The hon. Gentleman is absolutely right. We need to get to the source and also look at the procedures. The hon. Member for Hamilton (Mr. Robertson) pointed out that there was uncertainty as to when the list of names should be published. We may need to give clearer guidance about that, but I am certain that the overriding priority, even though it might mean rough justice for some firms, must be public health, particularly when dealing with a bacterium that can have such devastating and fatal consequences.

Mr. Alex Salmond (Banff and Buchan): I join in the expressions of sympathy for the bereaved and the admiration for the medical staff and others who have had to deal with the implications of this devastating bacterium.

The Secretary of State, in response to local Members of Parliament who said that commercial factors impinged on the release of information, says that the outbreak should not have happened. Can he reassure the House that commercial factors did not impinge on the release of public information?

I welcome Professor Pennington's appointment—he is a world authority on E. coli 0157, and many hon. Members have a great deal of confidence in his judgment. The Secretary of State said that the inquiry will be wide ranging. Will Professor Pennington's team be able to look at the provision of food science research in Scotland, and if the team identifies gaps in that provision, will the Secretary of State give an undertaking to act on them? Will Professor Pennington look at research provision in the animal herd, which is a natural reservoir of E. coli 0157, as many authorities think that that is the key to getting the bacterium under control? Will the Secretary of State revisit the Government's refusal only this summer of research into that? Will the recommendations of the wide-ranging review that the Secretary of State promised be taken on board by the Government, as Scotland has four times the average number of cases of E. coli in the UK and the highest incidence in Europe?

Mr. Forsyth: I am very happy to give the hon. Gentleman an undertaking that we shall act on the recommendations, and if there are particular recommendations for research in this area, I can think of no one better qualified than Professor Pennington to give advice in that respect, and we shall certainly act on it.

As for the hon. Gentleman's point about commercial considerations, it clearly would not be responsible to publish a list of names until one was certain that the list corresponded to the businesses that had received the material concerned. I do not know at what stage the list was considered reliable or the basis on which advice was given to hold back publication of the list, but it would be perfectly reasonable for people to be reluctant to provide a list that might blight particular businesses, if they were not entirely satisfied that those businesses had received the product.

It is a difficult balance, and a judgment was made by the health board to publish the list. Rather than adding to its difficulty, we should anticipate that difficulty. I believe that it acted properly and fairly, but it may well be that, with hindsight and the opportunity to look over the incident, additional guidance should be given. The health board decided, exceptionally, to publish the material, and I believe that it was right to do so. The circumstances were exceptional: there was a serious, unprecedented outbreak of a serious form of food poisoning in Scotland.

Mr. Eric Martlew (Carlisle): First, may I record my sympathy for those who have been affected? I am very conscious, however, that Lanarkshire is less than an hour away from Cumbria on the A74. Can the Secretary of State

assure me that the health authorities in Cumbria have been kept up to date? Were any Cumbrian outlets supplied by the butcher involved infected? Will the Secretary of State also assure me that, if there is a campaign to educate people about food hygiene, it will not be restricted to Scotland, but will include the whole of Britain?

Mr. Forsyth: I have kept my right hon. Friend the Secretary of State for Health well informed about developments. He is as keen as the hon. Gentleman and me to ensure that good practice in health and safety and the handling of food obtains throughout the United Kingdom; indeed, the guidance that has been issued was produced by the Department of Health. As for Cumbria being an hour away from Lanarkshire, I hope that the hon. Gentleman observes the speed limits when he is travelling down the A74.

Mr. Michael Connarty (Falkirk, East): Can the Secretary of State confirm that the one death in Forth valley that he mentioned occurred at Bonnybridge, in the constituency of my hon. Friend the Member for Falkirk, West (Mr. Canavan)? I was informed of that yesterday evening, and I am sure that my hon. Friend would like the concern that he expressed then to be recorded in *Hansard*.

In fact, there have been a number of outbreaks of food poisoning in the Forth valley area—in the Falkirk council and environmental health department area. Will the Secretary of State confirm that Falkirk's environmental health department and Forth Valley health board are taking seriously the tracing of the Barr outlets, to see whether there are any in the Forth valley area, which is in my constituency and his? Will the right hon. Gentleman assure us that he will co-ordinate any action with local Members of Parliament in the Forth valley area should outlets be traced to that area?

Mr. Forsyth: As the hon. Gentleman will have heard me say in my answer to the hon. Member for Monklands, East (Mrs. Liddell), the Scottish Office became involved when it was apparent that affected material was likely to go beyond the immediate area of Lanarkshire's health authorities and local authorities. That is the established procedure for dealing with matters such as this. I can give the hon. Gentleman an assurance. I should be happy to write to him, and to the hon. Member for Falkirk, West (Mr. Canavan), who was quoted in this morning's newspapers as expressing concern. I am happy to give that assurance, and to ensure that action is taken.

I was told at 3.15 pm this afternoon that all premises that have been identified as having received material from the butcher's shop, either directly or through a third party, have now been visited by environmental health officers. The food material has been taken away, and is being subjected to analysis. Unfortunately, at the time when I came to the House, it was not possible to obtain further information about whether the E. coli bacterium had been identified in all of the material, but I can tell the House that it has now been established that some gravy in one of the pies from the butcher's shop has been identified as containing the bacterium, which makes the link. I understand that, through our clever DNA process, the bacterium can be typed so that the source can be identified. The cases in Forth valley and Lanarkshire appear to come from the same source, which should reassure the hon. Gentleman's constituents as well as mine.

Mr. Norman Hogg (Cumbernauld and Kilsyth): The Secretary of State has been generous in his comments about North Lanarkshire council, and in particular the environmental health officers who traced the source of affected products so speedily. On the question of guidelines and guidance for authorities, can the right hon. Gentleman tell us whether the health board or the local authority is primarily responsible for informing the public of the sources of affected products? Is there some confusion about which authority is responsible? If he intends to issue extended guidelines, will he ensure that they clearly identify who is in the driving seat?

Mr. Forsyth: The environmental health officers are responsible for the enforcement of the regulations and the operation in the butcher's shop. When such an outbreak occurs and has wider public health considerations—as it clearly has in this circumstance—it is the health board's responsibility to deal with that. The measures that the hon. Gentleman has called for to alert people to the dangers to public health, and to the actions that they should take to avoid contamination, are matters for the health board. The health board is fully aware of that, and it has acted properly.

The health board's medical officers will work directly with the environmental health officers on the investigation of the line of route by which the bacteria may or may not have been transmitted. Environmental health officers in other local authorities will visit the premises of any other shops or outlets that are involved.

Dr. Norman A. Godman (Greenock and Port Glasgow): If I heard him aright, the Secretary of State said that the local health board had placed warning advertisements in the media. Was he referring to newspaper advertisements? Given the fact that more people watch television and listen to local radio than read newspapers, if—and only if—he were approached by the local health board for funding for such advertisements to be carried by television and local radio, would he give such a request serious consideration?

Mr. Forsyth: I think that the health board is fully funded for that purpose, but if there were particular difficulties, of course I would give any request serious consideration. I do not often have an opportunity to pay tribute to the Scottish media, but I can do so now. I pay tribute to the *Daily Express*, the *Daily Mail*, *The Herald*, *The Scotsman*, *The Courier*—I can even bring myself to pay tribute to the *Daily Record*—and other broadcasting outlets, some of which have given details in the press today. Advertising will have to be paid for, and the health boards have funds for that purpose. If particular difficulties arise, I shall consider them.

Mr. Thomas McAvoy (Glasgow, Rutherglen): I associate myself with the expressions of sympathy offered to the bereaved. I represent a large part of Lanarkshire, so I have an interest in the matter.

The Secretary of State fairly and rightly praised the performance of official bodies in response to this emergency, including the environmental health officers employed by local authorities. Does he accept that if he does not cease his war of attrition on local authorities, whose grants he has cut, he will damage their capacity to respond to such emergencies?

Mr. Forsyth: I am not aware of having cut the grant of any local authority. We increased local authority provision last year. The announcement that was made after the

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Chancellor's Budget provides for an increase on the published figures that we said would be the budgets for local authorities this year.

The Parliamentary Under-Secretary of State for Scotland (Mr. George Kynoch): An increase of £45 million.

Mr. Forsyth: My hon. Friend reminds me that the figure is £45 million. I know that the hon. Member for Glasgow, Rutherglen (Mr. McAvoy) will be concerned about the overall position. We have given a commitment to increase in real terms every year the expenditure of local health boards and the health service in Scotland. The hon. Gentleman has not yet been able to persuade his Front-Bench colleagues to make that commitment, but I look forward to his support when we try to enjoin them to do so.

To make that commitment, I must determine priorities, which means that local authorities must make the reductions in unnecessary expenditure and bureaucracy that, I am sad to say, Labour Members now accuse the health service of making.

Mr. Nigel Griffiths (Edinburgh, South): Will the Secretary of State change the procedures today? We do not accept his explanation that, under present procedures, he has to leave the matter to hard-pressed local agencies, which are already trying to combat an outbreak that has reached crisis proportions. Should not the Scottish Office and Scottish Ministers, as soon as they know which outlets are involved in any outbreak, take responsibility for ensuring that the public also receive that information immediately? They should not leave it to the local agencies that are under too much pressure to make statements themselves, because that would mean days lost before the public received any warning. We do not want unnecessary delays.

Mr. Forsyth: I believe in devolution—devolution of power down to local agencies. North Lanarkshire council is best able to judge the circumstances in north Lanarkshire, not the Scottish Office in Edinburgh. Lanarkshire health authority is perfectly capable of discharging the duties placed upon it by Parliament. Where those bodies require the help and support of the Scottish Office, they will get it.

It is an odd circumstance that I should be at this Dispatch Box defending the conduct of a Labour-controlled local authority, while the hon. Gentleman suggests that it needs my help and support to carry out its duties. It has carried out its duties extremely well and it can hold its head high.

Regarding the position of the Scottish Office, when there are wider consequences of an outbreak—as occurred and became apparent later in the week—it will be involved. However, the suggestion that, in some way, the environmental health officers delayed in carrying out their duties is not founded on fact, but I am willing to await the outcome of the investigation by the expert group before making a judgment. I suggest that the hon. Gentleman shows the same patience.

Mr. Adam Ingram (East Kilbride): As a Lanarkshire Member, I have listened carefully to what the Secretary of State has said. In some of his answers, it became clear that he was trying to absolve himself of partial blame in the matter. Will he confirm that the food hazard warning was not issued until 27 November, five days after the incident had been identified as a major problem, and that his officials were working with the local control team? I must ask him when he first became involved. What was he doing on a day-by-day basis? Why did he not act much earlier on such a major problem?

Mr. Forsyth: I think that I have already answered all those questions, but I am happy to do so again. On the publication of the list, I was informed about the situation at 7 o'clock last night. On the overall position, it is true that the hon. Member for Motherwell, South, in whose constituency the outbreak occurred, contacted my office and I wrote to him outlining all the action that was being taken.

The hon. Gentleman criticised apparent delays, but all the information that I have been given shows that those involved acted as speedily as possible. On the question of blame, he might think about paying some respect to the officials in the local authority, the Scottish Office and the CMO, who have worked extremely hard to allay public fears and to carry the matter forward. Not every issue should be turned into a reason for political point scoring across the Floor of the House.

Mr. Paul Flynn (Newport, West): I thank the Secretary of State for the quality of the very full replies that he has given to me over the past six weeks about the effects of bacteria. His replies were far superior to those that I received from the Secretaries of State for the other countries. Nevertheless, those replies present an alarming picture. Sadly, bacteria are becoming increasingly resistant to antibiotics. We do not know how many deaths are occurring because of that, but we know that the number of patients affected by the hospital bug methicillin-resistant staphylococcus aureus has increased by 800 per cent. during the past four years. Tragically, one of the victims was the wife of Lord Fitt, who has described the details of her death in very moving terms.

The point made by my hon. Friend the Member for Hamilton (Mr. Robertson) is that we should be wise before the event. Is there a case for examining the increasingly resistant strains of bacteria that result in, for example, tuberculosis, meningitis and many other common diseases?

Mr. Forsyth: I know that the hon. Gentleman has made a careful study of those matters, which are of great interest to him. I should be happy to draw his remarks to the attention of Professor Pennington and of our chief medical officer in Scotland and, in the light of the hon. Gentleman's comments, to ask for further advice. I cannot respond more directly than that because I have to confess that I do not have the same knowledge as him in the matter.

Mr. George Robertson: May I ask a couple of brief questions that arise from the exchanges? First, the Secretary of State was at the Dispatch Box for 45 minutes before he volunteered the information that E. coli bacteria might have been in the gravy in a pie. Why did it take so long for that critical information to be given?

Secondly, the Secretary of State tried keenly to avoid any connection between his Department and the decision to delay publication of the outlets that might have had the contaminated product, but even his statement says:

"Following detailed consultations late on 26 November"—

Tuesday this week—

"between Scottish Office officials and the local control team"

certain decisions were made about the food hazard warning. That was 24 hours before the announcement of the full list of outlets and the critically important information. I am aware that responsibility may lie at local level, but why was his Department involved at that stage and what advice was it giving?

Mr. Forsyth: As to the point about the gravy in the pie and why it was not in the statement, the chief medical officer informed me about that just after 3 o'clock and I informed the House of it because I was asked a specific question about it. At the beginning of the statement, the hon. Gentleman was complaining that he had not had the information—*[Interruption.]* The hon. Gentleman is asking me a question and I am trying to answer it—*[Interruption.]*

Madam Speaker: Order. I have had enough of seated interventions.

Mr. Forsyth: The comments of a Front Bencher on this matter should not create excitement on the Bench behind.

The chief medical officer has told me that the first tests have shown that E. coli bacteria might have been in the gravy in the pie. I made the point in the context of the fact that the food that had been collected from the other outlets had not yet been tested, so we are not in a position to say whether the E. coli could be identified.

On why the Scottish Office was involved, I explained that earlier. It became involved when it became apparent that the outbreak went beyond the boundaries of the local authority and of the health board concerned. It is true that the chief medical officer said that the information would not be published. That was on the advice of the local authority, which had gathered the information and knew the circumstances surrounding it. I have explained the sort of consideration that would apply in deciding whether to publish it and I have said that we might need to consider that matter with a view to future guidance.

I have spent quite a lot of time talking to the people involved. Nothing that I have heard suggests to me that those involved in dealing with the epidemic have done anything other than act as speedily and as effectively as possible, and with the full public interest at the forefront of their minds. We must now get on and ensure that the necessary processes are completed. The inquiry will be conducted by Professor Pennington. We shall publish his report. If there have been shortcomings, they will be there for all to see, and the House will have an opportunity to discuss the matter and to consider the facts in the cool light of day.

Business of the House

4.28 pm

The Lord President of the Council and Leader of the House of Commons (Mr. Tony Newton): With permission, Madam Speaker, I would like to make a statement about the business for next week:

MONDAY 2 DECEMBER—Continuation of the Budget debate.

TUESDAY 3 DECEMBER—Conclusion of the debate on the Budget statement.

WEDNESDAY 4 DECEMBER—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Remaining stages of the Firearms (Amendment) Bill.

THURSDAY 5 DECEMBER—Motion on the Animals (Scientific Procedures) Act (Fees) (No.1) Order.

Motion on the Port of Tyne Authority (Transfer of Undertaking) Order.

Motion relating to the Social Security (Disability Living Allowance and Claims and Payments) (Amendment) Regulations.

FRIDAY 6 DECEMBER—Debate on trade and inward investment on a motion for the Adjournment of the House.

Madam Speaker, the House will also wish to know that, on Wednesday 4 December, there will be a debate on air carrier liability in European Standing Committee A, and a debate on protection against third country legislation in European Standing Committee B. As usual, details of the relevant documents will be given in the *Official Report*.

The business for the following week will be as follows:

MONDAY 9 DECEMBER—Second Reading of the Northern Ireland Arms Decommissioning Bill.

I am not yet able to be precise about the following three days, but I should make it quite clear to the House that I intend to make provision for a two-day debate on European affairs in advance of the European Council in Dublin on a motion for the Adjournment. The House would also like to know that I expect that both my right hon. and learned Friends the Chancellor of the Exchequer and the Foreign Secretary will take part in that debate. On Friday 13 December, the House will consider private Member's Bills.

The House will also wish to know that, in that week, it will be proposed that, on Wednesday 11 December, there should be a debate on Community railway policy in European Standing Committee A, and a debate on development of the social dialogue in European Standing Committee B.

Details of the relevant documents will be given in the *Official Report*.

[Wednesday 4 December:

European Standing Committee A—Relevant European Community Document: 5231/96, Air Carrier Liability. Relevant European Legislation Committee Report: HC 36-ii (1996-97).

European Standing Committee B—Relevant European Community Document: 9573/96, Protection against Third Country Legislation. Relevant European Legislation Committee Report: HC 51-xxix (1995-96).

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Wednesday 11 December:

European Standing Committee A—Relevant European Community Documents: (a) 10003/95, Community Railway Policy; (b) 9654/96, The Community's Railways. Relevant European Legislation Committee Reports: (a) HC 51-i (1995-96); (b) HC 51-xxix (1995-96).

European Standing Committee B—Relevant European Community Document: 10305/95, Development of the Social Dialogue. Relevant European Legislation Committee Report: HC 36-ii (1996-97).]

Mr. Jeff Rooker (Birmingham, Perry Barr): I thank the Leader of the House for that statement. On his proposal for a two-day debate on a motion for the Adjournment in advance of the European Council, how does he propose to dispose of the recent difficulties that have arisen after the reports from the Select Committee on European Legislation and the impasse on legislation in Standing Committee B? Although there is a technical reason to have a debate on a motion for the Adjournment, the House will only look stupid to the public if there appears to be an issue that we are not facing up to. That matter must be dealt with.

Although we accept—everyone does—that the channel tunnel is a private company and a private operation, ultimately the British and French public expect their Governments and Parliaments to look after safety. As the story appears to change daily, will the Leader arrange for the Secretary of State for Transport to make a statement to the House about agreed security arrangements before passengers start using the one remaining tunnel?

On a related matter, the 3 o'clock tapes said that the French blockade of British lorries would be ending so that lorries could be blocked again over the weekend. We appreciate the limitations on the Government in this situation, which have been made clear in two answers from Ministers at the Dispatch Box this week. Nevertheless, the continuing threat to the livelihoods of hundreds of British drivers is outrageous. The matter is not a "shining beacon" to anyone, irrespective of what has been said. The conduct of industrial relations in France is disgraceful, and it is putting at risk hundreds—if not thousands—of British jobs.

If the matter is not settled by the weekend, it would behove the Leader to arrange for a statement to be made in the House. It is all very well sending diplomatic notes to other Governments, but the situation cannot be allowed to continue. As an aside, one might say that the millionaire grocer Sir James Goldsmith, who has made a lot of money out of food, could use his role as a French Member of the European Parliament to help get the British lorry drivers back home.

I should also like to ask the Leader of the House to arrange at an early date a debate on the operation of Oftel and the apparent sheer waste in constantly changing the telephone number system for business and commerce. The proposed change is almost like decimalisation gone mad, and it will cost business a fortune.

Finally, will the Leader of the House tell us whether there has been any progress on the inquiry into the Budget leak?

Mr. Newton: I shall take those questions in their natural order. I cannot add much to what I said in my statement about the two-day debate. For some years it has been customary to have pre-Council debates on a motion for the Adjournment. Further action is needed to complete the process of scrutiny, and we shall be reviewing the situation after considering what happens at ECOFIN, early next week.

On the channel tunnel, I shall of course draw the attention of my right hon. Friend the Secretary of State for Transport to the hon. Gentleman's request. However, a number of substantial investigations are under way, so my right hon. Friend cannot be accused of having neglected his responsibility. Nevertheless, the hon. Gentleman has made a point and I shall draw it to my right hon. Friend's attention.

On the blockade, the hon. Gentleman will have heard what my right hon. Friend the Prime Minister said about an hour and a quarter ago. The British Government attach considerable importance to the matter and, acknowledging that ultimately it is a matter for the French, not the British authorities, they will do anything they can to assist in bringing the matter to an end and protecting the position of British lorry drivers. However, I was slightly surprised that the hon. Gentleman should have referred to Members of the European Parliament without mentioning the Labour MEP who, as my right hon. Friend the Prime Minister said earlier, is reported to have described the French lorry drivers as a shining example.

Mr. Rooker: It was "a shining beacon".

Mr. Newton: At any rate, the hon. Gentleman might have made some reference to that. I am trying to keep the temperature down, not raise it, so I shall not pursue that matter further.

No decisions have yet been taken about Oftel. The responses to Oftel's August consultation are publicly available and are the basis of press comment. Clearly, discussion on those matters will continue.

Lastly, on the Budget leak, I am certainly not in a position to report any progress to the House.

Mr. Bill Walker (North Tayside): My right hon. Friend will be aware that many of us are pleased to have advance notice of a two-day debate on European affairs. I trust that my right hon. Friend will confirm that there will be an opportunity for my right hon. and learned Friend the Chancellor or my right hon. Friend the Prime Minister to define the copper-bottomed guarantees that were mentioned earlier this week so that we can judge for ourselves how safe the pound will be.

Mr. Newton: I am grateful to my hon. Friend for that question. Apart from the statement by my right hon. and learned Friend the Chancellor earlier this week, I made it absolutely clear that my right hon. and learned Friend would take part in the two-day debate to which I referred. I am sure that he will wish to report on anything that happens at the ECOFIN meeting in that respect or any other.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): The Leader of the House will know that yesterday the Government published their long-awaited guidelines on Oftel's powers of control over the gateway box governing the future of digital broadcasting in Britain. Is he aware

that there is a great deal of concern within the industry that the powers given to Oftel are not nearly strong enough to prevent Rupert Murdoch and BSkyB from blocking open and fair competition in the supply of digital services and television? May we have an early debate to explore some of those important problems?

Mr. Newton: As I have a relative working in a relevant industry, I am well aware of the variety of views in both directions. Some people say that we are going too far and others say that we are not going far enough. The Government's view is that we have struck the right balance, but we shall continue to consider the comments that people make.

Mr. John Wilkinson (Ruislip–Northwood): While welcoming my right hon. Friend's announcement of a two-day debate on Europe and noting his interesting statement that he will review scrutiny in the light of the European Community's Finance Ministers meeting, may I ask whether he accepts that scrutiny should take place in advance of that meeting? As the matters discussed in Committee are within the competence of the legislature—this Parliament—in as much as they concern European directives and regulations that could be incorporated into British law and are not a matter for the royal prerogative, they are not for Government action alone. Will my right hon. Friend discuss with the Procedure Committee ways in which the views of the House can be made the basis on which Ministers act at ministerial councils of the European Union.

Mr. Newton: I have no doubt that my right hon. Friend the Chairman of the Procedure Committee will read my hon. Friend's remarks with interest. It is difficult to be sure what my hon. Friend was asking for. We have established arrangements for scrutiny precisely because of some of the points that he made. That is why the discussion took place in the Standing Committee last week. There is a further requirement to bring the necessary resolution before the House. I said simply that we shall make decisions about that in the light of what happens at ECOFIN this week.

Mr. Denzil Davies (Llanelli): The Leader of the House will appreciate that binding agreements may be reached at the Dublin summit, especially on the stability pact. Will he give an assurance, notwithstanding the two-day debate on the Adjournment, that if such binding agreements are reached, the stability pact and the terms of the agreements will be debated on the Floor of the House so that we can vote specifically for or against them?

Mr. Newton: I have said what I believe to be the sensible course. I have announced in good faith what a lot of people wanted—a two-day debate with the Chancellor taking part as well as the Foreign Secretary. I have said that we shall need further to consider other matters in the light of what happens at ECOFIN on Monday. I cannot be expected to go beyond that this afternoon.

Mr. David Shaw (Dover): Will my right hon. Friend consider changing the business for next week? My constituency has virtually become a lorry park. There must be some action in Britain to support our lorry drivers and the haulage companies that are suffering. We must also try to sort out what we can with the French. Last time they promised to pay compensation and did not pay up. This time they are talking about it but will probably try to get out of paying up again. Should we not be taking action in Europe and should we not condemn any Labour Member of the European Parliament who has the gall to suggest that this is a shining example of trade unionism in action? Such statements are upsetting my constituents. My office telephone has been very busy with complaints about that Labour MEP's statement. Can we not have a debate about this important matter, which is upsetting my constituents?

Mr. Newton: I have already made some observations on one of those points and come close to enraging the hon. Member for Birmingham, Perry Barr (Mr. Rooker), so I shall not venture further down that path. I have every sympathy with my hon. Friend, and even more with those in his constituency who are experiencing the difficulties that he describes. We shall do anything that we can as a Government in the circumstances that I have already referred to and, more importantly, that my right hon. Friend the Prime Minister referred to. However, it must be acknowledged that the main responsibility for this matter rests with the French authorities, not the British authorities.

Mr. Peter Shore (Bethnal Green and Stepney): A two-day debate on the Adjournment is not very satisfactory. I hope that the Leader of the House will give serious consideration to having two separate, one-day debates—one on the Adjournment, to deal with the regular six-monthly report and other documents, and a separate debate, with an amendable motion, on the crucial and highly controversial subject of the stability pact and the single currency.

Mr. Newton: I cannot add much, even for the right hon. Gentleman, to what I have already said. All those issues are expected, as matters stand, to be part of the discussion at the Dublin Council. I have therefore thought it right to provide for a longer than usual debate in advance of that Council. I doubt whether splitting the issue into bits is sensible.

Mr. Jacques Arnold (Gravesham): May we have a debate next week on the possibility of unfair pressure on civil servants, particularly in the run-up to the general election? In particular, we should consider the threat made during an Adjournment debate yesterday to the director of the Benefits Agency in Wales. The hon. Member for Neath (Mr. Hain), a Labour Front-Bench spokesman, reminded the director of the Benefits Agency in Wales

"that there is likely to be a change of Government at the next general and he must be careful that he does not become one of the Benefits Agency customers".—[*Official Report*, 27 November 1996; Vol. 286, c. 281.]

Is not that a threat and should not the matter be debated in the House?

Mr. Newton: That quotation, which appears to be a straightforward threat, raises a number of questions. Although I shall not seek a comment from them, I hope that those on the Opposition Front Bench will reflect on whether that is an appropriate way for Labour Members to speak.

Rev. Martin Smyth (Belfast, South): I welcome the announcement that the Second Reading of the Northern

[Rev. Martin Smyth]

Ireland Arms Decommissioning Bill will take place on 9 December. Is it possible, if it is within the Government's remit, to have lodged in the Library with the Government papers the letter from the hon. Member for Foyle (Mr. Hume), together with the reply? Can the Leader of the House persuade the hon. Member for Foyle to lodge it himself, so that we might have a proper background for the debate?

Mr. Newton: I am not sure how much power of persuasion I would have—I say this entirely neutrally—with the hon. Member for Foyle. That is clearly a matter for him. He will no doubt note the hon. Gentleman's comments, as, I am sure, will my right hon. and learned Friend the Secretary of State for Northern Ireland.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): In view of the comments of the Leader of the House about civil servants, I am sure that he will be happy to note that the ministerial reply to a planted question that appeared at 3.30 today threatened many civil servants in the traffic offices in Cardiff and Manchester with the loss of their jobs, as well as moves about the country. He has made it clear that temporary arrangements will be made to cover the Welsh traffic office. The closure of the two offices is to go ahead irrespective of the needs of the road haulage industry or of those who need protection from the cowboys in that industry. Will the Leader of the House provide time in the coming week for a debate on the Floor of the House on the fact that the taxpayer will have to pay more than £80,000 to the landlords of the area traffic office in Manchester as a result of the move to Leeds? When that office moves, there will be two area traffic offices, one on one floor, the other on the second. Anyone applying for different regions will have to write separate cheques to separate offices in the same place to pay for the same service. That will not be convenient for those of my constituents who need that help.

Mr. Newton: I know that my right hon. Friend the Secretary of State for Transport considered the position carefully before making his proposals, but I shall, of course, bring the hon. Lady's remarks to his attention.

Mr. Dennis Skinner (Bolsover): Why does the Leader of the House not resolve the problem about the two-day debate? I sense that, somehow or other, the Government will get themselves into another mess—although I am not against that.

The stability pact was not scrutinised. A row took place in the Commons and pro and anti-marketeers said that they wanted a debate. The Leader of the House has now said that we are to have a debate. The Chancellor of the Exchequer said last Monday that he would go to the meeting on Monday and do nothing. He is going to reserve his position—he talked about parliamentary scrutiny, reserve or whatever it is called. So nothing will change.

Then the Leader of the House says that he cannot be sure about the form of words and we shall have to have an Adjournment debate, but we could have a motion; it depends on what happens. Unless he told us something that he is not going to do, we know that nothing will change, because the Chancellor has said so.

If the Leader of the House wants to resolve the matter, he should make some arrangements with our Front Bench for a form of words for a motion. Otherwise there will be another almighty row. He should give those of us on both sides of the House who do not want to go any further towards a stability pact the chance to vote on it at the appropriate time.

Mr. Newton: As must by now be clear, I think that I have been entirely reasonable. I wish that I had succeeded in eliciting a more reasonable response from the hon. Member for Bolsover (Mr. Skinner). I should like to see him trying to agree a form of words with his Front Bench.

Mr. Harry Barnes (North–East Derbyshire): The resolution supported by the Select Committee on European Legislation is still on the Order Paper as No. 34 of the Remaining Orders of the Day, under the heading, "Economic and Monetary Union". It deals with the matter raised by my hon. Friend the Member for Bolsover (Mr. Skinner). Would it not be sensible to give the opportunity of at least a vote on the matter, to be taken forthwith, with an amendment then being moved, along the lines of the wording of the resolution, and supported by the Select Committee? The process of scrutiny would then have been discharged in the House before the ECOFIN meeting. The situation is peculiar, with a scrutiny reserve on negotiations that are crucial for the future development of the House.

Mr. Newton: I am not quite sure what the hon. Gentleman has in mind when he refers to something happening in advance of ECOFIN, bearing in mind the fact that today is Thursday and the ECOFIN meeting is on Monday.

Mr. David Winnick (Walsall, North): Does the Leader of the House recall that I raised last week the case of my constituent, Raghbir Singh, who has been held in prison for 18 months without any charges and who continues to be imprisoned despite a ruling by the European Court of Human Rights on a similar case that a person who was held for five years should be released, and has subsequently been released? Why does my constituent continue to be in prison? Why does not the Home Secretary make a statement as quickly as possible? Is the Leader of the House aware that I continue to ring the Home Secretary's private office to find out what is happening? Is there any way in which the Leader of the House can help?

Mr. Newton: Perhaps I can draw the hon. Gentleman's attention to the fact that my right hon. and learned Friend the Home Secretary is due to answer questions on Thursday. With the hon. Gentleman's usual assiduousness, I would imagine that he will want to be present then to put that question directly. I shall bring the matter to my right hon. and learned Friend's attention.

Mr. Paul Flynn (Newport, West): Is not it time for a debate on electoral reform? Should we not plug the loophole that allows unlimited sums of money to be spent on the coming general election, as long as it is called "national spending"? Does the Leader of the House recall it being said in a debate in 1991 that it was possible for a foreign billionaire, however malign his intentions,

to come to this country and spend unlimited millions to subvert the result of a British general election? Those words have come true. Unless we plug that loophole, vote buying, which was banished from British politics in the last century, will be back. Why on earth do not the Government plug the loophole now and support my Bill, which will come before the House on 17 January? They can move in their own self-interest and at the same time protect the integrity of the British electoral system.

Mr. Newton: Would the hon. Gentleman's Bill extend to the kind of trade union advertising that can be seen in the newspapers at the moment?

Mr. Greville Janner (Leicester, West): May we have a debate on the sad and shameful decision of the Swiss Council of States to water down the decree that was unanimously passed by its National Council to ascertain the truth about Nazi gold in that country? Is the Leader of the House aware that that is contrary to assurances that were given to the right hon. Member for Wirral, West (Mr. Hunt) and myself by the distinguished Swiss Foreign Minister, Flavio Cotti, only last week and by other parliamentarians of both major parties in both their houses? As the vast majority of Swiss people—certainly those of this generation—want to discover the truth and do justice to the victims of Nazism even at this very late date, and as I am sure we would all want the good name of that great country restored, may we have a chance to explain in the House our unanimous concern about the matter and our hope that the decision of the upper house will yet be overruled?

Mr. Newton: I was aware of the visit to Switzerland that the hon. and learned Gentleman paid with my right hon. Friend the Member for Wirral, West (Mr. Hunt), and of the concerns that the hon. and learned Gentleman wishes to express. He will understand that the right course for me to take is to bring his remarks to the attention of my right hon. and learned Friend the Foreign Secretary.

Mr. John Marshall (Hendon, South): May I echo the plea of the hon. and learned Member for Leicester, West (Mr. Janner) for a debate on the Swiss banking system? It is quite wrong that it should squirrel away assets that belong to other people and use its secrecy as a means of depriving the victims of the holocaust of money that is truly theirs.

Mr. Newton: I will ensure that my right hon. and learned Friend the Foreign Secretary has his attention drawn also to my hon. Friend's remarks, as a clear indication that there is concern on both sides of the House about the matter.

Points of Order

4.54 pm

Mr. David Winnick (Walsall, North): On a point of order, Madam Speaker. The two 15-minute slots a week in which we can ask the Prime Minister questions are rather important to the House, and despite various criticisms—sometimes rather ill-informed—from outside, it is the House's wish that those two slots should remain. We understand the time that is taken by the Prime Minister and my right hon. Friend the Leader of the Opposition in asking and replying to questions, but it is unfortunate that the slot should be used to make a statement. I wish to draw your attention to the fact that the Prime Minister spent a great deal of time today answering a question from the hon. Member for Basingstoke (Mr. Hunter). His answer seemed like a substitute for a statement.

After all, only 10 questions are in the frame, and it is very rare nowadays to get beyond the fourth or fifth. I forget the last time that I was in the frame or you called me for Prime Minister's Question Time, which is, of course, the lot for many hon. Members. Can we try, as far as possible, to give opportunities to Back Benchers in those 15-minute slots? It would certainly be much appreciated.

Madam Speaker: I think that I appreciate the feeling of the House on this issue. I quite understand that that period is for Back Benchers. I thought that what the Prime Minister had to say to the House today was important to the country and should be placed on the record. For the House's information, let me say that although there is only 15 minutes, six Back Benchers were called, three questions came from the Leader of the Opposition and one question came from the leader of the Liberal Democrats. With answers from the Prime Minister, that was not bad at all. I would like to see more, but I think that it was quite a good score today.

Mr. Jacques Arnold (Gravesham): Further to that point of order, Madam Speaker. My question to the Prime Minister was also on the Order Paper today, and I share the hon. Gentleman's disappointment, but is not a large part of the problem the fact that every week—Tuesday and Thursday—the Leader of the Opposition makes three long statements during Prime Minister's Question Time?

Madam Speaker: Some of the problem, quite frankly, is that Back Benchers on both sides of the House ask questions that are far too long. I sit here and listen to questions that are inordinately long; they really should be Adjournment debates.

Mr. Paul Flynn (Newport, West): Further to that point of order, Madam Speaker. Of course, I accept what you say on this matter, but may I point out that my questions appeared on the Order Paper today and last Thursday, although they were unlikely to be called? Our best chance as Back Benchers of being able to ask questions comes from the shuffle. On the rare days that it turns out in our favour, we find ourselves in a position like today, when question 2 was not reached until four minutes before the end of Question Time. What happened today was definitely an abuse. Given the way in which the answer

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was supplied, it was clear that a statement—of great importance—had been prepared, which denied us as Back Benchers the opportunity of asking the Prime Minister questions. The belief that what occurred today was an abuse and a denial of Back Benchers' rights is widely held on both sides of the House.

Mr. David Shaw (Dover): Further to that point of order, Madam Speaker—

Madam Speaker: There are no further points of order—I am taking none at all. Some Departments of State do not get much further than 10 or 11 substantive questions in something like 30 or 45 minutes. Six supplementary questions from Back Benchers and four from Front Benchers—10 questions to the Prime Minister—in 15 minutes is not a bad score at all.

Mr. Shaw *rose—*

Madam Speaker: I am taking no more points of order, so sit down. I have taken on board the flavour of the House.

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [26 November].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.—[*Mr. Kenneth Clarke.*]

Question again proposed.

Budget Resolutions and Economic Situation

[*Relevant document: European Community Document No. 9002/96, concerning the Council Recommendation to the United Kingdom with a view to bringing an end to the situation of an excessive government deficit in the United Kingdom, prepared in accordance with Article 104c(7) of the Treaty establishing the European Community.*]

4.58 pm

The Secretary of State for Social Security (Mr. Peter Lilley): Given the enormous size of the social security budget, which accounts for nearly a third of total expenditure and more than 40 per cent. of central Government spending, it is right that we should devote a day of the Budget debate to that subject and I welcome the new format this year. Throughout the 50 years since the welfare state was established, spending on social security has grown at a rate of 5 per cent. a year compound, or almost twice as fast as the economy. It has taken an ever rising share of national income and it has been the main cause of rising taxes and increasing burdens on business and employment. Indeed, the cost of welfare has risen to a level at which it contributes to the burdens on business, destroying jobs and putting people on to welfare. From being the cure, it has become through its cost part of the cause of unemployment. But as the result of the reforms in this and previous Budgets, we have turned that position round.

Social security is now set to take a declining share of national income, leaving scope for reducing taxes and burdens on employers, creating a more dynamic economy, generating more jobs, and getting people off welfare and into work. That is a tremendous achievement and the major contribution to that achievement has been our success in getting people off welfare and into work. Unemployment is down by nearly 1 million from its peak. It is now lower than in any major European country and it is falling. There are now 750,000 more people in jobs than four years ago. A higher proportion of our adult population is in work than in any other major European country, and the figure is rising. That success is the direct consequence of our welfare-to-work measures and our economic reforms.

But there are still upward pressures on my budget including, above all, the result of more people happily living longer than expected and more generous benefits for disabled people. I have to tell the hon. Member for Peckham (Ms Harman), the Labour party's spokesman for social security, that when she describes the continued growth in social security spending—as she did the other day—as

"the result of social and economic failure",

she is in effect insulting millions of elderly and disabled people, whose only fault is to live longer than expected. We count their long lives a success and we count our record, in giving four times as much help to sick and disabled people as Labour ever did, as a source of pride.

Mr. John Garrett (Norwich, South): Never mind the elderly and the disabled. What about the fact that since 1979 the number of children living in poverty—as defined by international standards—has risen from 920,000 to 2.9 million? What does the Secretary of State think of that?

Mr. Lilley: The hon. Gentleman may not mind the elderly and disabled, but I do and I think that it is monstrous to describe increased spending on them as the result of social and economic failure. As for children living in poverty, the hon. Gentleman knows that the biggest single contribution to that is the breakdown of family life, which is an issue to which I shall return later in my remarks.

As I told the House on Monday, if we are to maintain a decent level of provision for those in genuine need—as the Government are determined to do—we must maintain the momentum of our reforms, and that is what my right hon. and learned Friend the Chancellor's Budget statement does. I shall not go through the figures in detail, but they show that we are protecting the real value of all major benefits. Uprating in line with inflation will alone cost £1.7 billion next year, so Department of Social Security spending next year will reach £93 billion. In round figures, despite unforeseen pressures, that is actually the same figure that I announced a year ago and a year before that. As a result of our reforms, we expect in subsequent years to keep growth down to about 1½ per cent. in real terms. That moderate growth reflects the beneficial impact of the measures taken under the programme of reform that I initiated four years ago.

I have introduced a total of 12 Bills—including two in this Session—reforming sickness benefits, incapacity benefits, child support, pensions and jobseeker's benefits. The Budget contains a number of further measures to maintain the momentum of reform. They will help curb fraud, improve efficiency and increase fairness.

In addition to the new powers that we are seeking in the Social Security Administration (Fraud) Bill, Tuesday's Budget measures propose a further spend-to-save package on fraud. We will invest £470 million over three years in tackling fraud. That will finance 1.3 million more home visits to new claimants and 300,000 extra visits to existing claimants next year.

Mr. Malcolm Wicks (Croydon, North–West): The Minister cut home visits.

Mr. Lilley: It is true that there were 3.5 million home visits during first half of the 1980s. They were an intrinsic feature of supplementary benefit and entirely different from the sort of visits that we will initiate. They were not for the purpose of establishing fraud, but to establish entitlement to benefit under a system that had many special needs payments on heating, rent—which was paid out of supplementary benefit—extra clothing and so on. Visits were necessary for all those payments. We also had one-off, exceptional needs payments and visits were usually required in those circumstances. There was also a welfare provision in supplementary benefit that required visits for welfare purposes, often as frequently as every six weeks, to families who were incapable of managing their budget or if there was a danger of neglect of children. Those visits duplicated the work of social services and were better undertaken by them. The need for that type of visit disappeared with the simplification of the system when we changed from supplementary benefit to income support, replaced single payments with

[Mr. Lilley]

the social fund and replaced the complex array of different entitlements with a much simpler structure of income support and housing benefit.

The sort of visits that we will introduce now are designed to establish that people are genuinely entitled to benefit and that their circumstances are what they say they are. That is an important measure to cut out fraud and abuse.

We are also taking strenuous action to reduce the running costs of my Department. Much unnecessary work arises from incomplete, erroneous and late claims. The CHANGE programme has revealed that a high proportion—60 per cent.—of applications for income support are incomplete or incorrect and some 30 per cent. of our work involves chasing up information. So we propose to put the onus on claimants to furnish the evidence that can be reasonably required before their claim is assessed and we, in turn, will make it as clear as possible what information is required.

Late claims and backdating are especially costly, not least because the rules are so complex. I also propose, therefore, to reduce the confusing and inconsistent set of rules covering backdating of benefits to just two basic rules for most benefits. In future, if a claim is late, we will backdate the payment date by up to three months, provided—in the case of income-related benefits—that the claimant has good reason for making a late claim. If the claimant is already on benefit, we will backdate a claimed change in circumstances for up to one month.

I also propose to clarify the boundary between disability living allowance and attendance allowance. DLA is intended for people who suffer disabilities during their working life and so have less opportunity to earn and save. Attendance allowance is for those who come to need care in retirement. We intend to remove the current concession that allows a claim for DLA to be made for a year after the age of 65 and that change will come in from October 1997.

In the longer term, once it is possible to make further changes to the computer system from April 1999, people will have to wait seven days before receiving jobseeker's allowance, rather than the three days now. Waiting days have always been a feature of social security. Unemployment benefit was not designed to provide cover for moving between jobs, or for brief spells of unemployment. Other countries have similar waiting periods—Ireland's vary between three and 18 days, even Sweden's period is five days and New Zealand has the same seven-day wait as we propose.

Apart from the main growth areas of age and disability which I mentioned, spending is still growing in two other areas. The first is benefits for lone parents. Total spending is now about £10 billion on benefits for lone parents, which is equivalent to 5p on income tax. That is a problem that we have to face.

"For decades politicians would not talk about the issue. Tax and benefit policy was squeezed to help single parents so that single parents gained more help than two parents. That policy has got to be reversed."

Those are not my words, but those of the hon. Member for Birkenhead (Mr. Field), the Chairman of the Select Committee on Social Security.

The hon. Gentleman went on to point out, rightly, that the Labour Government

"introduced One-Parent Benefit—never part of any strategy, merely an attempt at a quick fix."

He was quite right.

Ms Angela Eagle (Wallasey): The right hon. Gentleman seems to be arguing that until the Budget, which proposes to "equalise"—I think that was the Chancellor's word—lone parents' access to benefit with that of married couples, there was an "incentive" for women to become lone parents. How does that square with the fact that lone parents have much lower incomes than married couples? For example, 40 per cent. of lone parents have to live on less than £100 a week, whereas only 4 per cent. of married couples have to do so. How can that be an incentive to become a lone parent?

Mr. Lilley: I did not present the matter in that way. To make the structure of benefits more generous to lone parents than to couples is certainly an odd signal to send out. However, no one pretends that that difference has been the primary factor in the growth of lone parenthood—although obviously it has helped to underwrite it.

I was telling the House that the hon. Member for Birkenhead had rightly described the history of one-parent benefit as essentially a short-term fix by the Labour party. The then Secretary of State, Barbara Castle, told the House:

"there is to be an interim benefit . . . for the one-parent family . . . until the child benefit scheme comes into effect."

Later she added:

"the benefit is purely a temporary one."—[*Official Report*, 13 May 1975; Vol. 892, c. 337, 339.]

But as the French say, nothing lasts like the provisional.

Mrs. Anne Campbell (Cambridge): Does not the Secretary of State consider that one of the best ways of reducing the welfare bill for lone parents would be to help them back into work? Yet he proposes to cut the one-parent benefit, which is not taxed, and has acted as a good bridge to help lone parents back into work. Why is the right hon. Gentleman cutting that, when it seems to be one of the most important ways of cutting the welfare bill?

Mr. Lilley: We shall provide the same structure and level of benefits for lone parents as for couples, which will still leave virtually the same margin between their position in and out of work. As I shall explain later, we have considerably improved the position of lone parents where it really matters—in help with child care.

As I was saying, one-parent benefit lingered on and on, and was duly mirrored by the lone-parent premium in income-related benefits. Yet the only identifiable extra cost that lone parents face is the cost of child care when they return to work.

Ms Liz Lynne (Rochdale) *rose—*

Mr. Lilley: I shall make a little progress first, if I may.

That is why I, with the help of my right hon. Friend the Secretary of State for Education and Employment, introduced the recognition of child care costs in family

credit. We increased the figure last year, so that up to £57 a week is now allowed. We are also encouraging the expansion of child care out of school hours and during holidays. The Department for Education and Employment initiative has created 72,000 places, and the Department is now investing a further £20 million, bringing the total to £64 million, to expand that initiative further.

We are also offering, through Parent Plus, help for up to 100,000 lone parents to return to work.

Mrs. Maria Fyfe (Glasgow, Maryhill) *rose—*

Ms Lynne *rose—*

Mr. Lilley: I shall complete this section first, and the hon. Lady may find her question answered, if it has not been answered already.

The net result of the changes that we have introduced, plus the temporary measures introduced by the Labour Government, has been that couples who are out of work or on low incomes receive less money relative to their needs than do lone parents. That cannot be right. It sends out a strange signal when the state discriminates against married couples.

That is why we intend new lone parents who claim benefit after April 1998 to receive the same family premium and child benefit as married couples do. We shall protect existing lone parents, who will retain their present higher benefits.

That does not reflect any punitive attitude towards lone parents on our part.

Mrs. Anne Campbell: Rubbish.

Mr. Lilley: As I said in my famous 1993 party conference speech—although I made the mistake of putting it in prose rather than doggerel, so it is not remembered by the hon. Lady, or quoted so frequently by the BBC:

"Many find themselves lone parents against their will. Widows, divorced and separated people struggle alone, but often successfully, to bring their children up well. They deserve not blame but support."

That is our attitude. Extra help has been given, but the best form of help is to help people find work and to help them in work, to help with child care and to help people obtain maintenance.

I had hoped that the Opposition would support those changes. After all, the hon. Member for Birkenhead told the *Daily Mirror*:

"If One-Parent Benefit is phased out . . . it is a move we should support."

Ms Lynne: The Secretary of State seems to have skirted round the fact that it was the Conservative Government who introduced the lone-parent premium in 1988, to take into account single parents' extra costs. Why was that right in 1988 but not right now?

Mr. Lilley: In those days we did not have any extra help for getting back to work, through help with child care or through the Parent Plus scheme. We did not have the other measures that I reported to the House, either. According to most surveys, most single parents want help to get back to work, and I think it right to devote resources to helping them by offering that help, and meanwhile to provide the same structure of benefits for them as for married couples who are out of work.

Mrs. Fyfe: The Secretary of State said a moment ago that single parents should be helped rather than attacked. Why, then, is he throwing 750,000 of them into poverty with the measures that he is introducing?

Mr. Lilley: That is not the case. It is not the Government who attack lone parents. After all, it was the Leader of the Opposition who told Brian Walden that he condemned those who chose to be lone parents and to bring up children alone.

Mrs. Anne Campbell: No he did not.

Mr. Lilley: He said:

"I personally don't agree with them doing that."

If that is not a condemnation, how does the right hon. Gentleman go about praising people?

Apart from expenditure on lone parents, the other area of expenditure that is increasing significantly is expenditure on housing benefit and council tax benefit. That is set to rise by 7 per cent. ahead of inflation over the next three years.

It would be irresponsible to allow that growth to continue unchecked. Obviously it is in part a reflection of the rising number of new households, which is growing faster than the population—so much so that it is projected that there could be 4.4 million more households in 2016 than there were in 1991. Nearly 80 per cent. of that growth will represent one-person households.

It cannot be right to allow the benefits system to exacerbate that process. So I propose to restrict housing benefit for single people under 60 to the average rent for single non-self-contained rooms in each location. I also intend to limit further the sums that can be paid to tenants in the private deregulated sector.

Since January that group has received a maximum housing benefit that pays up to half the difference between the local average and the actual rent. The change will mean that from next October, claimants who choose to live in properties whose rents are above the average for that type of property in that area will have to meet the excess themselves, or negotiate a better rent with their landlords.

I also propose to align the treatment of council tax benefit for higher-band properties with the benefit treatment of mortgages. Currently, someone living in a band H property, which in England will be one valued at more than £320,000, can still have the entire council tax paid if he or she is on income support. That cannot be right.

I shall therefore bring the council tax benefit rules into line with those on mortgage interest. Benefit does not pay the full interest on loans of more than £100,000, and neither should benefit pay the full council tax for those whose properties are above the top of band E. In England that means properties worth about £120,000. I intend to implement this change in April 1998. It will affect about 65,000 people and save about £15 million in the first year.

[Mr. Lilley]

In a press release put out on Tuesday by the hon. Member for Peckham, the Leader of the Opposition—*[Interruption.]* Sorry. I am promoting her—but only prematurely, I am sure. The hon. Lady, the Opposition spokesman on social security, claimed that

"Tories failed on welfare because they have failed on work."

Quite frankly, she has ceased to engage with reality, and she simply ignores the huge falls in unemployment and the huge growth in the number of people in work in this country.

Let us compare Britain with France. The populations and economies of our two countries are roughly similar in size, but unemployment in France is more than 3 million and rising, whereas in this country it is 2 million and falling. If that is not due to the social chapter and the minimum wage, can the hon. Member for Peckham—or any Opposition Front Bencher—tell us which factors cause unemployment to be higher in France than in the United Kingdom? I shall be happy to give way to her. *[Interruption.]* Ah—she will deal with it when she has thought of the answer.

Mrs. Fyfe: Will the Secretary of State give way?

Mr. Lilley: If the hon. Lady were to provide an answer to my question, I would give way. But as I fear she will not, perhaps she can wait until I have finished this point.

High unemployment is the result of measures such as the minimum wage, the social chapter and greater union power—precisely the measures advocated by the hon. Member for Peckham. But if she wants to know the answer, she does not need to wait until she has found it and put it in her speech. She can go straight to the OECD, which recently reported that the reason why we have a relatively superior performance in our labour market and in unemployment to countries on the continent is our structural reforms, such as privatisation, lower tax and deregulation—every one of which she has opposed.

Mrs. Fyfe: Is the Secretary of State aware that only 41 per cent. of lone mothers in Britain work, but that 82 per cent. of lone mothers in France work? Is that because they are less workshy in France, or does it have something to do with the French state system of work availability?

Mr. Lilley: It may have something to do with work requirements in those countries, but it is due above all to differences in the age of children. A recent study compared the position in this country with that in other countries, and the biggest single reason why this country differs from the others is that we have had a large increase in lone parenthood. A large part of that increase has been made up of never-married mothers, who typically have much younger children than those who become lone parents through divorce. Those with children under five tend not to work in most countries, and we have a higher proportion of those children than other countries.

Mr. Alan Howarth (Stratford-on-Avon): The Secretary of State has been scathing about the minimum wage. How does he justify his policy of not only permitting but encouraging employers to pay wages below subsistence levels, and then requiring the taxpayer to eke out the difference in a spiralling benefits bill? Has he not, in effect, nationalised the minimum wage?

Mr. Lilley: When he sat on this side of the House, no one was more enthusiastic about helping people into work through in-work benefits than the hon. Member for Stratford-on-Avon (Mr. Howarth). Now that he sits on the Labour Benches, he has abandoned his reasonable and sensible attitude that wages are determined by the ability of people to contribute value to the process of production, and not by the virtue or evil of employers. Therefore, wages are not affected by changing laws but by improving the productivity and the economic performance of the country. That is what we are doing and why we are successful in creating jobs.

Mr. Howarth *rose—*

Mr. Lilley: The hon. Gentleman has had the opportunity to discuss this question on both sides of the House, and I do not intend to allow him to give both sides of the question again.

Mr. David Shaw (Dover): My right hon. Friend has given an impressive elucidation of why we are creating jobs and other countries, such as France, are not. May I point out that a number of young people have come to my constituency from northern France to get jobs? They have all told me that they do not have a hope of getting a job in northern France because of socialist policies.

Mr. Lilley: My hon. Friend makes a potent point, and he is absolutely right.

The one concrete proposal that the Opposition have put forward to help with unemployment is to finance, by means of a one-off windfall tax, the creation of 250,000 artificial jobs for young people for one year only. It is a temporary scheme which, by some unexplained miracle, is supposed to produce a permanent solution to youth unemployment. It is incumbent upon the Opposition to tell us what will happen after that one-year windfall tax money runs out. Can the hon. Member for Peckham give me a single example from anywhere in the world where a one-off scheme for one year has created permanent jobs and solved the unemployment problem? She cannot, because there is no such example. Any serious measures to reduce unemployment must be financed and sustained on a durable basis.

The other success area that enables us to keep down the growth of social security while maintaining decent provision for our people is in the sphere of pensions. On average, pensioners' incomes are now about 50 per cent. higher than they were in 1979. We have achieved that partly through our success in encouraging people to provide for their own retirement. Britain now has £600 billion in funded private pension schemes—more than all the money invested to meet the costs of future pensions in all the other countries in the European Union put together.

Recently, the Select Committee on Social Security suggested that we might come under pressure to help pay for unfunded pensions on the continent. I can promise the House that we will not let our assets be combined with continental liabilities. But Labour has always said that it

will never allow itself to be isolated in Europe, so if other countries pressurise Britain to help bail them out, Labour will put feckless foreigners before thrifty Brits.

Labour also poses a threat to the basic state pension, and it has said that it will cut the pension to pay for allowing people to draw it from the age of 60. The Government Actuary says that Labour's policy would result in the pension being £20 a week lower for the rest of people's lives. Can the hon. Member for Peckham confirm what she said in a letter to me—that she does anticipate a lower basic state pension? She wrote to me in confidence, but I have given that opinion wider circulation. She will not confirm it to the House, and that speaks volumes for the openness that Labour intends to display to the electorate.

Over the past three years, Labour has criticised every reform that I have introduced. Collectively, those reforms will save £6 billion during the next Parliament. That is an extra £6 billion that taxpayers would have had to find had Labour's opposition been successful. But Labour has not just opposed our saving measures—it has proposed extra spending of its own. My right hon. Friend the Chief Secretary to the Treasury has set out more than £5 billion of additional spending proposals on social security which have been made by the Labour party and costed by us. So that is £6 billion plus £5 billion to make a total of £11 billion a year. That is the cost of letting new Labour loose on social security.

The measures announced this week will produce savings of more than £1 billion a year by the end of the century, in addition to those previously announced. They will maintain the real level of benefits, protect the most vulnerable, make treatment of couples and lone parents fairer, tackle fraud and curb the main areas of growth.

Britain is better placed than almost any other country in Europe to face the future. After rising for 50 years, social security should grow within the growth of the economy and take a declining share of our national income, enabling us to support the needy without burdening the economy.

5.29 pm

Ms Harriet Harman (Peckham): On Tuesday, we heard a last gasp Budget from a failed and discredited Government; 22 Tory tax increases will have cost the typical British family £2,125 more in tax by the time of the next general election. Ordinary families have to pay more of their hard-earned money in taxes to pay for the Government's failure. Nowhere is that failure clearer than in the welfare state.

The cost to the public purse has risen, and life for those on benefits is becoming harder and more degrading. The Tories are hitting the taxpayer and, far from protecting the poor, they are hitting them, too; they failed on welfare because they failed on work. The Government have failed to tackle poverty and unemployment and there are now almost 14 million people in poverty, compared with only 5 million in 1979.

Children in particular have suffered. Official Government figures show that one in three children is now born into poverty.

Mr. David Shaw: Is not the simple point that the hon. Lady is trying to make that the Labour Government were so mean in 1979 that they would not pay benefits to a decent number of people, who therefore did not have colour television sets and material goods? We have broadened the system of benefits so that many more people have much better opportunities to obtain material goods.

Ms Harman: Then, we had a nation at work, not a nation on benefits. Now, increasingly, we have a nation on benefits—*[Interruption.]*

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): Order. The Secretary of State had a reasonable hearing and I would suggest, especially to the hon. Member for Dover (Mr. Shaw), that the hon. Member for Peckham (Ms Harman), who speaks for the Opposition, should have the same.

Ms Harman: Thank you, Mr. Deputy Speaker.

One in five non-pensioner households now has no one in work. The Government have failed the unemployed, especially the long-term unemployed. We know that the longer people are out of work, the harder it is for them to get a job; 400,000 people have been jobless for more than two years. It costs the public purse £9,000 a year to keep someone trapped in unemployment. The total cost of long-term unemployment is £3.6 billion a year.

That is why we have asked for extra help for the long-term unemployed; for a national insurance holiday for employers who hire people who have been unemployed for more than two years; for a relaxation of the 16-hour rule, to help the long-term unemployed to get the skills that they need to get the jobs that are available; and for a national minimum wage, to end the low-pay economy with wages spiralling down and to provide wages that enable people to move from benefit to work and make it pay.

In the Budget, the Tories have done nothing to help the long-term unemployed off benefit and into work.

Lady Olga Maitland (Sutton and Cheam): Will the hon. Lady give way?

Ms Harman: In a moment.

The Tories have failed the young unemployed. It is a tragedy that so many of our young people feel that they have been thrown on the scrap heap before they have even begun; 600,000 people under 25 are unemployed—one in six. In some inner-city estates, half the people under 25 are out of work, and in London 60 per cent. of young black men are unemployed.

Mr. David Congdon (Croydon, North–East): That is not correct.

Ms Harman: The hon. Gentleman says that that is not correct, but the figure comes from an answer to a parliamentary question that I tabled. Of the black men under 25 in London, 60 per cent. are registered as unemployed. The total cost of youth unemployment to the taxpayer in benefits, lost taxes and crime is £10 billion a year.

We have called for a windfall levy on the unfair excess profits of the privatised utilities so that we can use the money to get those 250,000 under 25-year-olds off benefit and into work or training.

Lady Olga Maitland: On trying to get young people back into work, does the hon. Lady accept that the

[Lady Olga Maitland]

minimum wage would mean increasing some salaries, and that one man's increase is another man's job loss? Far from achieving its objective, Labour would cheat people of jobs.

Ms Harman: There has to be a floor under wages—a national minimum—partly because of the spiralling benefit bill: one person's low pay is another person's tax increase. We cannot have a spiralling down of pay and employers expecting the taxpayer to pick up the bill.

Ms Eagle: On the windfall profits levy, does my hon. Friend realise that, today, United Utilities declared its half-year profits and that it is making £845 a minute, representing an increase of 34 per cent.? Does not that justify the measures that the Labour party has sensibly suggested?

Ms Harman: My hon. Friend is absolutely right. Some of that money, which, after all, has come from the public via gas, water and electricity bills, should be ploughed back to deal with the urgent problem that is fracturing our society of a growing number of young people with no work, no training, no nothing, who feel that they have been thrown on the scrap heap. The Budget has done nothing to get them off benefit and into work.

Mr. Bernard Jenkin (Colchester, North): Will the hon. Lady give way?

Ms Harman: I want to press on for a moment. I shall give way later.

The real map of poverty and unemployment stretches far beyond the official unemployment statistics. Among the poorest are those who are hidden from view because they are not in the official statistics, especially the lone mothers bringing up their children on the bread line.

The number of families headed by lone mothers is growing, and has reached 1.6 million. They are among the people who are dependent on benefits the longest. There are not only financial costs: such people bring up children who have never seen the world of work. Married women are increasingly going out to work, but lone mothers are falling out of the labour market. The proportion of married mothers in employment, whatever the age of their children, has increased since 1979, but the proportion of lone mothers in work has fallen.

Lone mothers want to work; they do not want to depend on benefit. The Government's policy for the past 17 years has been, "Here's your giro, come back when your youngest child is 16," and the taxpayer has had to pick up the bill. It is no wonder that the cost of keeping lone mothers and their children on benefit has reached £10 billion a year.

Mr. Jenkin *rose—*

Lady Olga Maitland *rose—*

Ms Harman: I said that I would give way to the hon. Member for Colchester, North (Mr. Jenkin).

Mr. Jenkin: I am grateful to the hon. Lady. Can she point to one piece of reputable research that suggests that introducing a national minimum wage would make it easier for poor people to find jobs or reduce demands on the benefit system?

Ms Harman: We cannot use in-work benefits as a bridge for those who are out of work to go into work, as we should, if there is no floor under wages. Without such a system, the pay bill is simply transferred to the tax bill. I should have thought that hon. Gentleman would have understood that under the Government, the subsidy for low pay through in-work benefits has risen to more than £2 billion. That is one reason why he should agree with us about the minimum wage.

The way to get lone mothers out of poverty and cut spending on benefits for them is not by cutting the amount on which they have to live year by year and plunging them further into poverty.

Lady Olga Maitland *rose—*

Ms Harman: I have already given way to the hon. Lady.

The Secretary of State mentioned Europe. We need to help get lone mothers into work, as happens in the rest of Europe. In France, 82 per cent. of young mothers are in work; in Britain only 41 per cent. are. Only half of young mothers are in work; the rest have to depend on benefits. In all other European countries, lone mothers work and support their children, and do not have to depend on the taxpayer. In Britain, they are stuck bringing up their children on the breadline.

We believe that the best form of welfare for people of working age is work. That is why we have set out a package of measures to tear down the barriers that prevent lone mothers from moving off benefit and dependence on the taxpayer and into work and self-sufficiency. They need a benefit transfer scheme, a personalised job and training system such that in Australia and a network of after-school clubs. Having never talked about them before, the Secretary of State, as the seconds count away to the general election, has suddenly mentioned them.

Only one in 80 children has access to an after-school club. One of the biggest problems for mothers of school-age children who want to get back to work is the difficulty of matching work responsibilities with school hours, INSET—in-service training—days, half-terms and holidays.

Mr. Lilley *rose—*

Ms Harman: I welcome the Secretary of State as a new recruit to the enthusiasm that I have long had for after-school clubs. I look forward to his question on them.

Mr. Lilley: The scheme to encourage out-of-school places was initiated by my right hon. Friend the Secretary of State for Education and Employment; it is she who has been trumpeting it most loudly. It is very successful, and an extra £20 million is to be put into it—making a total of some £64 million. Can the hon. Lady say whether she intends to give an extra penny to out-of-school clubs?

Ms Harman: We have set out our plans for financing a network of after-school clubs. We want to use benefit transfer and lottery money and charge those mothers who

can afford it. We want to use public-private partnership. With a little help from government, the huge demand for such clubs means that they will spring up. It is no good the right hon. Gentleman saying that the Secretary of State for Education and Employment knows about them. I have read all his speeches and press statements and he has not mentioned child care or after-school clubs. He only criticises lone mothers, and not until the eleventh hour did he recognise their aspirations to work. They do not want to be on the benefits that he has so grudgingly handed out.

Mr. David Evennett (Erith and Crayford): Will the hon. Lady give way?

Ms Harman: I shall not at the moment because I want to finish discussing our proposals to enable lone mothers to go to work—as they do everywhere else in Europe.

We need targets for training and enterprise councils to train lone mothers. We need lifelong learning through individual learning accounts to help lone mothers get back into work. Instead of helping lone mothers get off benefit and into work, the Budget simply makes them poorer by cutting the value of one-parent benefit and lone-parent premium and eventually abolishing those benefits. The Secretary of State said in his press statement that the cut in benefits to lone mothers is part of his approach of being fairer to families, but it is not fair to the families of women who bring up children on their own. They will be worse off. If that is what he thinks is a family policy, he does not understand how families work. The cut in benefits to lone mothers will not cut the divorce rate or keep one family together. It will not prevent one divorce or separation—but it will make hundreds of thousands of the poorest children worse off.

The Secretary of State says that he is cutting benefits to lone mothers because they are at an advantage compared with married couples. The truth is that they are at a disadvantage. Perhaps he does not realise that when people move from being in a couple to being a lone mother, they become worse, not better, off. My hon. Friend the Member for Wallasey (Ms Eagle) was right. Some 47 per cent. of lone mothers live on less than £100 a week, compared with only 4 per cent. of couples.

Mr. Evennett: I have listened with great interest to the hon. Lady's comments. Does she pledge to restore lone parent premium in the unlikely event of her becoming Secretary of State?

Ms Harman: The proposals to cut the benefits of lone parents while giving them no help to get out to work are wrong, and we will oppose them. In government, we will have a welfare-to-work approach for lone parents. We cannot sort out the £10 billion benefit bill for lone parents by shaving their benefits bit by bit. We must help them back into work.

Lone parents are some of the poorest people in Britain. They face additional costs in bringing up their children alone. The Secretary of State thinks that child care is the only problem; if lone parents get into work, they can get child care disregard. He does not understand. Lone mothers not only do not have their partners' income; they do not have their partners' time. With two parents, when a child has a school open evening, one parent will go to it while the other will stay at home to look after the child. Lone mothers have to pay someone to look after their children if they want to go to open evenings. Time is money for parents. Two-parent families have more time to look around the shops to get the bargain rather than having to buy the first thing available. They have more time to do that fifth repair on clothes rather than having to buy a new item of clothing.

In reality, it is more expensive to raise children alone, as the 1985 Government Green Paper recognised. The White Paper that followed it called for the

"continued recognition of the need for specific further help for lone parents."

The research has not changed; nor has common sense. People know what it is like to bring up children alone. All that has changed is that the Secretary of State has failed on welfare because he has failed on work. He is determined to make lone mothers—the softest target—pay the price. There are now more lone parent families trapped on benefit bringing up families in poverty because the Government have failed to get them off benefit and into work.

The Budget has not helped anyone off benefit and into work. Its benefit cuts will deepen disincentives to work. From October 1997, single people under the age of 60 will be able to claim housing benefit only for rooms in shared homes. How will that work in practice?

Lady Olga Maitland: Why should it not?

Ms Harman: I shall explain. Perhaps the hon. Lady will then defend how it will work in practice. If people have a job and they lose it, they could lose their home. If people are looking for work and see a temporary job advertised, they will think, "I had better not take it because if I go off housing benefit and the job ultimately falls through, I could lose my home."

The woman who has lived with her husband in a private rented home will find that, if he dies, she will lose her home because she will have to move into a shared flat or house. She will not be able to stay in her one-bedroom house or flat after he dies. She will have to move into shared accommodation—so it is lose your husband, lose your home.

When the young man in his 30s living in a one-bedroom flat loses his job, he will lose his home because he will have to move into a shared flat or house—so it is lose your job, lose your home.

The woman in her 50s who has spent most of her adult life caring for her sick mother will find that, when her mother dies, she will lose her home. She will not be able to stay in a one-bedroom house or flat. So, after a lifetime of caring for her mother, it will be lose your home.

The Government seek to save £100 million a year ultimately by this measure. That contrasts starkly with the Department of Social Security's expenditure of more than £100 million on a new headquarters, Quarry house, which the Public Accounts Committee yesterday condemned. It published a report containing a devastating indictment of the spending on Quarry house. If the Secretary of State has not read it yet, I suggest that he does so right away.

Yesterday's Budget failed to get help to pensioners. It is a scandal that, after a lifetime of work or caring for their family, pensioners are some of the poorest people in Britain today. Pensioners have been hit hard by the

[Ms Harman]

Government. The Government broke their promise and put VAT on gas and electricity. We called in this Budget for VAT on fuel to be cut to 5 per cent., but the Government failed to do that. The Government refused, so thousands of pensioners throughout the country will, as winter approaches, have to choose between heating and eating.

Almost 1 million pensioners do not claim the income support to which they are entitled. I have raised the matter on a number of occasions and, fortunately, there is now a growing awareness that many people who are entitled to benefits are not receiving them. Almost 1 million pensioners do not claim the income support to which they are entitled. They lose an average of £14 a week—more than £700 a year. Of those pensioners, 800,000 are women living on their own. They have no state earnings-related pension scheme, no occupational pension, no savings, no nothing.

So what has this Budget done for Britain's pensioners? It has made the situation worse. The existing income support form already deters almost 1 million pensioners from claiming their entitlement and, under the heading of simplification, the Secretary of State has announced that yet more obstacles will be put in the way of people who intend to claim income support by requiring more evidence to support their claim. The Secretary of State's proposals will deter thousands more.

The Secretary of State is oblivious. He says that the only reason why the poorest pensioners do not claim about £700 a year to which they are entitled is that they choose not to claim it; that they do not want it. He says in his fascinating letter to me:

"The claiming of benefit is of course a matter of personal choice and there will always be those who choose not to make a claim."

One million of them are exercising their personal choice to be £700 worse off every year. It is unacceptable for the Secretary of State to adopt that attitude, because the truth is very different. The message to pensioners from the Government has been clear. It has been, "If you claim benefit, you are a scrounger. If you are a pensioner, you are a burden." The message to pensioners has been loud and clear, and it is why 1 million of them do not claim and so suffer hardship.

We have argued that the proposals in the Government's anti-fraud Bill for cross-matching data should be used to help get the income that they need to the poorest pensioners who do not claim, but the Government have refused. They are prepared to cross-match data to combat fraud, but they will not do it to help the poorest pensioners because they think that pensioners do not claim as a matter of choice.

Pensioners are worse off under the Tories. The Tories have cut the value of the basic state pension by £20 a week by imposing VAT on fuel. Pensioners are worse off because the Tories have cut the value of SERPS in half and undermined occupational pensions. The Secretary of State boasted about second-tier and occupational pensions. His attempt to expand personal pensions has been a shambles. There is now a great lack of confidence in the financial services industry. We have had the scandal of mis-selling. There are now fewer people every year in occupational pension schemes. Pensioners fear that they will have to sell their homes to pay for long-term care.

I want to take this opportunity to challenge the Secretary of State on his plans for the basic state pension. Will he deny the reports in the newspapers that he plans to do away with the basic state pension? Will he deny reports that he plans to means test the basic state pension? Will he deny reports that he plans to privatise SERPS and force people into poor-value, risky personal pensions?

Mr. Lilley: Yes, I will deny all three things. Now will the hon. Lady answer my question? Does she or does she not intend what she said in her letter to me—to introduce a lower basic state pension for those retiring at 60?

Ms Harman: I will deal with the hon. Gentleman's question—[HON. MEMBERS: "Ah."] I will deal in 30 seconds with the Secretary of State's questions about the flexible decade of retirement. He has denied that he intends to do away with the basic state pension, that he will means test it or that he will scrap SERPS. The trouble is that there is a pattern here. This is exactly what happened before the last general election on VAT on gas and electricity. Rumours abounded, denials were categorical. The Tories won the election and immediately put VAT on gas and electricity. One thing that pensioners know is that they simply cannot trust the Tory Government.

Not only do the Tories wholly misrepresent their own plans, they misrepresent ours. Let me take this opportunity to say something about the flexible decade of retirement—as the Secretary of State mentioned it. In the past few years, a change has happened, and people now choose to retire at different ages. There has been a change in the old system whereby people got a job and worked full time for their entire working life from 15, when they left school, until they retired at 65 if they were men and received the basic state pension. Many people now want to retire earlier. All that we are saying is that if flexibility on the basic state pension means that individuals who have savings or a good occupational pension can choose to draw down their pension early at no cost to the public purse and can be certain that they will not fall back on the state later, why should they not exercise that personal choice? Why should we have a one-size-fit-all welfare state?

The Secretary of State has bounced from saying that our proposal would cost everyone £13 billion—

The Parliamentary Under-Secretary of State for Social Security (Mr. Oliver Heald): No, £15 billion.

Ms Harman: He said that it would cost everyone £15 billion immediately and that it would mean a cut of £20 a week in everyone's pension. All that we are saying is that there should be more flexibility and choice. The Government should accept that instead of trying to rubbish it.

Mr. Lilley: What greater flexibility is the hon. Lady proposing to introduce than exists at present? Anyone who defers taking the pension by a year receives an increment of 7.4 per cent. for the rest of their life, twice that if they defer for two years, and so on. We have that built into the present system. The only difference between the hon. Lady's proposals and ours is that she would let

everyone retire at 60 rather than 65, but people would have to do so on a basic pension which was £20 a week less for the rest of their life.

Ms Harman: The Secretary of State understands that we are not forcing anybody to retire early. He has recognised the flexibility in being able to retire after the pivotal age of 65. If people postpone their retirement until after 65 or 60, they can draw down their pension at a higher rate. All we are saying is that there should be a bit of flexibility and choice for those who want to retire earlier and draw down their pension at a lower rate. The Secretary of State is making a big mistake in giving plenty of publicity and exposure to our proposal for a more flexible welfare state that meets modern patterns of employment. When people discover our proposal, thanks to the right hon. Gentleman, it will be popular with them.

Mr. Heald: Between now and 2010, when the arrangements change, the pensionable retirement age for women will be 60. Is the hon. Lady seriously saying that, between now and 2010, she would cut women's pensions by £20 a week?

Ms Harman: Conservative Members are becoming more desperate and advancing ever more ludicrous, complex and unrealistic suggestions. The point is simple: the pivotal age is 65 and will be for both men and women. All we are saying is that there should be flexibility before the pivotal age, as there is after it. I shall move on, because I do not think that Conservative Members understand even that simple point.

The cost of the Government's failure to tackle poverty and unemployment is borne not only by those who claim benefits, but by the taxpayer. As this is the last Budget before the general election, today's debate provides an opportunity to review the Secretary of State's record, about which he boasted at the start of his speech.

When the right hon. Gentleman became Secretary of State, he claimed that he would cut the social security budget, but he has not. During his years as Secretary of State for Social Security, the budget has increased by more than £14 billion a year. That is his record.

The Secretary of State claimed again today that he has at least cut the growth in social security spending to less than the growth in GDP, so that the economy now grows faster than the social security budget. That is, however, what always happens when an economy begins to move out of recession. To the extent that that has happened, it is nothing to do with him, but is entirely cyclical.

The right hon. Gentleman claimed again today that it is the cost of universal benefits, particularly pensions, that has driven up the social security bill, but it is not. Two thirds of the increase in spending on social security is due to the growth of income-related benefits, which is the direct result of poverty and unemployment. It is not demography that is pushing up the social security budget, but poverty. It is not the elderly who are pushing up the social security budget, but this Secretary of State.

The consequence of the Government's failure on work is that, under the Tories, Britain has become divided as never before. The Government have created a fractured society, with a gaping chasm between those who are okay and those who are at the absolute bottom. Under the Tories, the welfare state is losing popular support: those who have to depend on it resent it and those who have to pay for it resent it. One of the reasons why a growing number of people resent the welfare state is that they do not want their hard-earned money being ripped off by fraud.

No matter where fraud is committed on the public purse, it must be stamped out. The welfare state must, at all times, remain vigilant in the battle against fraud. However, although the Secretary of State has claimed that he will save billions on fraud, he will not take the tough measures that are required to clamp down on fraud. In particular, he will not tackle organised landlord fraud—which has partly caused the spiralling benefit bill—because he is in the pocket of the private landlords.

Mr. Lilley *rose—*

Ms Harman: I shall not give way until I have asked the right hon. Gentleman this: if he is serious about fraud, in addition to checking up on individual claimants, why will he not introduce a tough new offence for landlords that is backed by tough new penalties, or allow councils to stop paying money to landlords and pay it instead to tenants? Why will he not do that? All his assertions are worthless if he does not.

Mr. Lilley: The hon. Lady knows that we have done that. I ask her to withdraw her statement that I am in the pocket of the landlords. It is untrue and dishonourable.

Ms Harman: His party—[HON. MEMBERS: "Withdraw."] I shall rephrase my assertion and see whether we can come to an agreement about the situation.

Mr. Lilley: On a point of order, Mr. Deputy Speaker. Is it in order to ascribe to any hon. Member a pecuniary relationship with people with whom they do not have such a relationship, or to say that they are in the pocket of an interest group when they are not and when they certainly do not take money from trade unions?

Mr. Deputy Speaker: Order. Am I to understand that the hon. Lady was talking about the Government at large and not an individual?

Ms Harman: I was talking about the Government at large and about a political relationship, not a pecuniary relationship. The record of this Government is that they have stood idly by while the public purse has been ripped off because they have not been prepared to take action against landlords who are making themselves millionaires at the expense of the public purse. If the Secretary of State wants to show that he is prepared to take action to protect the public purse, without fear or favour, he will adopt our recommendations in respect of the Social Security Administration (Fraud) Bill.

The welfare state has an important role to play as part not only of an efficient economy, but of a just society. There have been huge social and economic changes since Beveridge created the welfare state in 1945. Those years have seen more women working, more lone mothers because of family breakdown, the end of the family wage with the fall in manufacturing, the end of the job for life, the end of skills that last a lifetime, a massive rise in economic activity; and an aging population as people live longer.

[Ms Harman]

Those are challenges that the welfare state can meet, but it needs to be renewed so as to move ahead of economic and social change, not lag behind it; and to have the flexibility to respond to the diversity of people's lives, including the flexible decade of retirement. It must accompany a dynamic economy—it cannot be an alternative to work. It must bind our fractured society and be a force for social cohesion. The welfare state must develop a new balance of rights and responsibilities between the individual and the state. Welfare to work is the way forward, and it is the path that will be taken by Labour in government.

6.7 pm

Sir Terence Higgins (Worthing): For hon. Members who are not standing at the next election, its approach leaves us in the same position as that of the opera singer who is making a final appearance for the 99th time. One makes a final appearance at the Queen's Speech debate, at one's mayor's banquet, at one's association dinner and, now, at the Budget debate. The experience makes me feel rather like Frank Sinatra.

It is normal on these occasions to sing one's most popular song and I want to repeat the point that I made during the debate on the Queen's Speech, which is that I still have grave reservations about the concept of a unified Budget. I have deployed the arguments on previous occasions, but I want to emphasise that there is a real problem in relation to timing.

After the summer recess, we have a brief spillover in which the Queen's Speech debate takes place and then the debate on the Budget. Then we have Christmas, after which Treasury Ministers and officials can go on holiday until the next summer recess. That is not a satisfactory arrangement. If we are not going to move the Budget from this time of the year—I understand that the Chancellor and the Treasury are rather in favour of keeping it at this time—there is at least a strong case for moving the Queen's Speech debate to the spring. I hope that hon. Members on both sides of the House will consider that carefully.

I congratulate the Chancellor on not only what I regard as a prudent Budget that takes due account of the balance between monetary and fiscal policy, but on creating the situation that the economy is in. As he rightly pointed out in his Budget statement:

"The British economy is in its fifth successive year of steady, healthy economic growth, with falling unemployment and low inflation."—[*Official Report*, 26 November 1996; Vol. 286, c. 154.]

That has been accompanied by the best inflation performance for nearly 50 years and restrained growth of earnings, which is good news for jobs, and the current account is in the best overall trading performance for 10 years. That is a remarkable achievement and it provides a firm basis for further progress.

Mr. Alan Howarth: Does the right hon. Gentleman regard it as a mark of prudence when the Chancellor, in his last Budget before the general election, tells the House that, in the year to come, consumer spending, which is anticipated to rise by 4.5 per cent. in the next year, will be the driving force of the economy, and when he adds fuel to the flames by cutting direct taxation? Is that really prudent economics?

Sir Terence Higgins: I shall deal with the whole area of policy in my main remarks.

I shall pick up on the speech made by the hon. Member for Peckham (Ms Harman). I am sad that the level of debate has been depressed to the stage where we have soundbites about 22 tax increases when the list itself is unbelievably ill-defined and does not really justify the claim at all. To lower the debate to that standard seems quite extraordinary and I would not wish to pursue that line.

I want to take up a point that the hon. Lady made about flexible retirement, because she was very careful with her words. She said, "It's all right if there is flexible retirement providing that the people who are exercising their discretion in that respect don't subsequently become a charge on the state." That passage cannot have been chucked in as a throwaway line, unless it was a straight slip of the tongue. It is worth examining exactly what that meant. I look forward to some elucidation, perhaps in the winding-up speech. The wording that she employed is interesting.

Mr. Bernard Jenkin: Is not the key point about introducing flexibility for retirement the fact that the vast majority of people are likely to take that option, and that brings forward the point at which their state retirement package becomes a liability on the state and is a significant net increase in public expenditure, which is yet another uncosted promise by the Opposition?

Sir Terence Higgins: There are a considerable number of those. I understand very well the point that my hon. Friend rightly makes.

I have, after 33 year in the House, lost count of how many Budgets we have had, but it is worth reminding people that, under Labour, we not infrequently had more than one Budget in a year. We should bear that in mind, although I am always hesitant to hark back to the previous Labour Government, because a large number of people who will vote at the next election were not born at that time.

One thing on which I do reflect, however, is the way in which taxes come and go. I am afraid that we are probably stuck with income tax, but the Government have made it clear that the sell-by date for capital gains tax and inheritance tax is rapidly approaching, and I welcome that. It is also the case that, over the years, taxes have changed. I well remember a former Chief Secretary of the Labour Government being quite clear that the selective employment tax that he had introduced would last for ever. In fact, when I was at the Treasury, we abolished both that and purchase tax. We introduced value added tax. I feel bold to say that VAT will probably continue. The Labour party's proposal for a windfall tax is certainly not something that I would ever wish to support.

I intervened in the debate yesterday and asked the shadow Chancellor whether the windfall tax would raise more or less than £2 billion. I got no answer, of course, but he went on to say, in a quite extraordinary statement:

"The windfall tax is not a tax on ordinary families."—[*Official Report*, 27 November 1996; Vol. 286, c. 366.]

We need to examine carefully where the money is coming from. For a number of the privatised industries, there is a system of regulators.

Mr. Garrett: Will the right hon. Gentleman give way?

Sir Terence Higgins: No, I have given way twice already. I do not want to take up too much time.

The proposal is that Labour will tax the windfall profits—the excess profits. Either the regulators for those industries are doing their job—in which case there will be no excess profits to tax—or they are not. It seems that the Labour party's expectation is that the regulators will not be doing their jobs, and if that is so, the Labour party is positively encouraging higher prices in many of the public utilities—many of which provide services that are very important for people on low incomes—which they will then tax. The reality is that the tax will be paid by ordinary people. Ultimately, that is where the money will come from. For that reason, it is not a tax of which we should approve.

Ms Eagle: Does the right hon. Gentleman agree that United Utilities' profits, which, as announced today, are running at £845 a minute, are excessive? I can tell him that most of my constituents think that they are.

Sir Terence Higgins: I did not express any view on that. I said that one of two things will happen: either the regulators—I shall come to another point about competition—will keep profits down, or the profits will be excessive, and at the end of the day it is the consumer who will pay. Instead of discouraging that, the hon. Lady wants to tax, to take away excess profits and give them to the Treasury, when in fact they are being paid ultimately by consumers.

It is clear that some privatised industries do not have regulators, but they are competing elsewhere in the economy. It is not at all clear in those circumstances, because we are simply not told how wide the scope of the windfall tax will be, whether the tax will extend to the competitors of the former privatised industries as well as the former privatised industries themselves. The fact is that either the tax has not been thought through, which may well be the case, or the Labour party is simply not prepared to spell out what it really involves. That is much more likely to be the case.

I make a final comment—this is perhaps the last occasion on which I shall have the chance to do so—about local authority taxation, which has been fairly disastrous over the years. We had the rates system, which caused endless problems, the poll tax, which perhaps was not a wild success, and we now have the council tax. My own feeling is that there is a strong argument for transferring the cost of local services entirely to the Exchequer. The argument, "He who pays the piper calls the tune," has long since been invalid, because a high proportion of local government expenditure is financed from the central Exchequer anyway, and we had only to hear the statement from the Secretary of State for the Environment yesterday to realise that. I hope that, in the next Conservative Government, the costs of local government will be transferred to the central Exchequer and that there will be a block grant, leaving local councillors with an important role to play in allocation of resources.

The economy is reaching a critical stage, because whenever one is recovering from a recession, the crucial point arises as to the stage at which the Chancellor should appropriately damp down the level of increase in aggregate demand. The answer that I gave to the hon. Member for Stratford-on-Avon (Mr. Howarth), who intervened earlier, was that, given the stage that we are at in the recovery, the balance that the Chancellor has struck is entirely appropriate and prudent. It is a difficult decision, however, as we have found in the past. It was certainly difficult at the time of what has become known as the Barber boom: it was hard to judge when to slow down the growth in aggregate demand—although I feel bound to point out that the background was one of horrendous increases in world commodity prices and entirely different industrial relations. There were similar problems in 1990. It is important for the Chancellor to get it right this time.

Table 3.10 of the Red Book, on page 54, gives figures of 2.5, 2.5, 3.5 and 3 per cent. for growth in GDP in 1995, 1996, 1997 and 1998 respectively. That must be related to what is happening to the productive potential of the economy. In an interesting passage, the Red Book comments:

"While productive capacity probably grows fairly steadily, actual output growth varies more."

That is certainly the case. The passage continues:

"Output fell well below its trend level in the early 1990s recession. Growth was probably significantly faster than trend during 1993 and 1994, and the output gap therefore began to narrow. However, growth was slower in 1995 and the first half of 1996, and the output gap is unlikely to have narrowed much further over this period."

The Red Book concludes:

"there is still a negative output gap of between 0 and 3 per cent. of GDP."

In those circumstances, I think it entirely appropriate that the Chancellor should plan the increase to which I have referred over the next three years; but I also think it important for him to make it clear that the rate of growth that he forecasts will not continue indefinitely. As we approach the productive potential ceiling, aggregate demand should go up only at the same rate as that productive potential. I very much hope that the Chancellor will bear that in mind.

On page 88 of the Red Book, a table shows the percentage of GDP taken in total taxes and national insurance contributions. All the other forecasts cover a relatively short period up to the first half of 1998, but, to my surprise, this table goes as far as 2001-02. Perhaps, when she replies to the debate, my hon. Friend the Economic Secretary to the Treasury will explain why we have projected the figures so far ahead. My strong feeling is that the assumptions on which that forecast must be based, with regard to economic growth, unemployment and taxation, must be very uncertain, and I am doubtful about the virtues of extending economic forecasts as far ahead as 2001-02. I am also not at all clear about the extent to which the forecast makes allowance for the Government's spend-and-save programme, which is obviously very important. I hope that that can be clarified, but, as I have said, I consider the present overall position extremely satisfactory.

I hope that the Treasury Select Committee will look intensively into the contents of the Red Book. There has been considerable confusion over the past two days,

[Sir Terence Higgins]

and it is important for the Committee to clarify a number of aspects—and, as on previous occasions, improve Government accountability. It must clarify the precise content of the Chancellor's speech, so that in due course we can debate it on Second Reading of the Finance Bill.

Over the centuries, the House of Commons has been based on the control of money—both the right to raise taxation and the right to spend the proceeds of that taxation. Not only the power but the procedures of the House have been built on that. I do not want to anticipate the debate that we shall have on the documents that proved so controversial earlier in the week, but for that reason I find it difficult to comprehend why, if we are to have a so-called stabilisation pact, it is appropriate to introduce a system in which that is enforced by fines on a sovereign country. We should have regard to the basis on which the House has been established.

I do not for a moment dispute the Chancellor's point that, if there is to be what I would prefer to call a core rather than a single currency, there must be a degree of conformity between the member states that decide to participate in that core currency. Nevertheless, I doubt very much whether it is appropriate for such an arrangement to be enforced rather than agreed, in the manner proposed in those documents.

I am grateful for the opportunity to speak in the debate. I congratulate the Chancellor again, and wish him well—as, indeed, I wish the next Conservative Government well.

6.25 pm

Mr. John Garrett (Norwich, South): The right hon. Member for Worthing (Sir T. Higgins) suddenly struck a chord with me: I am now tempted to talk about budgetary reform, which I was not going to do.

I am pleased to say that I advocated a unified autumn Budget and resource accounting to the Procedure Committee in 1969. I have found in the past that my public accounting proposals take about 25 years to come to fruition, like some suggestions I used to make about state audit; but I must give credit where it is due. My party has always completely ignored my proposals, although I except my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon).

The Budget scheme and format, especially as regards public expenditure, is now far more informative than it was when I first came to the House, except for the performance indicators. Some of the performance indicators that the Government attach to spending programmes are completely pointless, and I hope that the Treasury will try to improve them.

I want to talk about some aspects of poverty, but before I do I must make a constituency point. In his speech, the Chancellor referred triumphantly to the £190 million private finance initiative project for the Norfolk and Norwich hospital. He did not acknowledge that using the PFI route has incurred not only considerable cost but a delay of at least three years in the provision of a hospital for which we have been waiting for more than 20 years. Nor did he tell us what would be the extra cost of building and running a hospital whose contractor will have to borrow money at a higher cost than the NHS would ever incur, and will also have to show a profit for its shareholders.

I am familiar with the Government's argument that anything private is run more efficiently than anything public, but I spent more than 20 years professionally measuring productivity, and it never struck me that that was the case. I believe that there is a correlation between productivity and size, but not between productivity and the form of ownership—but I digress.

The Chancellor was not to know that the new hospital will be in the wrong location, that it will be hard to get to and that it will have only 800 beds to replace the 1,400 in the existing two hospitals in the city centre, access to which is easy, and which will have to close.

The increase in health funding for the election year will be followed by deep cuts in health expenditure. Prescription charges will rise again—the Chancellor did not mention that at all—as will the maximum dental charge, for those who can find an NHS dentist. It is extremely difficult to find one in my constituency. Capital funding for health care is being cut, and, even if we allow for the reliance that is being placed on the PFI—which, to my knowledge, has produced only one hospital so far—the total cash for hospital building is falling by nearly 10 per cent. In total, real-terms spending on health care is flat for the next two years, and will fall after that.

The background economic judgment is that there should be a pre-election consumer boom, so consumer spending is to rise by the amazing figure of 4.25 per cent. If we add rising house prices and a £20 billion handout from building societies next spring, we have a stoked-up boom that can end only in a post-election bust. The forecast is for some rise in capital investment, which is currently contracting, and for a rapid increase in export volume. It is difficult to see why there should be an increase in export volume, given the rising pound.

We learnt from the Secretary of State for the Environment the other day that we will require 4.4 million new homes in the next few years. So what do the Government do? They cut the Housing Corporation's budget from £1 billion this year to £650 million next year, whereas three years ago it was £1.8 billion. That and local authority cuts will mean that only 30,000 new homes for rent will be built each year, which is half the Government's stated target.

The Chartered Institute of Housing said that the Government do not care about housing—I think that that is true. The cut in housing will lead to 5,500 fewer jobs in the construction industry. In the six counties of eastern England, including Norfolk, housing starts will drop to 1,563, which is a drop of 2,196. In Norwich this year, housing associations will produce 119 homes. A proportional reduction will mean that 77 new homes will be built in 1997-98, 20 of which will not be newly built or rehabilitated units, but either shared ownership properties or existing tenancies released as a result of incentive schemes. We will probably build about 70 houses to cover approximately 2,500 households on Norwich city council's waiting list.

In other local government areas, the Government allowance is due to rise by 1.5 per cent. Most local authorities have little in their reserves to add to that. This year, the county of Norfolk has been able to maintain its services only by taking £7 million from balances. Allowing for inflation and other cost increases, the county will require a rise in spending of more than 7 per cent.

which will not be funded by Government. Norfolk county council's annual spend would have to rise by £23 million to bring it up to the average per head of English counties.

The Government are simply switching taxation from central Government to local authorities: 1p comes off income tax, and the council tax is increased by 6 per cent. What does the Budget do for our fellow citizens who are in poverty? The 250,000 single tenants suffer sweeping cuts in housing benefit to raise a mere £100 million. Future single parents will lose £6.30 a week in one-parent benefit, and those on income support lose a lone parent premium of £5.20. Existing single parents have their benefits frozen.

In the 16 years up to 1995, the number of children living in poverty tripled to just under 3 million, with more than one fifth of families on income support. The number of children living on what used to be called national assistance has risen from 272,000 in 1948 and 920,000 in 1979 to 2.9 million in 1995. I was raised on national assistance, and I remember it well.

National statistics show that 25 per cent. of our children live below the poverty line, which is defined by the European Union as less than half the national average income. A survey by the National Children's Home revealed that, for 1.5 million families, basic social security provision is not enough to pay for the diet prescribed as the minimum for a child in a workhouse in Bethnal Green in 1876.

A Rowntree Foundation report last June showed that, as a result of breaking the link between average earnings and benefits, families were £6 a week short of being able to provide "minimum essential" items for a child under two, and £11 short for each child between two and 11.

The United Nations human development report of 1996 cited Britain as one of the most unequal countries in the world—more unequal than the United States, and as bad as Nigeria. Against that background, the Chancellor stokes up a consumer boom, which depends on the well-heeled furiously spending their tax reliefs.

Let us look at the real needs of the country, such as capital investment in plant and equipment and infrastructure. The Government's capital spend will fall from £10 billion to £6.5 billion in three years. Their estimate that the gap will be made up by the private finance initiative raising £10 billion in three years is hopelessly optimistic—look at its record so far. On education and skills, we are 42nd in the world skills league. One in five families has no one in work. Since 1979, we have fallen from 13th to 18th in the world prosperity league.

As the *Financial Times* pointed out, the Budget is particularly hard on women, because of the loss of single parent benefit, the small tax relief for the low paid, 70 per cent. of whom are women, and the freezing of child benefit.

The Government will be lucky to avoid raising interest rates before the general election. The Chancellor has taken that gamble. The whole Budget is a gamble, and offers nothing for the growing army of the poor.

6.34 pm

Sir Graham Bright (Luton, South): I shall deal with two aspects of the Budget. First, when the measures on low-sulphur diesel fuel were announced, many people were left wondering what they were all about. On 17 April this year, I initiated a debate on air pollution. During the debate, I outlined clearly the effects on the health of the nation of particulate matter blowing into the atmosphere. About 4 million adults and 1 million children suffer from respiratory problems. There is a real need to address that problem.

I appreciate the fact that we are spending another £1.6 billion on health this year. It is more important to prevent some of the problems than to deal with them once they arise. I appreciate what the Treasury has done in that respect.

The Chancellor mentioned black smoke. Black smoke is made up of fine particles. The average London bus pushes out 1.5 tonnes of soot every year, as do large lorries. That dust is carcinogenic: it is dangerous stuff. We all breathe it in, so we must address the problem.

Low-sulphur diesel is just one step. It reduces sulphur and other pollutants in the atmosphere. More important, it enables technology to introduce continuously regenerating traps into the exhaust system to take all the dust pollutants out of that exhaust. I commend Westminster city council for insisting that that system is fitted to all council dustcarts that operate around the House.

Mr. Heald: Johnson Matthey.

Sir Graham Bright: Indeed, Johnson Matthey has pioneered that technology. It costs about £3,500 to fit a bus or other vehicle with that equipment. The £500 a year reduction in the road fund licence that will be offered for vehicles that conform is a real fiscal measure to encourage bus and lorry operators to be more environmentally friendly. That will have a huge impact in London and in any urban environment, including the constituency of the hon. Member for Norwich, South (Mr. Garrett). We cannot escape pollution in an urban area, so I applaud that measure.

I was not privy to the leak that most people saw the day before the Budget statement, so I was amazed at how spot on the Chancellor was, because he provided everything for which I had asked in April.

The Chancellor proposes a reduction of 25 per cent. in the duty on liquid petroleum gas and compressed natural gas. A vehicle can use natural gas—it is available to anyone through the normal gas system by means of a compressor operation that one can recharge. I am delighted that the Department of Trade and Industry has a couple of cars running on that fuel. It is the purest form of fuel and does not pollute the atmosphere at all.

That reduction is another fiscal measure that will encourage development. I have had several meetings with Shires, the bus operator in my constituency. It readily admits that natural gas is back on the agenda and that it will probably be viable. For me, an asthmatic who has been campaigning for that, the measure is very welcome. I offer my right hon. and learned Friend the Chancellor my thanks and the thanks of fellow sufferers and the medical profession for recognising the problem and for dealing with it in such a way. I am delighted to flag up that point, which otherwise might have been overlooked.

Luton is very much a microcosm of the economy. I take a great interest in what is going on and why. The environment that the Government have created

[Sir Graham Bright]

encourages business to invest; it has certainly generated the growth from which we are now benefiting. The Budget will keep that successful economic environment running; indeed, it is the most important thing that the Budget will do.

Luton is an exception in the south-east in having a well-balanced local economy with many manufacturing and technology-based companies. It has world-class companies such as Vauxhall, Monarch, Britannia and Whitbread. It also has hundreds of successful small and medium-sized companies. I am sure that when my hon. Friend the Member for Colchester, North (Mr. Jenkin) speaks later, he will agree with me that it is excellent news that the Government are dealing with the problem of rates and intend to freeze rates for small companies. That is extremely important if we are to help small businesses grow into large businesses, as then they can employ more people.

Luton has been at the forefront in adapting to the challenges of the next millennium and encouraging the development both of its businesses for the future and of the associated skills required by the work force. Luton's record in generating exports is second to none. I take my hat off to the chamber of commerce for the way in which it has encouraged exports.

It should come as no surprise that recent surveys have shown that businesses in Luton report higher order books, more investment and higher levels of confidence, which is obviously good news for all who live and work in that town. It is living proof that the Government's economic policies are working. However, if I have a criticism of Government policy—and I occasionally have a little criticism—it is that because Luton is so successful in taking advantage of the current favourable economic climate, it suffers in comparison with comparable areas in other parts of the United Kingdom when it comes to grants.

I know that we have received £4 million for the Luton and Dunstable regeneration scheme, but that is a small amount compared with grants received by many similar towns in the north, the midlands, Wales and Scotland. Just because Luton is in the south does not mean that it does not need help. I am not convinced that there is a level playing field—indeed, I know that there is not—in the assessment of which areas receive Government help. I should like that corrected.

I shall illustrate the problem. Vauxhall has been in this country for many years and in Luton since the 1920s. During recent years, it has invested £450 million in its plant in Luton, which produces the successful Vectra. That contributes enormously to our balance of trade—

Mrs. Anne Campbell: And pollution.

Sir Graham Bright: The cars are fitted with catalytic converters.

Some 80 per cent. of the new estate car production is exported. However, Vauxhall has received no help, whereas Nissan, Toyota and other car manufacturers have received help. That does not help to persuade companies such as Vauxhall to stay put; indeed, it may make it want to move. That is not good news for Luton and that concerns me.

Mr. Garrett: Vauxhall had plenty of assistance to relocate on Merseyside not long ago.

Sir Graham Bright: I am talking about keeping manufacturing jobs in the south-east. I represent Luton, not the north-east. I am proud to represent Luton and I will continue to represent it for many more years.

Luton is the economic dynamo for Bedfordshire and beyond. It is set to consolidate its current successes and to develop new opportunities for businesses and jobs, because it has all the main ingredients for future success. It has an excellent transport infrastructure. More and more passengers, especially business passengers, are choosing to use our airport. There is access to the M1 and the M25. There is an excellent rail service—and I am looking forward to its being privatised as I am sure that that will improve it even further.

Despite all that, there is much more to come. Luton airport is continuing to develop its services. It will be greatly assisted when the new Parkway station is built. It is to be the new interchange in Luton, financed by the private finance initiative. It will be a huge generator of employment in the area and it will be a magnet for businesses—not only airport-related businesses, but the corporate headquarters that are moving to towns such as Luton. That is good news and it illustrates the stage that Luton has reached and how we are financing our success.

It is not just the excellent transport system that is receiving huge amounts of investment. Prudential Insurance has invested millions of pounds in refurbishing the Arndale centre, which is the main shopping centre. I am pleased to say that it is in the centre of the town, not out of town. That refurbishment has increased the centre's attractiveness to shoppers and has led to new retail outlets setting up there. It is a real success story of private investment.

As I said, Vauxhall has invested its money in Luton, preferring to stay there rather than move to other European locations. The hon. Member for Norwich, South pointed out what was happening in the north of England; I am worried about what is on the other side of the channel. I want to ensure that Luton is an attractive environment. Britain is attracting almost half of all inward investment and I want to ensure that we keep it that way. Companies come to Britain not because they like it, but because it has the right economic environment. That is the only reason why they come here.

Much of our success has been achieved not by the interventionist approach favoured by Labour Members, but through the sort of private investment that is leading Luton into the next century. That private investment is there only because of the climate of enterprise that the Government have generated. Low tax, low inflation, low interest rates, sound public finances, reducing the burdens on business and ensuring high education standards and skill levels—those are the reasons why so many companies are investing in Luton. It is a microcosm of the rest of the country.

Those Government policies have created an economic climate in which businesses can thrive. Successful business means more jobs and more jobs mean better

standards of living, both for the people of Luton and for people throughout the rest of the United Kingdom. Luton will play a major part in ensuring that this country becomes the enterprise centre of Europe—and it will do so only because of the Government's successful economic policies, which will continue as a result of the Budget announcements. I congratulate my right hon. and learned Friend the Chancellor on this year's Budget measures. They will build on the solid foundations that have been laid in the past 17 years of Conservative government. The measures lay out the strategy for a prosperous future for all who live in Luton and in the rest of the UK. They should be supported enthusiastically by the House.

6.49 pm

Ms Liz Lynne (Rochdale): It is important that we discuss, among other things, social security uprating, but we must also talk about the many people who are not receiving the benefits to which they are entitled. Last week's Department of Social Security estimates of the take-up of income-related benefit, particularly those for pensioners, were extremely depressing. I make no apology for mentioning that, even though I mentioned it in Monday's debate. One million pensioners are not receiving the income-related benefits to which they are entitled and the take-up rate for pensioners is deteriorating.

We need a national advertising campaign to ensure that those pensioners realise what they are entitled to. We have an advertising campaign for the benefit fraud hotline and for the Child Support Agency in Greater Manchester. If we can have such campaigns for those things, why cannot we have an advertising campaign to let pensioners and other people know what they are entitled to? It is not good enough just to send out leaflets, although those are welcome. We need to ensure that pensioners will take up those income-related benefits.

On the details of the social security uprating, do the Government honestly believe that the existence of lone-parent benefits encourages marriages to break up, because that seems to be what the Secretary of State for Social Security is saying? Where is the evidence for that? Where is the evidence that it encourages people to leave their husbands and to set up as a lone-parent family?

Lone parents are rarely better off. The hon. Members for Wallasey (Ms Eagle) and for Peckham (Ms Harman), the Opposition spokeswoman, said that 40 per cent. of one-parent families have an income of less than £100. That compares with the fact that 4 per cent. of two-parent families have an income of less than £100.

In my intervention, I told the Secretary of State that the lone-parent premium was introduced in 1988 by this Government to recognise the extra costs of lone parents bringing up a child or children. I do not honestly believe that he answered the question why in 1988 there were extra costs, but why, this year or next year, there will be no extra costs for such parents. As the Secretary of State has admitted, the largest group of lone parents are divorced and separated women. They are not going to be encouraged to leave their husband just for these benefits.

The Secretary of State cannot honestly believe that a happy couple will split up, just so that the wife can receive the extra benefit of £5.20 a week or £6.30 a week. It is ludicrous, but that is what the Government are suggesting.

Mr. Bernard Jenkin: Will the hon. Lady explain and justify to a married couple on benefit why a single parent should effectively be better off than a married couple on benefit in identical circumstances?

Ms Lynne: The hon. Gentleman should have put that question to the Secretary of State for Social Security in 1988, when the lone-parent premium was introduced. The Government recognised the extra cost then. There are extra costs for lone parents bringing up a child. Everyone knows that. It is an established fact, or the Government, in their wisdom, would not have introduced the premium in 1988.

The Government have already admitted that 90 per cent. of lone parents want to work. We should be helping lone parents back into work. To do that, we need much more help with child care costs. With respect, the £60 disregard is not enough. It is paid only on family credit. It will not help many of those lone parents, for the simple reason that they cannot find child care at £60 a week.

I am appalled that the Government are abolishing the one-parent benefit. They talk about getting lone parents back into work. The benefit helps such parents in work and it is not cost-effective to abolish it.

I am concerned again that the Government have not uprated the social fund maternity payment in line with inflation. I am pleased that they have uprated child benefit, but we need to know what will happen. At the previous general election, they guaranteed that child benefit would be uprated year on year in line with inflation. I hope that, in her reply, the Economic Secretary to the Treasury will give an assurance that that will occur year on year from now on, and that that will be a strong general election commitment. It is important, because the Labour party has decided to scrap child benefit for 17 and 18-year-olds in education.

I am sorry that nothing has been done in the social security uprating to restore benefit for 16 to 17-year-olds. Many of those people are not in jobs and are not receiving benefit. More than 120,000 was the last count—the precise figure is 120,300. Do the Government know what has happened to those young people? I will tell them what has happened to some of them. Some are out on the street. Some have gone into prostitution. Some have gone into crime.

When that happens, there is a knock-on effect for this and every Government. There is a knock-on effect for the Home Office budget, because the crime figures and prostitution rise. There is also a knock-on effect for the Department of Health because, once they are homeless, people's health suffers. It is not cost-effective to cut benefit for 16 to 17-year-olds, as the Government have done. They should restore those benefits.

Many of those young people leave home because they cannot cope at home. I know about the provision that, if a young person has been abused, he can report it and could receive benefit, but many of those young people do not want to say that they have been either sexually or physically abused. They are too embarrassed to do so. They leave home, they cannot get employment and cannot receive benefit.

We need to ensure that those people have proper training places. The Government say that they can easily gain a training place, but the figures show that that is not

[Ms Lynne]

correct. There are not enough training places for young people. Many of them are not equipped to take up one of those places.

To get people back into work, we need a proper benefit transfer scheme to ensure that, if someone has been unemployed for more than a year, his benefit is given to an employer to take him on. The Government should consider that and I hope that they do so.

To return to pensioners, the cold-weather payment rules are strict. The temperature must be below zero for seven days. I should like that to be reduced to three days. Seven days is far too long and the wind-chill factor is not taken into account. I hope that all Conservative Members will support the modest Bill that the hon. Member for Preston (Mrs. Wise) is introducing as a private Member's Bill, which takes the wind-chill factor into account. I am privileged to be co-sponsoring that Bill.

On the Christmas bonus, there is not much there for pensioners. It has been frozen yet again at £10—a miserly amount for Christmas. If it had gone up in line with inflation since 1972, it would be worth £67. I want the Government to make a commitment that, in the first week of December, they will pay double the pension to those pensioners. At least the Government have not abolished the bonus, as the Labour party did when it was in power.

Sir Graham Bright: With your support.

Ms Lynne: Another hon. Member brought that up in another debate. If the hon. Gentleman considers the facts, he will find that there was no Lib-Lab pact when the bonus was abolished. He should consider the timing of it. After the previous debate, I looked it up and I wanted an opportunity to tell Conservative Members that they were wrong. The hon. Gentleman should check his facts before he makes seated interventions. Yes, the Labour party cancelled the bonus, but what have the Government done? They are miserly to pay pensioners £10 as a Christmas bonus. What can £10 buy? It would barely buy a frozen turkey.

Mr. Anthony Coombs (Wyre Forest): How much would you pay?

Ms Lynne: If the hon. Gentleman had been listening, he would know that I suggested that, in the first week of December, there should be a double pension for every household: a double single person's pension and a double couples' pension. He really must pay attention instead of making seated interventions when I have already told him the facts. At least the Government did not cancel the bonuses.

Turning to housing benefit, earlier this year the draconian rule was introduced for people under 25 whereby they had either to find accommodation in a multi-occupancy house or not receive housing benefit. That rule has now been extended to those under 60. I hope that the Government have done their research properly and determined whether sufficient bed-sit accommodation is available, because I know that there certainly is not enough such accommodation in Rochdale, and there is not enough in other areas.

Over the years, landlords have been persuaded by the Government to offer self-contained accommodation—which means with a bathroom and a kitchen included. What are landlords now supposed to do—rip out those facilities and put in shared bathrooms and kitchens so that they can get tenants? That is what will have to happen, because people will not be able to find that type of accommodation.

What about 55-year-olds who are thrown out of work and who have lived in a property all their lives, until they were made redundant? They had rented it—probably a one-bedroom flat, or perhaps a one or two-bedroom house—because they knew that they could afford it, and they could not find another job because they were too old. They took on that accommodation because they were able to afford it, but now they will be thrown out. They will be made homeless if they cannot find bed-sit accommodation. That is my fear. We shall see not only 16 and 17-year-olds and under 25-year-olds on the street; we shall see under-60s on the streets, and that will have an absolutely devastating effect on the country.

I can understand why the Secretary of State has changed the qualification rules on the jobseeker's allowance, so that people will have to be unemployed for seven instead of three days to qualify. However, he will have to appreciate the fact that—although we hope that a person who is newly out of work will try in the first week to find work, go for interviews, make those telephone calls and write those letters—they need extra money then, if we want to get them back into jobs quickly. It would be cost-effective to let them have that extra money then and not to extend the qualifying time to seven days.

To sum up, the Budget and social security uprating have done nothing for pensioners. It was an absolute insult that pensioners were not mentioned by the Government—although they have frozen the Christmas bonus. The Government have done a tremendous amount for single parents—they are destroying single parents' lives. They are also destroying the lives of single people under 60 who will be thrown out on the street.

It is a miserly Budget, and all that it will do for the Government in the short term—because it will not save money in the long term—is perhaps save them a bit of money. It will certainly not help the most vulnerable in society.

7.3 pm

Mr. Bernard Jenkin (Colchester, North): I am most grateful to have caught your eye this early in the debate, Mr. Deputy Speaker. I must apologise to the House in advance that I will not be able to stay for the conclusion of the debate, as I shall be attending to other duties, but I crave its indulgence.

I am most grateful to have the opportunity to follow, as I sometimes do, the hon. Member for Rochdale (Ms Lynne) in debates on social security. I should like briefly to make a comparison between her speech and that of the hon. Member for Peckham (Ms Harman). There seems to be a race between the two Opposition parties in which can promise the most, make the most spending commitments and produce the glossiest promises to try to seduce some of the most vulnerable electors in our constituencies to vote for them.

I have some news for both hon. Members: this is not a race in which Conservative Members intend to participate. If we did, not only would we be participating in a fraud

upon the electors—because the Opposition cannot possibly keep those promises—but we would be giving up the credibility that we possess and they lack on the fundamental issue at the heart of the Budget judgment: the levels of public expenditure, borrowing and taxation.

Ms Lynne: It is absolutely amazing that the hon. Gentleman says that he will not participate in the race to protect the most vulnerable in society. That is what he is saying: that those vulnerable people can be left at the bottom of the heap. If he would like to examine our alternative Budget, he will find a fully costed programme. We have said how we will raise money and how we will spend it.

Mr. Jenkin: I am very glad that I gave way to the hon. Lady, because it gives me an opportunity to clarify her misunderstanding of what I said. I said that we will not participate in the race to produce big and glossy promises that we know we would not be able to fulfil. The important aspect of the Government's promises on spending is that we not only make promises but we keep them.

Mr. Mike O'Brien (North Warwickshire): On credibility and promises, the hon. Gentleman, during the most recent general election, gave his constituents 10 good reasons to vote Conservative. Those were his promises. No. 4 in his personal election address was lower taxes. What price his promises and what price his credibility to his electorate now?

Mr. Jenkin: It is a basic tax rate that is now 23p—which is 10p lower than when the Labour party was last in office. I am most grateful to the hon. Gentleman for drawing attention to my promise to my electors, which we have been able to keep.

As I said, the key concern in the Budget was the level of public borrowing. There is no doubt that there is disappointment that borrowing has remained so stubbornly high. It is instructive, referring to paragraph 1.06 of the Red Book, to make a comparison between the projected borrowing figures in this year's and last year's Budgets. This year's outturn was meant to be 3 per cent. of GDP, and it is 3.5 per cent.; next year's was meant to be 2 per cent., and it is 2.5 per cent. We do not achieve balance until 2001.

Against that background, my right hon. and learned Friend the Chancellor of the Exchequer had a most difficult Budget judgment to deliver, and I congratulate him on what he has achieved. The higher borrowing is due to sluggish tax rates. Therefore, I utterly applaud his initiatives to do his best to collect taxes that people are due to pay. The spend-and-save initiative aims to improve the Government's efficiency, not only in reducing social security fraud—which is possibly the main thrust of this debate—but in improving the efficiency of Customs and Excise and the Inland Revenue, to ensure that businesses and individuals pay the taxes that they are due to pay.

The Budget was also delivered against the background of an extremely successful economy. We have only to look at the key outputs. We are in our fifth successive year of growth. The graphs show that industrial investment is rising above its trend levels. There is also good news about jobs. It is ridiculous for the Opposition to pretend that the economy is somehow on its uppers and that 17 years of Conservative Government have been wasted when unemployment in the United Kingdom has fallen by more than 1 million in the past few years, while our European competitors who have not dealt with their structural and other difficulties are still experiencing sharp rises in unemployment. The fact is that unemployment in the United Kingdom is 7.5 per cent. when it is more than 11 per cent. in France and more than 25 per cent. in Spain.

If the Government deliver one pledge to the electorate it is that people should have the best possible opportunity to get a job. When I intervened in the speech of the hon. Member for Peckham and asked her to produce evidence that a minimum wage would not destroy jobs, she was completely unable to do so. The right hon. Member for Kingston upon Hull, East (Mr. Prescott) has also admitted that the introduction of a national minimum wage would destroy jobs. How would that help the most vulnerable people in society? How can people make the transition from welfare dependency into work if we create an even higher barrier for them to surmount?

Mr. Alan Howarth: If the hon. Gentleman is interested in studying the academic evidence that demonstrates that a minimum wage, sensibly conceived, not only would not destroy jobs, but would enhance job creation, may I refer him to the work of Professor Card of Princeton university.

Mr. Jenkin: I have not studied that particular piece of evidence, but I refer the hon. Gentleman to the OECD surveys on the national minimum wage that are absolutely clear that a minimum wage would cost jobs. Closer inspection of the operation of the minimum wage in countries that Opposition Members describe as exemplary reveals that the relevant legislation is often either ineffective or so decentralised that it does not constitute a national minimum wage. The only concrete example is France, where unemployment is high.

I particularly welcome the following comment in my right hon. and learned Friend's Budget speech:

"I realise that the current system of business rates bears particularly hard on smaller businesses, for which it represents a much bigger proportion of total costs compared with their large competitors."—[*Official Report*, 26 November 1996; Vol. 286, c. 169.]

He pledged to address that inequality in his next Budget, and I very much look forward to that.

That comment reflects the work that I carried out in the summer along with my colleagues on the Conservative Back Bench committee on smaller businesses to produce a pamphlet entitled "Fairer Business Rates". It showed that the distribution of business rates lent heavily on smaller businesses and represented a far higher proportion of their overall costs. Businesses with a turnover of between £50,000 and £100,000 were paying business rates of up to 14 per cent. of their overheads, whereas larger companies were paying only 2 or 3 per cent. It is therefore not surprising that shops and smaller high street businesses are struggling to compete with out-of-town supermarkets, which pay only a tiny proportion of overall costs in business rates. I very much welcome my right hon. and learned Friend's promise to address that problem. I appreciate that a radical redistribution of the business rate burden may be required so that larger businesses pay just a little more in order to provide relief for the thousands of small businesses that have made representations to us.

[Mr. Jenkin]

I welcome the increase in key programmes that reflect our priorities. My local health authority will receive a 2.6 per cent. rise in its budget in real terms, lifting North Essex health authority expenditure to £370 million. That above-average increase reflects the continuing trend of redistribution of health resources according to capitation funding, redressing an imbalance in funding towards conurbations, particularly London.

I am grateful for the increase in funding for schools. We hope that local authorities—particularly in Essex, which is not under Conservative control—pass that increase on to the schools that need the money. I am also pleased that an extra £280 million has been allocated to higher education. It represents a much-needed cash injection for the hard-pressed universities that are eagerly awaiting the outcome of the Dearing review on higher education funding. I hope that the system will be restructured to enable substantial growth in higher education funding in future. We all know that the rise in the number of students has not been matched by increases in resources to universities. Perhaps a move to genuine capitation funding for higher education would be beneficial.

Finally, the police will receive a 3.7 per cent. increase in funding, providing 2,000 more officers in England and Wales against the background of a 10 per. cent reduction in crime over the past three years. I am particularly pleased that the Essex police force will receive a 3.9 per cent. increase in spending power and an extra 55 officers.

The spending priorities of the Opposition parties are revealed all too dramatically by their major complaints about the Budget. It is clear that they are most worried about their friends in local government. If they were seriously concerned that local government might be underfunded, they would vote against the tax cuts that we are giving the British people rather than suggesting that expenditure should be reallocated—away from the police, education or the health service—in order to support local government. The Opposition should see the mote in their own eye before criticising the Government's efforts to streamline the national health service. They always say that we should get rid of administrators in the NHS, but never complain about the number of administrators in the town halls—there are often far too many of them.

No doubt the Liberal Democrats are planning a 1p increase in the basic rate of tax in order to fund their education promises. I hope that the hon. Member for Rochdale will have noticed that schools are getting extra money and the British people are getting a penny off the basic rate of tax. The Conservative Government can provide such double benefits time and again.

Ms Lynne: The hon. Gentleman must appreciate that the council tax payer will have to pay for the Government's education commitments. Liberal Democrats will vote against the reduction in income tax as we believe the money should go into education and training. I wish that the official Opposition would join us in the Lobby.

Mr. Jenkin: I certainly agree with the hon. Lady that it would be a good deal more honest for the official Opposition to do as she suggests.

The underlying concern of the Budget must be the rise in monetary growth. My right hon. and learned Friend said very little about monetary policy and did not refer to the key economic indicators of M4 and M0. The Red Book informs us that those monetary indicators are outside the monitoring range.

I shall draw attention to the strong correlation between money supply indicators and future inflationary pressure. The Library has kindly produced a graph showing M4, M0 and inflation over the past 20 years. It is striking how the peaks in monetary growth precede the peaks in inflation.

I draw particular attention to a comment made by Professor Tim Congdon, one of the wise men, the day after my right hon. and learned Friend delivered his Budget. The advice sent to his gilts clients was headed:

"Mr. Clarke silent on high money growth. Cautious fiscal stance disguises monetary laxity."

I am acutely aware of Professor Congdon's unnerving credibility for forecasting inflation. He wrote an article in June 1987, long before most people were worried about the overheating of the British economy, called, "Mr. Lawson's secret inflation". In it he said:

"The growth of credit and money is too high, the economy is expanding too quickly and interest rates are too low to prevent the return of inflationary pressures."

I do not for a moment suggest that we are approaching any such difficulties in the economy, but it is clear that Professor Congdon is sending out warning signals and that his feelings are shared by others. The "Economic Viewpoint" written by Samuel Brittan in the *Financial Times*—no anti-single currency monetarist he—says:

"there are many signs of inflationary pressures in the pipeline."

Those pressures may not be showing up in the more solid leading indicators yet, but we must be ever vigilant of the dangers of returning to inflation.

I therefore very much welcome the report in *The Times* today that my right hon. and learned Friend the Chancellor "pledged to raise interest rates if necessary".

He said:

"I will do whatever is necessary, but we have at the moment a lack of inflationary pressures. As soon as they show signs of growing, I will act."

It is commendable that my right hon. and learned Friend is keeping a firm eye on inflation to ensure that there is no danger of returning to boom and bust.

As my right hon. Friend the Member for Worthing (Sir T. Higgins) said, the Budget judgment is fundamental to the character and purpose of the House. As we look to the future, we must hope and pray that the Government will stick to their pledges—as I am sure that they will—that there will be no fudging of the Maastricht convergence criteria. If they do so, there is no prospect that that role will be stolen from us.

7.23 pm

Ms Angela Eagle (Wallasey): It was nice to hear the hon. Member for Colchester, North (Mr. Jenkin) espousing the old creed of unalloyed monetarism, quoting M0, M4 and other similar numbers and measures of the money supply. We do not often hear the old faith quoted in here. Of course, it is as wrong now as it was when it was first adopted, as any look at the effectiveness of monetary policy in the early 1980s demonstrates.

The income tax reductions in the Budget are offset by indirect tax increases. The Budget gives with one hand and takes back with the other. We have one new tax—

VAT at 17.5 per cent. on some insurance—and seven tax increases: council taxes going up by £4 billion; insurance premium tax up by 1.5 per cent.; a doubling of air passenger tax; the abolition of tax relief on profit-related pay, which threatens some serious reductions in income when it comes into effect—which, mercifully for the Government, will be after the general election; prescription charges up by 15p; fuel duties up by 5 per cent. above inflation; and tobacco duties up by 3 per cent. above inflation. Conservative spending commitments dissolve before our eyes when we look at the details.

However, I praise the Chancellor for having done something that I have found useful—releasing the Budget details on floppy disk so that we can put them into our computers and have them readily accessible. That is a good innovation. I hope that there will be a CD-ROM with fanfares, trumpets and sound effects at some stage in the future. Releasing the information on disk is a good start and I hope that we shall pursue it. I hope that that innovation was not responsible for the leaking of the Budget. I suspect that it was the privatisation of Her Majesty's Stationery Office, but time will tell where the leaks came from, when MI5 has done its job.

The spending commitments in the Red Book and the accompanying press releases are phantom. The Government claim a £1.6 billion increase for the NHS, but a 0.7 per cent. real-terms cut in the resources allocated to the health service is forecast for the year after the election. The 16 per cent. cut in capital expenditure has not been replaced by private finance initiative commitments. We have heard today that only one of the PFI commitments promised at the last election has been delivered in the past year.

The Government claim an increase of £875 million in the resources available for education, but if the Government's total spending figure was applied, £73 million less would be available for education than is currently spent. That is yet another phantom spending commitment.

Most of the £450 million claimed as extra spending to tackle crime will go on building new prison places, not on preventing crime. We need to go to the causes of crime to prevent it, rather than spending ever-increasing amounts on building prisons all over the country. We need to deal with the problems of social breakdown caused by inequality and poverty, which are the legacy of the Government.

The Budget is already unravelling. There is scepticism on where many of the revenue claims will come from in reality. The spend and save plan is causing commentators particular problems and there is outrage at some of the more blatant examples of what might generously be called creative accounting which are coming to light as we take a more careful trawl through the complex series of documents released on Budget day.

Various comments have been made by economists in the past couple of days. Adam Cole of the City brokers James Capel said:

"I am staggered by it. It incorporates fiddles which would make the French blush."

The £7 billion savings from loopholes and avoidance are especially disbelieved. David Mackie from the investment bank J. P. Morgan said:

"This is the kind of thing the Italians put in their Budgets. It is not at all clear that the plans on paper can ever be delivered."

Economists have been particularly outraged by a convenient but unhighlighted change in the conventions for presenting spending plans to the House which has allowed the Treasury to claim that the control total will be £2 billion lower than would have been the case without the change. That has been achieved by subtracting the receipts from the sale of the student loan book and the privatisation of the Ministry of Defence housing stock from departmental spending totals rather than entering the revenue as a privatisation receipt, as has been the case in the past. If those factors are added back in, departmental spending plans are £3 billion higher than the Budget documents claim. That means that we do not have as tight a public expenditure round as the Chancellor claimed. It is looser.

The Treasury also incorporates assumptions about falling unemployment benefit spending, which it has never done before. The Government have made a big assumption about the numbers due to come off unemployment benefit, allowing them to deduct several hundred million pounds more from their spending plans.

A windfall tax, by another name, has been introduced. We spent an entire day debating the Opposition's plans for a one-off windfall profits levy on the privatised utilities, but a closer look at the Budget documents reveal that the Chancellor has imposed his own version of it in his changes to capital allowances for infrastructure and pipes. The Opposition are proposing a one-off levy, but the Chancellor has introduced a continuing and cumulative levy, which the utilities calculate will cost as much as Labour's £5 billion receipts from the windfall tax.

There is much sleight of hand in the Budget. There are many claims and much crossing of fingers, whistling in the dark and hoping that the £7 billion savings will accumulate. The Government do not believe that they will be in power after the next election, so they are not really interested in how to get out of the mess next year.

Sir Terence Higgins: The hon. Lady says that the proposed windfall tax is a one-off. Could she direct me to a specific assurance on that from a senior Opposition spokesman? On the point that she made in her intervention on my speech, is she not hoping that there will be excess profits so that the Labour party can tax them? That would lead to higher prices, which consumers would have to pay. She said in particular that shareholders would be taxed. If she wants to tax them, she should say clearly that it will be a shareholders' tax, and not try to achieve it by a windfall tax.

Ms Eagle: The precedent for a windfall tax was set by the Conservative party, which imposed it on the banks. It is absolutely certain that what the Chancellor is proposing for capital allowances will be cumulative and on-going.

Mr. Bernard Jenkin: Will the hon. Lady give way?

Ms Eagle: No, because I have a limited amount of time. The hon. Gentleman's speech took nearly 20 minutes.

I want to talk about the Budget's effect on women. In 1995, the Government signed up to the Platform for Action at the fourth world conference on women in Beijing. Much of what they signed up to was directly

[Ms Eagle]

contradicted by their actions in the Budget. Sadly, they have done it again this year. One of the things hoped at the conference was that there would be gender assessment of Budgets and other Government policies to enable us to look more closely at the differential effects of them on men and women. It is impossible to assess the direct impact on women because the Government have failed to publish such a gender impact study and—

Mr. Geoffrey Clifton-Brown (Cirencester and Tewkesbury): Will the hon. Lady give way?

Ms Eagle: No, I do not have much time left and want to carry on.

Australia, Canada and South Africa all publish such studies. Why does not the United Kingdom? Such studies are an essential initial tool in the struggle to analyse the differential impact of fiscal policy and the structure of the benefits system on men and women. At the moment, there is a myth in the Treasury that there is an equal effect on people regardless of gender. Of course, that is not true; it is complete nonsense, as the Fawcett Society and the Women's Budget group continue to point out.

Although it was nice that the Chancellor mentioned women in his 75-minute Budget speech, there was only one such mention, and that was to announce a petty and vindictive measure that will drive close to 1 million women of working age further into poverty.

Mr. Clifton-Brown: Will the hon. Lady give way?

Ms Eagle: No, I am not giving way.

The freezing and the subsequent abolition of allowances for lone parents picks them out as this Budget's scapegoat, as they were last year. The plan to phase out the lone-parent premium, which is worth £5.20 a week, and lone-parent child benefit, which would be worth £6.30 a week by 1998, hits hardest the poorest members of society who are of working age.

Lady Olga Maitland: Will the hon. Lady give way?

Ms Eagle: No, I will not give way.

The abolition of the allowances saves a mere £290 million a year, yet, as the Women's Budget group pointed out, the percentage of lone parents living in poverty has risen from 19 per cent. in 1979 to 59 per cent. today.

It is a myth that there are no extra costs to bringing up children alone. We all know that there are. As the hon. Member for Rochdale (Ms Lynne) said, the Government's Green Paper on reform of social security in 1985 stated that one-parent benefit would continue

"as a contribution to the additional costs faced by lone parents in bringing up children alone."

Those additional costs have not disappeared, and there are many more women bringing up children alone today than there were when that Green Paper was published. The Government simply have not done nearly enough to help lone parents. Instead, they have punished them in two Budgets on the trot and given no justification for driving them into serious hardship.

The average weekly income of a one-parent family is £134, which is 38 per cent. of that of a two-parent family, which stands at £340 per week. Why on earth did the Government in the Budget take away the small amount of help that has allowed many women to stay above the bread line? It is particularly insulting that the Chancellor chose to present the punitive measure as an equalisation measure. In fact, it was a quite unprecedented attack on many women who are doing their best to raise children in very difficult circumstances.

We should remember when we consider such punitive measures that driving single parents into ever more extreme poverty merely impoverishes the next generation. Many of our children are living in poor conditions and are having to try to grow up in them. The Government argue that current benefit arrangements encourage family breakdown. That is absurd and insulting. Why should we punish today's children? We must do our best to support them and ensure that they turn into decent, productive members of our society, which I am glad to say the vast majority of them do.

Very few of the 1.6 million lone-parent families match the caricature of the teenage, unmarried mother that the Conservative party insists on touting. The vast majority of lone women did not start out that way and never intended to end up that way. They are divorced, abandoned or widowed, and it is our duty in this House when we consider Budget measures to think very carefully about the message that we are sending to those women. We should think about the fact that we are willing, as a House of Commons, where so far only 9 per cent. of Members are women, to drive lone women into ever more serious poverty.

We must help lone parents by allowing them to work. That means providing affordable, high-quality child care, a policy which will quickly pay for itself. It means training and education to equip them for the labour market. Many women have been away a long time from the labour market and need to be reintroduced to it in a sensible and practical way. Helping them means welfare-to-work measures to encourage them to go out to work. Yet, what is in the Budget—a £56 million cut in the nursery education budget, a £34 million cut in the training and enterprise councils' training budget and a £20 million cut in capital spending on higher education?

The Budget is not a Budget for women; it is not a Budget for children or the poor; it is not a Budget for fairness; it is not a Budget to prepare this country for the future; it is a last-gasp Budget of a bankrupt Government.

7.37 pm

Mr. David Evennett (Erith and Crayford): I am very pleased to be able to participate in this part of the Budget debate. I do not want to follow the negativism of the hon. Member for Wallasey (Ms Eagle), whose speech was very like that of her hon. Friend the Member for Peckham (Ms Harman)—a lot of waffle but not a lot of distinct, definite and different policies. Nor do I want to follow the hon. Member for Rochdale (Ms Lynne), who is about to leave the Chamber, although to her credit she did want to spend, spend, spend and she put forward some policies. Unfortunately, we on the Conservative Benches could not support them because they would involve increasing taxation.

Mr. James Cran (Beverley): She was honest.

Mr. Evennett: At least, as my hon. Friend says, she was honest, unlike the Opposition, who have not been honest in the course of debate this week about what they would do. There has been much rhetoric and waffle but not many costed policies, ideas or definite proposals. I know that the electorate will take that into account when they make their judgment.

The Budget is one that I strongly support and endorse and it will be warmly welcomed in my borough of Bexley. It is a Budget for prosperity and, in particular, the long-term prosperity of people in London and across the rest of the country. It is a moderate and balanced Budget, in both fiscal and monetary terms, and I welcome that. The fact that the Government are back to a tax-cutting agenda will be received as good news across the country. The majority of people in my constituency, and in the constituencies of my hon. Friends, want lower taxes. They know that Labour—should a Labour Government be elected, which we do not believe will happen—will be a high-taxing party. It always puts up taxes when in government. It believes in higher public expenditure and higher taxation.

People in my constituency work hard, pay their taxes and save for the future and they would not trust Labour in power. They share the Conservative agenda that was reaffirmed by my right hon. and learned Friend the Chancellor of the Exchequer on Tuesday afternoon. They know only too well that the Government have no money of their own, only what they take from taxing those who work or who have savings invested. Of course, the people want good public services. We are all in politics to provide good public services for all our citizens. We want a good education system, a good national health service and an effective and well-equipped police force.

My constituents will be delighted, therefore, by the increased expenditure that the Chancellor announced, especially the real increase in resources for the NHS. They want more money to pay for medical treatment for those in need. They want good health provision, free at the point of delivery. The Government have delivered on the health service. The Government have pledged more money every year above the rate of inflation and they have delivered that. They propose, over the next five years, to continue to increase resources for the NHS.

What do the Opposition say? They say nothing. They do not match our commitment, nor do they come up with any other figures for what they would spend on the NHS. My hon. Friends and, I believe, the majority of people welcome the Government's spending priorities. They will also approve the reduction of 1p in the basic rate of income tax to 23p and will strongly support the increase in personal allowances that my right hon. and learned Friend unveiled on Tuesday afternoon.

I wish to record my thanks to the Chancellor for listening to the many representations from my hon. Friends about increasing the married couple's allowance by the level of inflation. At long last, our party, which has always been the party of the family, has made a start in redressing the way in which the tax and benefit system has discriminated against married people with children. The increase is a small step, but it is in the right direction and will be welcomed. We look forward to the next Conservative Budget in a year's time when perhaps more will be done on that front.

Before my comments on the benefit system, I wish to endorse what my hon. Friend the Member for Colchester, North (Mr. Jenkin) said about inflation. Inflation is a great evil. It destroys people's savings and it destroys jobs. We must be tough on inflation and my right hon. and learned Friend endorsed that in his Budget. We know that there are inflationary pressures in the system , as my hon. Friend mentioned, and I welcome my right hon. and learned Friend the Chancellor saying that he will take whatever measures are necessary and prudent to ensure that we do not return, ever again under a Conservative Government, to high inflation.

I welcome what my right hon. Friend the Secretary of State for Social Security said this afternoon about the benefit system and its place in public expenditure. In the country, and certainly in my constituency, there is much unhappiness and disquiet about the benefit system. The perception is that it is unfair. Does the money go to those really in need? Is the huge benefits bill of £93 billion too much? Can we afford it? Should we be spending that much money on benefits? How is it that hard-working people in my constituency and elsewhere are often no better off by being in work than many who do not work?

We have falling unemployment levels nationally and locally in London. In particular, unemployment has fallen by more than 20 per cent. in Erith and Crayford since the last general election and by 34 per cent. in the neighbouring constituency of Bexleyheath. That is a real achievement. It is very welcome to see people getting back into jobs, because that is what we passionately and desperately want. We want well-trained workers who are able to take new jobs when they unfortunately lose their old jobs. Why then does the social security budget continue to rise? That is the question that my constituents ask when they raise their serious concerns about the social security budget with me.

I wish to put on record my praise and strong support for my right hon. Friend the Secretary of State for Social Security for the reforms of the past few years. In particular, I support his crackdown on waste and fraud in the benefit system. My constituents welcome that approach and they also welcome the measures that are proposed for further improvements in the system. Those improvements will not only crack down on fraud and abuse, but will make the system more efficient and effective, so that it provides, for those who need the benefit system, a first-rate service.

We welcome too the reduction in the overall growth of social security expenditure. It will be $1\frac{1}{2}$ per cent. instead of around the 4 per cent. it would have been if my right hon. Friend the Secretary of State had not imposed his reforms. Therefore, we have a social security budget that is targeted on those in real need and that is doing the job that it was set up to do. The Opposition seem only to want to spend more and more money and to distribute benefits universally, rather than targeting them. We Conservatives passionately believe in targeting.

Labour does not really have a policy on benefits, just as it does not have a policy on tax or public expenditure. If it does have any policies, we look forward to the hon. Member for North Warwickshire (Mr. O'Brien), when he winds up, giving us some information about what he and his party will do. His party is negative and critical and it will not put flesh on the bones of its policies. The electorate will not be fooled and, when the election comes, they will look carefully at what the Government have done on tax and benefits and what the Opposition

[Mr. Evennett]

say they might do. I think that they will vote for the policies that have been so well thought through and implemented.

Mr. Mike O'Brien *rose—*

Mr. Evennett: Ah, the hon. Gentleman is going to give us some information.

Mr. O'Brien: It is annoying me that the hon. Gentleman says that we have policies to spend lots of money and also says that we have no policies. That sort of argument is intellectually idle. If he can say what he is charging us with, I can answer him.

Mr. Evennett: The hon. Gentleman has fallen straight into the trap. The Opposition say that of course they will spend more, because we are not spending enough on health, education or whatever, but on the other hand they say that they will make no spending commitments. He has answered his question, because he has not given us the answers. He is riding two horses in different directions and hoping that the electorate will not notice. I notice that the hon. Gentleman is grinning—

Sir Terence Higgins: For the cameras.

Mr. Evennett: The television cameras should perhaps show the hon. Gentleman. He knows that he cannot ride two horses, as do all the Opposition Front Benchers. They cannot and will not get away with that because the electorate will see through it.

I strongly support the commitment by my right hon. Friend the Secretary of State for Social Security to improve the social security system and to ensure that the Government's commitments—to pensioners and the people in need, who need benefits—are kept.

We believe in the uprating of pensions and in increasing benefits for those who are really in need, and the taxation and benefit policies that the Government have set out will be beneficial to those in real need. The jobseeker's allowance has been necessary, and it is effective. The housing and council tax benefit reforms proposed will mean more effective use of the money that is available to spend on the system.

Many people who come to my constituency surgeries need benefits but do not get them. Yet we know that many people work in the black economy and get benefit when they should not. The reforms are part of a comprehensive package to make the system more efficient and effective, so that it targets those in need.

I was amazed by the statistics given by the Department of Social Security, which show that 300,000 more people were receiving housing benefit in 1995 than were receiving it in 1991. I strongly question that staggering figure.

I believe that the benefit and tax systems that the Budget and the public expenditure round are producing are good. I have always believed that tax and benefits should help married people rather than discriminate against them. Of course, no Conservative Member wants people in real want not to get the benefits that they need, or the training that they need to get back into employment and become part of a working society.

I believe that when they lose their jobs, most people, including most people with young families, want to get back to work. Of course they do, and we must help them. What we have heard this week represents a move towards helping them even more.

There must be a fair and reasonable Budget and public expenditure round. I believe—and in the spring the electorate will endorse my belief—that we have a credible economic policy, a distinctive policy that has been successful. The Opposition do not like success, because it stops them trailing round misery and failure, as they like to do.

We now have an effective and efficient benefit system to help those in need, simplification of the administration of the system, and lower taxes. That is the way forward, the way that this country needs to go to maintain economic prosperity, and the way that the people of this country want us to go. I strongly commend the Budget.

7.51 pm

Mrs. Maria Fyfe (Glasgow, Maryhill): I have been listening carefully to the contributions by Conservative Members, and much of what they have said has had no relevance whatever to social security upratings. In the few relevant comments that they have made they merely complained about the cost. We have heard the ritual expressions of sympathy with people in need, yet there is a total refusal to accept the fact that the decisions being made by the Government are throwing people who are already poor into greater poverty.

The hon. Member for Luton, South (Sir G. Bright) talked about respiratory problems. I agree that some such problems are related to transport in our cities, but the hon. Gentleman failed to mention that many children suffer respiratory problems because they live in housing that is damp and cold, and their parents do not have enough money to heat it.

The Secretary of State said that the new measures would save £6 billion. I would like to know how much of that money will be taken from the purses of single mothers—or more accurately, from the mouths of their children. There are 1.5 million lone-parent families in Great Britain, and 47 per cent. of them live on less than £100 per week, which only 4 per cent. of married couples have to do.

That statistic answers a point that has been made by several Conservative Members. Only 4 per cent. of married couples have to live on such a low income. Of course those people should be assisted, but that is no reason for failing to help the 47 per cent. of lone-parent families who live on less than £100 a week.

We know that 71 per cent. of lone mothers are dependent on benefits, and that six out of 10 children in lone-parent families are being brought up in poverty. One-parent families account for almost one quarter of all families in Scotland. The average weekly income of one-parent families is only 36 per cent.—not much more than one third—of the average income of two-parent families.

In Scotland, 75 per cent. of lone parents claim income support, and 38 per cent of children—440,000 of them—live below the poverty line. Yet the Government are now making an already bad situation worse for such families.

Only 41 per cent. of lone mothers in Britain work, and in Scotland the figure is only 30 per cent. It has already been pointed out that in France the figure is 82 per cent., and in Sweden 70 per cent. The Secretary of State said that that was because of recent big increases in the number of lone parents in Britain, which meant that younger children were involved. However, he did not respond to my hon. Friend the Member for Peckham (Ms Harman) when she pointed out that the figures showed that there were jobs in France for lone parents to take.

Surveys have shown that 90 per cent. of lone mothers want to work, but they need ways in which to move off benefit and into work, not punishment for being on benefit.

Lady Olga Maitland: Will the hon. Lady give way?

Mrs. Fyfe: No, I will not. If the hon. Lady's hon. Friends had not gone on at such great length making irrelevant speeches that had nothing to do with social security, I would have given way. But my time is limited and I intend to say what I have to say. If, and only if, I have time at the end of my speech I shall give way.

Single mothers need not punishment but help to get off benefits and into work. Yet the Government are making it harder for them to do that. For example, they have cut local authorities' budgets and made it harder for them to provide child care through voluntary schemes and other such projects with local authority and urban aid funding.

The Secretary of State said that it would be unfair to pay extra benefits to lone parents because the only extra expenses that they had were the costs of child care. That comment could come only from a comfortably-off Member of Parliament who is male and does not know much about running a household or looking after children.

I wonder whether the right hon. Gentleman has any idea of what it is like to live on a low income—for example, when two or more children need shoes, but the parent has to spread her budget so thinly that she has only enough money to buy one pair of shoes at a time. Does he know what it is like to have to traipse in the wind and rain with children perhaps with a pram or pushchair to the shops with the lowest prices?

In general, Members of Parliament escape their fair share of family responsibilities. That is a bad enough state of affairs even when the family has the good income that Members of Parliament receive. But when a family consists of one parent living on an extremely low income, that parent has all the responsibility on her shoulders. Conservative Members show no sympathy for or understanding of the kind of problems that those people face.

The Secretary of State talked about the introduction of help with child care costs through family credit. However, as One Parent Families Scotland has pointed out, that help—an earnings disregard of £42 a week for single parents who work—has failed. Fewer than 2 per cent. of lone parents have taken it up to help them to return to work.

That is not because lone parents are workshy, but because of the severe limitations that affect the usefulness of the disregard. If the family is on maximum family credit the disregard does not apply, only one child counts, and it stops when the child is 11. The scheme has helped only a fraction of those whom the Government claimed that it would help.

We are supposed to be discussing social security cuts tonight, although Conservative Members have talked about every Budget-related subject under the sun except that subject. One-parent benefit, which is worth £6.30 a week, and lone-parent premium, which is worth £5.20 a week, are to be cut.

There will also be a cut in the child allowances paid with means-tested benefits, because the increases due when children reach 11 and 16 years of age will not now be paid until the September following the child's birthday. That is another mean little cut.

We have already discussed the housing benefit cuts. In addition to all the other cuts, the Child Support Agency benefit penalty for non-co-operation has now risen to £19.16 a week. Moreover, it will last for three years and will be renewable.

Such cuts will lead to a massive reduction in the income available to spend on food for children. Earlier today the House discussed the outbreak of a strain of E. coli in Lanarkshire. Poverty is relevant to that matter, because when a family has an extremely low income any money spent on food has to be stretched thinly. It is more of a disaster if one is on a low income to be told that some of the food one has bought is unusable. Yet nothing is being done to help those people overcome that problem. A mother has told me that she lived on nothing but bread, margarine and tea for a weekend last winter to ensure that her children were adequately fed, and I can only imagine that that mother's current winter will be worse.

Lone parents are being attacked for being lone parents, but the Government cannot starve women back into failed marriages. No one will break up a happy marriage for the delights of living on the lone parent benefit, but if a marriage is at an end and it is impossible for the couple to continue, the Government will not succeed in starving them back into it. This policy is supposedly about sustaining families, but the Government seem to be trying to force women back into marriages that should be broken up. Lone parents are as dedicated as two parents to creating a warm, loving and morally responsible home, and are no worse and no better than married parents in that respect. They vary, and most of them are extremely capable and worthwhile mothers. But they carry a double responsibility, and that is why these benefits ought to help them.

Thankfully, the Government are going, and going soon. The right hon. Member for Worthing (Sir T. Higgins) referred earlier to his "final, final, final" speeches, and compared himself to Frank Sinatra. Let me remind him that a popular hit of Frank Sinatra refers to "the final curtain", and that is what is coming down on this Government. The next Parliament will include more women Members of Parliament—largely on the Labour side—who will have experience of motherhood and of lone motherhood. When that happens, decisions made in this House are likely to be saner.

8.1 pm

Mr. James Cran (Beverley): Before referring to the details of the Budget, I wish to say—in as non-partisan a way as I can—that I was rather disappointed by the speech of the hon. Member for Peckham (Ms Harman). I am not complaining about the fact that she made a vigorous speech, which she did, because the differences between the Opposition and the Government are sharp on the

[Mr. James Cran]

subject of social security, but she presented us with one of the most exaggerated cases that I have heard for a long time. I jotted down some of her words and phrases, such as "fractured society" and "breadline". She suggested that the Secretary of State is in the pocket of somebody. Many of us will look carefully at *Hansard* tomorrow to study that particular allegation, and the exaggeration of her case did not elevate her contribution to the debate in any way.

I strongly support the Budget, as I did last year's Budget. I was correct to do so then, Mr. Deputy Speaker, was I not? There were no giveaways in the Budget, despite all the speculation beforehand—particularly by the Opposition. It was a sensible Budget. There were tax cuts, but in no way, shape or form were they excessive. There were cuts in public spending and, my goodness, we needed them. We need more of them and, following this Budget, we will get them; but at the same time there was more money for the priority services such as the NHS, education and crime, as my hon. Friends—particularly my hon. Friend the Member for Erith and Crayford (Mr. Evennett)—have already mentioned.

All this, and inflation is under control. For me, that is a winning combination. This is the fifth year of economic growth, as was recognised by Opposition Members on Budget day. Opposition Back Benchers sat there with poker faces all afternoon. We heard nothing at all from them. That suggested a great deal. It would be expected that I would not think much of the speech of the Leader of the Opposition, but I have to say that it was very vigorous. However, the Leader of the Liberal Democrats, the right hon. Member for Yeovil (Mr. Ashdown)—who, presumably, is more impartial than me—called it an "attacking speech without content." That was absolutely right.

The Labour party is touchy and evasive about details, as my hon. Friends have exposed precisely this evening. In fact, Labour has no details of its economic policy. We were told that we would get the details of Labour's spending plans just after the Budget. Now, I understand that that announcement has been postponed until January next year. I venture to suggest that we will hear nothing about what Labour would spend in the unlikely event of its getting into government. An economic health warning is needed on the front of Labour's economic policy, and the electorate must beware.

The electorate are clearly alarmed already. I received a letter from the chief executive of Yorkshire Electricity, Malcolm Chatwin, on the windfall tax, about which we have heard one or two rather facile observations from Opposition Members. Opposition Members obviously have not received a similar letter—or are they just not quoting from it? Mr. Chatwin said that, for his company, the windfall tax would

"undermine our ability to sustain the current level of investment",

which seems very serious to me,

"increase prices to our customers in the longer term . . . reduce the dividend income for our shareholders"—

but the Opposition do not mind that—and

"reduce pensioners' income as many of our large shareholders are pension funds."

That is a fairly major privatised utility telling us what would happen if we were to have a windfall tax.

Industrialists are not the only ones who are concerned. A number of my constituents have sent me Inland Revenue leaflet FAI 1979. I was sent it because leopards do not change their spots; Labour Members are taxers by nature and, just as they did it before, they will do it again. The leaflet sets out the 12 tax bands that the last Labour Government used to leach money out of other people's pockets—25 per cent., 30 per cent., 33 per cent., 40 per cent., 45 per cent., 50 per cent., 55 per cent., 60 per cent., 65 per cent., 70 per cent., 75 per cent. and 83 per cent. If Labour regains power, it will have as many different bands as it can get into the system to get as much money as possible out of electors' pockets. Frankly, Labour cannot help it.

On the back of the leaflet is the Labour party's old friend, the investment income surcharge. The Opposition do not like investment income—they did not then and they do not now. At that time, there was a 15 per cent. surcharge, and I would bet a lot of money—and I am a canny Scotsman—that that will be repeated next time, if there is a next time. An industrialist from Yorkshire Electricity and many of my constituents are becoming alarmed.

The Chancellor's decisions delighted me, as they did last year. First, I welcome—as did my hon. Friend the Member for Erith and Crayford—the 1p cut in the standard rate. It was not meant to be dramatic; it is a stage in the plan to reduce the rate to 20p in the pound. If I had my way, it would be somewhat lower. My right hon. and learned Friend was correct not to go the whole way and reduce tax by 2p, and he was absolutely correct to raise personal allowances and to widen the 20p band. He was also right to raise the threshold for 40 per cent. taxpayers—a much-misunderstood bunch of people who are currently being pursued by the Inland Revenue for more revenue.

I am also pleased about the movement on inheritance tax. It is, as I said last year, a shameful tax. Every year, the capital earned interest, it paid tax, and then the Chancellor gets the last cut out of it when the individual dies. I have never understood it, and I am delighted that the Prime Minister made the commitment that he did. It would be niggardly of me to say that I did not think that the Chancellor moved far enough this year; I must be grateful that there has been a considerable move over two years.

There are two prerequisites to cutting tax. The first is that a Government should spend less. In my view, all Governments spend too much, although Labour Governments spend a great deal more than Conservative ones. They try to do everything, and bend to every demand so that spending programmes grow like Topsy. That said, the Government must be commended not only for what they have done up to now to cut public expenditure, but for their commitment to cut it by £7 billion over the next three years.

I believe that it was my right hon. Friend the Chief Secretary who said on television about a year ago that public expenditure should be 40 per cent. or less of national income. That warmed my heart, and I was absolutely delighted to hear the Chancellor recommitting the Government to that aim. My right hon. Friend will understand when I say, "More effort, please" on the spending front. I dislike extending the tax base, because it merely encourages spending Ministers; with more money

around, we get more public expenditure. I therefore say to my right hon. Friend, "Eight out of 10 up to now, but could do better."

The second prerequisite is control of borrowing. The trend has been downward for the past three years, and it has halved as a proportion of gross domestic product, but it will still be £26.5 billion this year and £19 billion next year. I cannot wait for the year 1999-2000 when, I am delighted to say, we will be in balance and will have eliminated that, in my view, excessive borrowing. If I may again address my remarks directly to my right hon. Friend the Chief Secretary, I merely say, "No slippage, please." That is what Conservative Members want.

My right hon. and learned Friend the Chancellor said that the Maastricht debt or deficit criteria would be met in 1997. That is marvellous, not because it will lead us to a single currency, but simply because it is good housekeeping. I commend the Chancellor, because he framed the Budget for British national self-interest. National self-interest did not die with Parliament's acceptance of the Maastricht treaty, and it did not die yesterday evening at 6.30; it is the concept that should govern the formulation of policy in this country. I want no repetition here of what is happening in France, whose economy is being skewed to reach a single currency, or in Italy, which is attempting to get into the exchange rate mechanism, which I have never liked.

Consideration of the single currency is best left until after the general election. Although I thought that the controversy over the stability pact, which spilled over into the Chamber, could have been better timed, I entirely agreed with what my right hon. and hon. Friends said about the pact's desirability or otherwise.

There is no ambiguity about my position on a single currency. I do not have to wait to take a decision: I am root and branch opposed to it for many economic reasons that I shall outline on another occasion, if I am called—which is not easy these days. For me, it is also a constitutional issue. If the single currency ever sees the light of day here, my response will be no surprise.

We cannot spend on everything, and it is clear that pennies are dropping in Treasuries throughout the globe. The Chancellor was absolutely correct to prioritise spending on health, crime and education. That will be welcomed in my constituency. On health, a problem is developing about emergency cases, which are increasing dramatically.

East Riding health authority wrote to me as follows:

"The main cause is the growth in activity and cost arising from an increase in the number of emergency cases which, if they continue as at present, will exceed the contracted level by a further 7 per cent., over and above the 7 per cent. increase last year. This compares with a national growth of 10 per cent. over 5 years."

We therefore have a problem, so I am delighted that the Chancellor is making available additional resources—£1.6 billion next year, I believe—for the national health service.

Perhaps I should say this not to the Chief Secretary but to someone else, but as he is here, I hope that he will hear me when I say that we in the East Riding need our slice of that £1.6 billion and that I shall be knocking on an awful lot of doors to get it. Of course, if the money were not there, I would have no opportunity to ask for my slice. I am delighted that I shall be able to ask for it.

I am a fan of the private finance initiative, particularly in relation to the NHS. How could I be otherwise? There is no question about the value of yet another innovation by the Government. It is clearly working for Norfolk and Norwich, and the Chancellor spoke about the £200 million hospital that would be built, but we are not doing quite so well in East Riding.

Two schemes with a local hospital trust are bogged down because additional information is required, there have been rule changes throughout the period of discussion, and no decisions have been taken. One of the schemes has been on hold for a year, so I wish that the Chief Secretary would kick someone somewhere to make them understand that interest will be lost in the smaller schemes if we cannot learn quickly—I accept that we are on a learning curve—and get reasonably quick decisions.

I was also extremely pleased about the £50 million—I believe that that is the figure—for more capital spending on education. We have a problem in East Riding because of the poor fabric of some schools, and far too many temporary classrooms. I am almost tempted to say that more than £50 million is needed, but my logic prevents me from doing that, as I have been saying throughout my speech that we should cut spending, so I shall not fall into that trap, but merely ask for my slice.

Our economic policy is clearly working: the previous Budget worked, and this one is working. On 6 November 1996, that wonderful chronicle, the *Hull Daily Mail*, carried the headline, "Bouncing back from recession". It is a bit late, but a good headline none the less. The article says:

"Business in the area is bouncing back from recession, according to a key economic survey.

But while sales and orders continue to increase, the partners behind the report warn against overconfidence."

My goodness gracious me, when last did we have to be warned against over-confidence, especially in east Yorkshire? The senior partner of Price Waterhouse, who compiled the report, welcomed

"what he sees as evidence of long-term recovery."

If the Opposition heard that from the Chief Secretary or the Chancellor, they might be entitled not to believe it, but it came from an impartial witness. He, I and my constituents can see the recovery. My constituents are beginning to communicate the feel-good factor to me. I say well done to the Chief Secretary and the Chancellor. I give them nine out of 10; I am improving their score. We need more of the same in the next Budget.

8.20 pm

Mr. Alan Howarth (Stratford–on–Avon): The Budget is imprudent, implausible and unjust. It is imprudent in that the Chancellor has poured fuel on the flames by adding direct personal tax cuts to a consumer boom that is running ahead powerfully and with the money supply running way beyond where it should be. We are back, tragically, to the pattern of boom and bust. The Chancellor says that he is staying ahead of the game, but the game will catch up with him. The interesting political question is whether it will do so before or after next April. Assuredly, it will before long, and that will be painful not only for the Conservative party but for the country.

It is especially regrettable that the Budget does not provide for the investment that we need—perhaps above all in education. There is no more important investment

[Mr. Alan Howarth]

that we can make, both for people's individual opportunities and for our economic competitiveness. The increase in spending that the Government countenance for local education authorities amounts to less than the authorities are spending now.

It is especially sad that the Government have not responded more adequately to the crisis in the universities. They have given some extra resources to the universities and, to that extent, the decisions in the Budget are welcome. Our universities are among our greatest assets and the staff who research and teach in them have well-nigh achieved miracles in maintaining standards against the squeeze in their resources. We all look forward to the recommendations of Sir Ron Dearing; there is no one wiser or more widely respected in the field than he. However, the crisis is urgent and the Government should have done more to enable our universities to improve their obsolescent laboratories and anachronistic libraries.

The cuts in training are also foolish. The Government justify them on the grounds that the unemployment count is falling. The count of the long-term unemployed has not been falling. It is not sensible to add to the planned cuts in training for work or to divert money to project work, the only proven effect of which is to take people off the unemployment register. That is attractive to the Government but there is no evidence that the scheme gets more people into work.

The Budget neglects the interests of the poorest in society. We were all pleased that the widening gap between rich and poor in Britain had stopped widening; that, according to recent figures, the trend of so many years seemed to have been halted. It is as if the Government are now determined that that baleful trend should be resumed. They have lifted the threshold for the higher rate of personal taxation by £600 but widened the band for the lower rate by only £200. The richest 10 per cent. will enjoy a third of the tax cuts; the poorest, less than 10 per cent. of them. People who are earning too little to pay income tax will suffer from the increases in indirect taxation. Unemployed couples will be worse off. The fiscal tightening of the overall Budget judgment will lead to job losses, not least in the construction industry.

As chair of the all-party parliamentary group on charities and the voluntary sector, I am disappointed that the Chancellor has not seen fit to recompense charities for the £13 million loss caused by the 1p reduction in the basic rate and the additional costs of petrol and diesel. The Government do not take a coherent view of the role of charities in social provision, nor of their responsibility to charities. They only ask charities endlessly to do more. With the higher unemployment and the cuts in local authority and training and enterprise council budgets that will flow from the Budget, the work load of charities will increase yet again. Charities appreciate the concession that will enable their trading subsidiaries to gain early tax relief from covenanting profits to the parent charity but how regrettable that the Treasury has again not found it possible to do anything to compensate them for the £1 million a day that service-delivering charities pay in irrecoverable VAT.

Earlier this year, we debated the freeze on one parent benefit and lone parent premium that the Government introduced in the previous Budget and have repeated in this one. I will not dwell on that, therefore, especially as my hon. Friend the Member for Glasgow, Maryhill (Mrs. Fyfe) spoke with equal passion and knowledge about the sad problems that that policy will induce. Conservative Members asked why lone parents should receive larger benefits than do couples with children. It is because it is not appropriate to consider benefits in isolation. We should consider people's overall income position. If we take proper account of the poverty in which so many lone parents and their children live, it is plainly right that lone parents should have higher benefits. It is wrong and foolish to pursue the Government's policy towards lone parent families.

The new rules on benefit claims and the limits on backdating and reviews will prevent many claimants from getting the benefits that they should have. The benefits system is nothing if not highly complex and difficult for claimants to understand. The Government have abolished the freeline that helped 750,000 people each year. It will now be yet harder for people to make their claims fully and accurately in the time required.

The Secretary of State defended the policy of extending the waiting time for jobseeker's allowance to seven days. I think that he said that there were waiting days under unemployment benefit. It is also true—he will correct me if I am wrong—that there were no waiting days for income support paid to the unemployed. In his press release, he vaguely and lamely said:

"many people receive some sort of final payment which will cover them for the first week."

How many? He should not introduce the policy without knowing the proportion of people so fortunate. People who lose part-time or casual jobs, who are laid off or who have worked out a period of notice, will lose a full week's jobseeker's allowance, which may be worth well over £100. That will cause them severe difficulty. As the jobseeker's allowance is paid two weeks in arrears, many people will receive no income for three whole weeks. That is wrong.

The cuts in the housing programme are probably the largest proportionate cuts ever to social housing provision. It is peculiar that, in a week in which the Secretary of State for the Environment told the House that England will have 4.4 million more households by 2016, there should be drastic reductions in the public funds allocated to housing provision. Shelter has estimated that of the 4.4 million households, 2.5 million will need low-cost rented housing, but it will not be there.

The measures will be devastating for homeless people. The Government defended their policy in the debates on the Housing Act 1996, which is to be implemented on 20 January, by saying that homeless people would be at no significant disadvantage; the majority of them would reach the top of the list in two years. I fear that the cut in housing provision will make their promises look very hollow. If that policy seems deeply misguided, the further cuts in housing benefit are yet more distressing.

I understand that the Government simply cannot accept an endless explosion in the cost of housing benefit, but rent control through impoverishing tenants is no way to address the problem. By cutting out the support for half the difference between average and actual rent, the Secretary of State will seriously impoverish significant numbers of people. Many people already top up the cost of their rent from their low pay, jobseeker's allowance or income support. Income support is not even set at a decent subsistence level and should not have to be used to pay the rent.

The Government have decided that single people aged between 25 and 60 should, like people under 25, be systematically disadvantaged, if not stigmatised—and all for the sake of £100 million. Single people already face great difficulties in the search for housing. They are on an endless waiting list if they hope to get public authority housing. The priorities of housing associations have naturally had to be to attend to those to whom they have statutory obligations, mainly families with dependent children and pensioners. Houses that are designed and intended for single people may well go to a lone parent with a young child.

Of the 4.4 million new households, we have to expect some 80 per cent., as the Government note, to be single people. The Government argue that they should not endorse that, but it is not right to punish single people and perhaps particularly those who are separated or divorced.

The Secretary of State has said that people on housing benefit will have the choice of paying from their own income for more expensive accommodation, trying to negotiate their rent down, or moving into a home that they and the taxpayer can afford. The Secretary of State has departed from the real world in making those suggestions. The Rowntree new index of private rents shows that in the second quarter of 1996 the average rent in Britain for a self-contained, one-bedroom flat was £87 for a furnished flat and £80 for an unfurnished flat, whereas the average rent for one room in a shared house was £47. That makes a difference of £40 for furnished accommodation. There can be no question of tenants negotiating their rent down by £40 or anything remotely like it.

In any case, single people will not be able to find that accommodation. There are probably five times as many young people under 25 as there are single rooms available in the rented market. It is a landlord's market and it is particularly so, as I know from my constituency in south Warwickshire, in rural areas, where there simply are not single rooms to be found for rent. My observation is endorsed by the recently published research by the Country Landowners Association and the Joseph Rowntree Foundation. In any case, landlords often do not wish to let to tenants on housing benefit. As the Department of the Environment's survey "Private Landlords in England" told us three months ago, some 53 per cent. of landlords prefer not to let to tenants on housing benefit.

I hope that the Government will consider how people will be affected in practice. It will be bad enough as it is for people under 25 but for people over that age who for a large part of their adult life, perhaps 35 years, are trying to make a home and live a settled life, this is a cruel policy. Consider the interaction of the policy with labour market conditions. There are more and more temporary and insecure jobs in our economy. If people take a job that does not work out and lose the job, they will lose housing benefit at the old rate and lose their home. If single people, conscious of that hazard, do not take the job, they will forfeit JSA. That might be described as Lilley's fork.

If someone has to move to smaller accommodation, will they be required to sell their furniture? I know that Ministers do not wish to be unkind, but they have been unimaginative in making the proposals. Consider the position of people—unhappily, numerous and becoming more numerous in our society—who are separated or divorced. Many people divorce when their children have grown up. One partner loses the married home. The other may find herself unable to keep up with the mortgage. That is already an unhappy situation. The parents are trying to maintain a relationship with their children and to provide somewhere decent, private and stable which their children can visit and where they can stay. Why should such people be pressurised into living in shared accommodation?

Let us consider the thousands of single women who work in the caring professions such as nursing or residential care. They have been content to accept earnings that never gave them any prospect of buying their own home. Do they deserve from us the indignity and distress of being required to move into shared accommodation? Think of the loss of self-esteem for them. Their home has been their haven, and having their private home has perhaps been the condition of their ability to make and sustain relationships.

Consider—this is not a fanciful or sensational suggestion—the predicament of a single woman pressurised by her landlord to offer sexual favours in lieu of rent that she is unable to afford. Consider the position of disabled people who are not so severely disabled as to qualify for incapacity benefits but are not fit enough to fulfil the availability for work and actively seeking work conditions of JSA. With reduced housing benefit, they are now, in addition to their other problems, to lose their home, privacy, dignity and hope.

The policy will drive people into houses in multiple occupation. In 1985, the Department of the Environment conducted a survey which found that 85 per cent. of HMOs were unsatisfactory, in poor condition and perhaps unsafe. There is no reason to suppose that the situation has significantly improved since that time. The Government refused to meet the pleas of voluntary organisations and the Labour party to accept an amendment to the Housing Bill this year to introduce a mandatory licensing scheme for HMOs.

Why should poor people be driven to share with strangers while the wealthy enjoy greater tax cuts, with the promise from the Conservative party to abolish inheritance tax and capital gains tax? The Conservative party makes much of the importance of home and family values, but not, it seems, for the poor. The poor do not deserve to enjoy that happiness in life. They are to be driven into ghettos of squalid, dangerous housing without privacy or stability.

It is interesting and important that the Government have embraced the principle of spend to save. They propose to spend £470 million on an additional attack on fraud and look forward to a return of five times as much as they spend. That is an interesting departure of principle. My right hon. Friend the Member for Dunfermline, East (Mr. Brown) has not, to my knowledge, countenanced in his policy making that the Labour party embrace such a principle. I should like, however, to suggest to the House that the same principle could be applied to welfare-to-work. A sum of £470 million could be spent usefully and constructively. For the same amount, thousands of claimants could be helped to move back to work.

I have tabled a number of parliamentary questions in recent months on this subject. Let me say how grateful I am to the officials who take so much trouble to do the computations.

[Mr. Alan Howarth]

Instead of removing their special benefits, some help could have been given to lone parents to overcome the barriers to employment. For only £20 million, the Secretary of State could have helped 45,000 lone parents by allowing them to earn up to £25 a week without loss of benefit. Another £10 million only could have tackled the barrier of the cost of child care by offsetting work-related child care expenses for lone parents on income support. For £150 million, the barrier faced by those leaving income support, who lose help to pay for school meals, could be ended by giving entitlement to free school meals with family credit.

Instead of restricting housing benefit, the Secretary of State could have given some constructive help to people trying to go back to work. For only £90 million, he could have helped claimants of income support and housing benefit to travel to a part-time job by offsetting travelling expenses.

Perhaps even more desirable, with half as many disabled people in work as in the general population, the Secretary of State could have considered how to help more people on incapacity benefits to try out work. He could have extended the linking rule from eight weeks to two years. His officials have estimated that that would cost little or nothing.

Mr. Lilley: Will the hon. Gentleman give way?

Mr. Howarth: I have no time. I am sorry.

Mr. Lilley: Come on.

Mr. Howarth: We are running out of time and other hon. Members are waiting to speak.

The Secretary of State could have publicised the possibility of undertaking therapeutic paid and voluntary work while receiving benefit. For just £5 million, he could have helped disabled people on income support by raising the disregard in line with earnings. For another £70 million, he could have reduced the housing benefit taper for disabled people to 50p in the pound.

The Government could have focused more resources on the types of help available from the Employment Service. For just over £14 million, Ministers could have extended the jobfinder's grant to people on incapacity benefits. By spending just £2 million, he could have helped 5,000 disabled people who are starting work to receive extended housing benefit payments.

The Secretary of State could have started to tackle the failure of disability working allowance, which is currently claimed by only one in five of those eligible for it. He could have removed the unfair exclusion from disability working allowance of certain people, just because they have a working partner. A disregard of a partner's income, which would have helped disabled women in particular, would have cost £40 million and doubled the number of current claimants. A minor but worthwhile change would have been to raise the lower savings limit, at a cost of £1 million.

That leaves £68 million with which to use the Secretary of State's piloting powers first to consider how to open access to disability working allowance by changing the qualifying benefit rules and secondly, to examine the prospects for a partial capacity allowance better to reflect the spectrum between capacity and incapacity for work.

That would have been a different approach—humane, constructive and responsible in the long term. Sadly, it is not the Government's approach, but it will, I trust, be the approach taken by a future Labour Government.

8.40 pm

Lady Olga Maitland (Sutton and Cheam): I give a warm welcome to the Budget. It was positive, balanced, calm and, above all, it reflected the healthy economy that needs to be sustained and nurtured. It was absolutely right that my right hon. and learned Friend the Chancellor should feel confident about the future, because things have been moving so powerfully in our direction.

Looking at my own experiences down in Sutton, I believe that it is significant that, in the past month alone, unemployment figures moved down by 7 per cent. Indeed, they have now reached the lowest level in five years. That reflects what has been happening nationally. Unemployment has been falling by 450 people a day. That is excellent news. We now have the lowest unemployment rate in Europe. That is a far cry from France, Spain and Germany.

More people in jobs means that more people have money to spend. When I was recently out on the doorsteps of Sutton, several people in a single morning told me, "I've just moved into my new house." The property market is on the move. People are feeling confident—they are spending money on doing up their houses and putting money out into the economy. It is interesting that prices are reflecting that confidence. Gazumping has returned and we have not seen that for a long time. Prices have now risen by between 5 per cent. and 10 per cent. I also welcome the fact that businesses are on the move. Small businesses that I saw struggling to get off the ground only four years ago are now expanding and taking on staff.

Despite all that good news, my right hon. and learned Friend the Chancellor has to be congratulated on not turning the Budget into a cheap election bid. He took no notice of the cartoon, published in *The Times* on Tuesday, which depicted a man in his pyjamas, kneeling beside his bed and saying his prayers. He said, "And please, let Mr. Clarke make a squalid, cynical bid for my vote." Despite temptation, the Chancellor made no such bid and writers for the leading newspapers had to scour their minds for suitable headlines.

On page 1 of its Budget special, *The Independent* had a banner headline, "Shockingly responsible". Another of its headlines was, "Dangerously sensible". The *Financial Times* wrote,

"A display of sturdy common sense"

and

"Clarke praised for his prudence".

Indeed, *The Independent* capped that by saying,

"Meanwhile, the economy ticks towards a boom".

Michael Brunson, the political editor of ITN, said that the Budget would "spread a warm glow".

That warm glow means the lowest direct taxes in 60 years, with the equivalent of 2p off in the pound. That will go down well with my constituents in Sutton, who are

hard-working, uncomplaining and get-on-with-it people. They will greatly appreciate the fact that the average family will be £1,100 richer next year than five years ago.

Yet, despite all that, my right hon. and learned Friend has been able to make sure that we have money available for essential services and plenty left for health. I welcome the fact that £1.6 billion has been set aside for it. I have no doubt at all that St. Helier hospital in Sutton will benefit. Schools will benefit by £875 million, which will help us in our drive to raise standards. It is absolutely appropriate that we should pay due attention to people's sense of security by giving more support to the police and the Prison Service.

My constituents appreciate the fact that small businesses will benefit, because they make up a large proportion of my local enterprises. They will undoubtedly value the fact that corporation tax is down. They will certainly appreciate the fact that business rates are being frozen and, indeed, that the VAT threshold has been increased by £1,000 to £48,000.

The big philosophical difference between ourselves and Labour—one that will never be bridged, matched or copied—is that we believe that the taxpayer should decide how he spends what he earns. We believe that hard work should be rewarded and that he should be allowed to make his own decisions. Labour Members, by contrast, feel that they know better and will make the spending decisions for him. If the taxpayer does not believe that, he should study the 89 firm spending pledges that Labour has already made which will involve increases in public spending—adding up to a whopping £30 billion or £1,200 a year more in taxation—and compare that with our commitment to reduce tax.

Last year, when I spoke in the Budget debate, I focused on the effect that that Budget would have on the family. If you will excuse me, Madam Deputy Speaker, I make no apologies for developing those themes today. As a keen supporter of the traditional family, who have, for years, felt penalised for their responsible behaviour—marrying first and being committed to one another before having children—I give a special cheer that their plight has, at last, been recognised.

It has always been iniquitous that responsible parenting, within marriage, should be given less financial support than the profligate never-marrieds whose numbers are recorded to have doubled in the five years to 1992. The never-marrieds and, indeed, other lone parents—I accept that that category includes women who are not lone by choice but who have been widowed, divorced or abandoned—have put an unacceptable pressure on the social security budget.

Ms Lynne: Will the hon. Lady give way?

Lady Olga Maitland: No, we are tight on time, otherwise I would.

The increase in total spending on lone parents leapt from £1.7 billion in 1979 to £9.4 billion in 1996—nearly half our defence expenditure. In simple terms, that adds up to about £1,500 a year on the tax of a family who are supporting their own children. I believe that the time has come to be more judgmental. The current system has been too tolerant. The current benefit system encourages lone parenthood over the traditional family with two married parents, by making the former more financially worth while.

Ms Lynne: Will the hon. Lady give way?

Lady Olga Maitland: I cannot—time is against me. Other hon. Members want to speak. I wish I could give way, but I cannot. Please forgive me.

There has certainly been no fear of the consequences on the part of lone parents, who are firm in their belief that the state should take care. That is now about to change and the changes will mark the beginning of a gradual social revolution that will pay greater regard to the traditional family and recognise the benefits that families bestow on society as a whole.

I therefore welcome the decision to end the extra £6.30 a week one-parent benefit given to nearly 1 million lone mothers who, between them, are responsible for one third of all births. That will cease to be available to any new claimant in April 1998. Likewise, at the same time, single parents claiming income support will lose the £5.20 a week premium on benefit payments, which will save the taxpayer about £270 million a year.

In future, lone parents and married couples who are also on benefit will be given even-handed treatment. That is enormously significant and it is the right way forward. I rather regret that the hon. Member for Peckham (Ms Harman) gave the impression that she did not feel that married couples should have equal treatment with lone parents. Indeed, I got the impression that she felt that they should be disadvantaged because they are taking responsibility for their own lives.

It should be noted that the timing of the ending of the benefit is significant. Seventeen months' notice is ample time for a woman to think again before she comes pregnant. The choice is hers. Nowadays, accidents do not have to happen. Unwanted pregnancies are entirely preventable, and single women who fancy the idea of having a baby should think carefully. The question that a single woman should ask herself, and, indeed, her "partner", is: "Which is more fair to the child who cannot protest about the conditions into which he is born—to be born to a mother alone in the world with no means to give him the secure upbringing that he deserves, or to be born into the home with two married and committed parents?"

I believe that the mother should focus less on her own desires and wishes and more on the needs of the child. I also believe that it is time for society to expect and demand more of fathers. This is no time to be tolerant of feckless fathers, for they have, after all, played a key role in the future of their offspring.

Study after study has shown that the life chances of a child born within marriage are considerably greater than those of a child born outside marriage. A child born and raised alone by a never-married mother or divorced parents outside the traditional family is more than likely to suffer abuse, to experience mental and physical health problems and to perform poorly at school, and is less likely as a consequence to get a job later on. There is also a greater likelihood that he or she will become involved in drugs and crime. The largely low-achieving girls are more likely to repeat the cycle and become pregnant themselves.

[Lady Olga Maitland]

It has to be said that the problem is exacerbated by creating a generation who turn to the state for help; the dependent welfare culture, encouraged thanks to the non-judgmental politically correct attitudes of the day. The swift handout, the "ask no questions" culture is, in the end, less caring than one that probes carefully and sets clear benchmarks on what is acceptable behaviour.

For the sake of our children, we have no choice but to start tackling those problems head on. By the same token, I look forward to seeing a full restoration of the married couple's allowance. I accept that there has been a modest increase in the Budget this year in line with inflation. I very much hope that when the Conservative Government introduce the Budget next year, they will improve on that. While we cannot force couples to be more loving and affectionate, one can create a climate whereby it is in their interest and that of their families to stay together.

The cost of a full married couple's allowance matching that on the continent would be offset by children growing up in a more stable home and with less likelihood or necessity to call on the state for help. Indeed, in that regard, we should study the experiences of France, Germany, Italy, Spain, Switzerland and even Japan, where families are rewarded by favourable allowances and tax deductions. Generous tax breaks will in the end be less draining on the state than allowing a system to grow that provides little incentive for people to plan carefully how and when to start their families.

The moves put forward by the Budget, to start restructuring the family, are infinitely more profound than the attention that they have received. Over the past three decades, the biggest change on the social landscape has been the changing forms of family on the basis that there is an acceptable choice between marriage and cohabitation, and, indeed, making the treatment of the two choices of equal merit. Indeed, there had been fears that to do otherwise was simply too judgmental.

In the end, we have found that the price has been unacceptably high. There are real differences between marriage and cohabitation and between children born within marriage and those born outside it. Marriages are more stable than informal arrangements. Despite increasingly high levels of divorce, a married couple is more likely to stay together than a cohabiting one. Those who attempt to defend the increasing birth rate outside marriage point out that, at present, half the children born out of wedlock live with two unmarried parents. But cohabitation is no substitute for marriage. Only 16 per cent. of cohabitations last more than five years. That compares with the 10-year average for marriages that end in divorce.

For all those reasons, it is entirely appropriate and consistent with Conservative philosophy that we should be brave and bold in our support for traditional marriage. At a time when so much is changing so fast, the family remains for many a source of stability. Most ordinary families have not lost their bearings. They want to live by the familiar civilised rules. What has broken down are the official structures to support them, with the consequent burdens on the state.

The measures proposed by my right hon. and learned Friend the Chancellor might seem harsh to the young woman who decides to go it alone and have her baby outside marriage, but in the end it is infinitely kinder to that child to discourage those free-wheeling arrangements, ensuring that he has a greater chance of being born into a traditional family who are willing and able to care fully for him.

The Budget is worth while. It is significant. It is yet another step on our road of economic success and prosperity. I have absolutely no doubt that, come the general election, my constituents will have no hesitation in ensuring that they give their support to the Tory Government, in whom they have complete confidence for a secure financial future.

8.56 pm

Mr. Paddy Tipping (Sherwood): I have the privilege of being a neighbour of the Chancellor, which gives me the opportunity to watch him deliver his Budget—both the style and substance of it—in Nottingham and London. I have the opportunity to see him play both at home and away, and, like all football teams, one changes one's tactics, and the Chancellor certainly does. Last year, he told the local paper, the *Nottingham Evening Post*, that the Budget was

"a cash bonanza for Nottinghamshire".

The reality was different. The Queen's Medical Centre in Nottingham, a hospital of international renown, will not carry out any elective surgery this month or the next, and will announce redundancies before Christmas. A survey of Nottinghamshire schools has shown that the number of classes with more than 30 children has trebled in the past year. It is quite clear that people are paying for the 22 tax rises since the last election.

This year, according to last night's *Nottingham Evening Post*, the Chancellor has taken a different approach.

"Puffing a cigar (up 7p a packet) and sharing his Scotch (down 26p a bottle) Chancellor Kenneth Clarke was in buoyant mood when he spoke to the *Evening Post* ... in the library at No. 11 Downing Street."

I contrast that buoyant approach with the attitude of the hon. Member for Sutton and Cheam (Lady Olga Maitland). Some people are well housed and can smoke cigars and drink whisky; but others do not have much and, in all good faith, we should try to help them.

Is this a buoyant Budget for Nottingham and the nation? The theme of today's debate has been social security, so let me start there. In the run-up to this Budget round, considerable pressure has been put on the Secretary of State for Social Security to take account of chronic bronchitis and emphysema, and to extend the range of industrial injuries to acceptance of the recommendations of the Industrial Injuries Advisory Council. I am grateful for the fact that the Secretary of State has done that. The cost has been £20 million in the first year, plus £5 million in administrative costs. The benefit will start on 1 April next year.

Last week, I had an opportunity to go to the Department to argue the case for retrospection. I will continue to press that case. I know that it will cost £70 million, but I think that a debt is owed to men who have given their health and, in some cases, their lives to giving coal and comfort to all of us. If the criteria are right on 1 April, there is a strong argument for backdating the benefit to 1993. The matter will have to come before Parliament, and new regulations must be passed, but the Secretary of State can be sure that the campaign will continue. Miners in

Nottinghamshire, and in coalfield communities throughout England, Wales and Scotland, have argued the case for better benefits; the campaign will not go away now, and I am pleased that the Secretary of State has heard its case.

Let me now refer to another issue that affects people with disabilities, in Nottinghamshire and nationally. The Budget increased the special tax allowance for blind people by more than the rate of inflation. I welcome that, but I wonder whether the Secretary of State will consider extending the provision to other disabled people, if only to mitigate the worst effects of the early taxation of incapacity benefit. The Disablement Income Group wrote to the Chancellor, who, in January 1996, replied that the blind person's allowance was anomalous, and was always

"regarded very much as a special case confined to a section of the community who command considerable public sympathy and who are readily identifiable."

He went on to reject the idea of extending the benefit.

There is a strong case for re-examining that issue, and looking at a range of people with disabilities. I hope that the Secretary of State will at least agree to listen to the representations of the Disablement Income Group. I feel that people who are in work with real disabilities often need extra help, and that one way of helping them is the granting of tax allowances rather than benefits.

An aspect of the Budget that has received considerable attention is the issue of local government finance, and, in particular, education spending. The Chancellor commented on the toughness of the public spending round, saying:

"we had to keep the rest of public spending within the tightest possible limits".—[*Official Report*, 26 November 1996; Vol. 286, c. 158.]

The consequences of that statement are now becoming clear to local councils in Nottinghamshire and throughout the country.

Only yesterday, the Secretary of State for the Environment also accepted how difficult things would be. In a press release, he said:

"Even in the climate of a tight settlement, the provision for next year will allow them"—

the councils—

"to meet priority needs across the range of their functions".

I stress the words "priority needs". That constitutes a recognition of the fact that not everything can be done—that hard choices must be made, and that some services will have to be cut.

The problem springs directly from a reduction in the amount of external finance that the Government are making available to councils. The Red Book makes it clear that, between now and 31 March 2000, councils will lose £4 billion. As a consequence, council tax will have to rise. There is nothing new in that; it is a direct result of planned Government policy. The Government's stated intention is to switch the burden of local taxation from central Government back to local government.

Given the large reduction in grant, it is clear that the council tax is set to rise by 20 per cent. in the next three years. It has been suggested that that is equivalent to 2p on income tax. The Chancellor gives with one hand and takes away with the other. I believe that the council tax will rise next year by 6 per cent. The Government set the level of expenditure for local councils, they can cap each council and they provide 80 per cent. of the funding, so if council tax rises by more than double the rate of inflation, in all fairness the finger of blame should be pointed at them, because they hold all the strings.

Ministers argued that it is important to give schools priority in any budget settlement. Indeed, the Budget allows an extra £633 million to be spent on education—a 3.6 per cent. rise. Many local authorities will passport that through to schools, because they accept that schools are a priority. As the Chancellor and I know, Nottinghamshire has announced that it will give schools priority, as it did last year. That is important.

Class sizes are rising. I undertook a survey in north Nottinghamshire earlier this year, which showed that half the classes had more than 30 pupils, and eight out of 10 schools have class sizes of more than 30. The extra money will not, by itself, reduce class sizes. Individual schools have used balances to keep class sizes down. Those balances have now gone, and, on top of that, pupil numbers are rising.

As a consequence of giving priority to education, other council services will be cut. The 2 per cent. cap increase for most county councils, including Nottinghamshire, is tight and restrictive. Nottinghamshire will be allowed to spend £13.5 million. It will spend £10.9 million of that on schools, which will leave £2.5 million for all other services. That implies a 5 per cent. cut in the other services provided by the county council.

I do not believe that that cut can be covered by efficiency savings alone. Efficiency savings have been made year after year, but ultimately there will be no more to be made. I expect that highway maintenance will be reduced, day centres for the elderly will close, meals-on-wheels will be reduced, the fire brigade will be put at risk, libraries will reduce their opening hours and adult education and discretionary awards to students will become virtually non-existent.

The Budget provides an extra £500 million capital for education. Let me put that in context. To repair Nottinghamshire schools would cost £110 million. In Rushcliffe, the Chancellor's constituency, there is £6.7 million-worth of outstanding repairs. The school closest to his home, Rushcliffe comprehensive, has £1.5 million-worth of outstanding repairs.

In Nottinghamshire, services will be cut and the council tax will increase. It is the same old story: we have to pay more for fewer services. Should the Chancellor be so buoyant about the Budget? It is all very well to drink whisky and smoke cigars at No. 11, but what about the consequences of the rest of the Budget? It gives with one hand and takes away with another. It takes 1p off income tax, but insurance premiums are up, air passenger tax is up and council tax will go up.

What highlights the Budget for me is the increase in the threshold for inheritance tax from £200,000 to £215,000. It shows what an unequal society we have. One could buy a house in Newstead, Nottinghamshire, for £15,000. We are a divided society, racked by insecurity.

[Mr. Paddy Tipping]

It is a society in which many, including single parents, need new homes, but the Budget does not provide those new homes. What we need is new life, new hope and a new Labour Government for Britain.

9.10 pm

Mr. Geoffrey Clifton-Brown (Cirencester and Tewkesbury): I am delighted to be called to speak in the debate this evening, Madam Deputy Speaker. When I first entered the House I spoke in the Budget debates for the first two years; I am delighted to reconvene the habit. Like my right hon. Friend the Chief Secretary in his expenditure target, I am being squeezed, so I shall just make a few brief remarks from what I had intended to be a much longer speech.

I am delighted that my right hon. and learned Friend the Chancellor has come back into the Chamber. I have a few words of praise for him. This is a welcome and restrained Budget, building on five years of successive growth—which is no mean achievement after the deep recession at the beginning of the 1990s. It is a cautious Budget. My right hon. and learned Friend could well have been tempted to produce a Budget with a huge bribe to the electorate in the hope of winning the next election. However, he has had a successful tenure of office building a sound enterprise economy for jobs and growth and it is important to continue on a sound path of growth so that there is more money in the economy to spend on the services that are needed most. I am delighted to note that Britain has one of the highest growth rates in the European Union—2.5 per cent. compared with an EU average of 1.5 per cent. That is no mean tribute to my right hon. and learned Friend.

My right hon. and learned Friend's speech was in marked contrast with that of the Leader of the Opposition, who spent his entire speech criticising our policies, but not saying one word about Opposition policies nor giving one figure for the cost of any of their policies. Are they committed to their stated aspiration of a lower tax rate of 10p? What will that cost? I understand that it might cost up to £8 billion, but we have not been told. As we move towards the next election, the Opposition's policy of non-speak will become less and less credible—they will have to come clean with their policies.

There are many positive policies in the Budget. In particular, I welcome the help for businesses. The freeze on the uniform business rate will be very welcome to small businesses in Gloucester, Cirencester and Tewkesbury. What a contrast that is with a future Labour Government. The Opposition have already expressed a wish to repatriate business tax to local authorities, and we know what happened in the past when local authorities taxed the job-creating small business sector out of existence. There are now many, many more small businesses than there were in 1979, employing 1 million more people. That is precisely the sort of economy that I want in Britain.

Cirencester has an unemployment rate of, staggeringly, below 7 per cent. The local radio said the other day that Cirencester could become the first town in England technically to have no unemployment. That would be unbelievable. The rate is falling month on month. Come the next election, the national unemployment figure will be below 2 million. That is a very creditable performance.

Mr. Nicholas Winterton (Macclesfield): Will my hon. Friend give way?

Mr. Clifton-Brown: No. I have very little time—in fact, precisely eight minutes.

My right hon. and learned Friend the Chancellor has built on his success as an environmentally friendly Chancellor. As a member of the Environment Select Committee, I welcome that very much. Fiscal instruments are a good way of promoting environmentally friendly behaviour—for example, the successful switch by the public to unleaded petrol. My right hon. and learned Friend built on that, among other measures, by reducing vehicle excise duty for low-emission lorries and reducing duty for ultra-low sulphur diesel. I welcome those measures, which build on his landfill tax last year, which is already causing many of my constituents to consider how to recycle their household waste. We must go on introducing such measures if we are to look after our planet's health for our children.

In his Budget, my right hon. and learned Friend announced other welcome fiscal measures. In particular, I welcome his renewed commitment to abolish capital gains tax and inheritance tax. That is a worthwhile long-term project. I hope that, in his next Budget, he will be able to produce a long-term and a short-term capital gain because that is a much more satisfactory way in which gradually to abolish capital gains tax.

Perhaps my right hon. and learned Friend might even consider a new base year of 1997. All pooled share purchases might be abolished after that date and every batch of shares purchased would then be indexed in its own right. We could have a short and long-term gain for the assets. I favour a tapering rate. Those that were held only for a year or two should be taxed nearly at the marginal rate of income tax, so that people who make short-term gains are still taxed almost as if it were income, but people who had held gains for five years or more would have to pay no capital gains tax.

I am nearly certain that inheritance tax will be a target for a possible incoming Labour Government. One of the ways in which they will radically alter the tax is to abolish the so-called PETS—partially exempt taxable transfers. That would return us to the bad old days of capital transfer tax and Denis Healey taxing the rich until the pips squeak. We all know what happened: the assets simply went offshore and were not there to be taxed. Nowadays, we do not have the exchange controls of the 1960s and 1970s, so that money would disappear offshore all the quicker.

Time is moving on, but I should like to mention the expenditure side of the Budget. A warm tribute must be paid to my right hon. Friend the Chief Secretary. To cut £1.7 billion off the expenditure total was no mean achievement. It needs to be warmly welcomed.

My only note of caution is that more than half the projected increase is to be spent on social security. This year, a staggering £80 billion will be spent on social security. That increase should have been distributed a little more evenly, particularly on to education and health. It is interesting that it is the Conservative party that is able to promise a year-on-year real increase in health

expenditure, yet we cannot obtain such a simple commitment from the Labour party. I wonder how much it really is committed to our caring services.

In line with other hon. Members, I should like to comment on expenditure as a proportion of GDP. My hon. Friend the Member for Beverley (Mr. Cran) mentioned that. My right hon. and learned Friend has committed himself in the longer term to getting the rate below 40 per cent., which is to be warmly welcomed. The Red Book shows that, in 1975, under the last socialist Government, the figure rose to a staggering 47.25 per cent. Whenever we have taken over from a socialist Government, we have always had to sort out the economic inheritance that they have left behind. I do not want to have to face my electorate in five years' time with a dreadful economic position. Therefore, I hope—and am confident—that we will be able to continue with a Conservative Government.

Returning to expenditure, I believe that we can and should do something about social security expenditure. Recently, I have written a paper, published in conjunction with the Bow Group, on how to privatise the state pension. It is possible to have a privately funded pension for every person in the land, whether they are working, are housewives or are out of work. When they retired, they would have a decent standard of living and would be empowered to live their lives properly, because they would have a private pension behind them.

That is no fly-by-night idea. It has been proposed by the Chilean Government, and it is in operation in Chile, Australia and elsewhere. Each person would be allowed—indeed, compelled—to make a small pay-as-you-earn contribution into a privately funded pension. For those starting work, the contribution need be only £6 a week, which is a very small sum to establish a properly funded state pension that is equivalent to today's state pension. Due to the efficiency of the private sector, it is more than likely—it happened in Chile—that such pensions would be worth considerably more at the end of a 40-year working life.

As the Chileans discovered in the five years after the scheme was introduced, the huge funds invested in the pension funds enabled the doubling of the growth rate of the Chilean economy. I believe that the same could happen here. There was a recent leak about the state earnings-related pension scheme becoming a funded pension. I have no idea whether there was any substance to the leak, but I urge the Government, as a first step, to consider that proposal.

I have been able to make only a few remarks in the debate, but I welcome this Budget. It is a Budget for growth, for jobs and for prosperity. Above all, it is a Budget on which my right hon. and learned Friend can build—in his next appearance with the red briefcase—an even more prosperous society.

9.20 pm

Mr. Mike O'Brien (North Warwickshire): May I begin with a brief tribute to the right hon. Member for Worthing (Sir T. Higgins)—he is not in the Chamber—who said that today's speech was probably his last in a Budget debate. In his many years in the House, he has always taken a very keen interest in Treasury issues, both in the Chamber and in the Treasury Select Committee. His analysis has always been rigorous, if not always right, and we shall miss his contributions to future Budget debates. However, perhaps there is a bright side for us in his leaving—I see that he is returning to the Chamber—because I am sure that he would have become a stern critic of the Government after the general election.

The right hon. Gentleman need not worry; I was not suggesting that he was one of the Back Benchers to whom the Chancellor referred today on the Jimmy Young show, when he mentioned disloyal Tories on the Back Benches. The right hon. and learned Gentleman said that

"the problem lies with some of those people on the Back Benches in the Conservative party in Parliament. You can lead a party, John can lead a party, but there are sometimes parties that are simply not capable of being led. And if the Back Benches of the Conservative party would only come to their senses and stop writing rubbish like that in *Tribune* we could beat this . . . Labour Party".

What a blast against his own Back Benchers—by a Chancellor who expects them to troop through the Lobby in support of his tax-raising Budget!

I suppose that the Chancellor no longer minds saying such things. Perhaps he knows that Tuesday's Budget was the last throw of the dice by an increasingly discredited Government. He attempted to disguise the Tories' string of broken promises on tax—the legacy of 17 years of Tory rule. It was a Budget not for the future of Britain but for the short-term interests of the Tory party.

We have heard it all before, have we not? In 1992, just before the general election, we heard the Tories' promises of tax cuts, promises of more for schools and health and promises of an economic miracle—promises, promises everywhere, and every one of them was broken. After the election, there were 22 Tory tax rises, an increased tax burden and VAT on fuel—with an attempt to double it. Conservative Members all trooped through the Lobby then, voting for higher taxes.

This is another tax-raising Budget. The Budget Red Book shows that, overall, in 1997-98—between this year and next—£350 million more will be raised in tax. The overall tax burden will rise from 35¾ per cent. of GDP this year to 36¼ per cent. next year. This was a give-with-one-hand-and-take-with-another Budget. Seven taxes were increased and a new tax was introduced extending VAT at 17.5 per cent. to travel insurance, car hire insurance and other insurance.

The hon. Member for Luton, South (Sir G. Bright) mentioned that insurance companies were coming to his constituency. I bet that they are not praising him for supporting higher insurance taxes.

There have been seven tax increases. Council tax rose by £4 billion. Tax on insurance premiums rose from 2.5 per cent. to 4 per cent. Air passenger tax has doubled, meaning that a mum, dad and two kids taking a trip abroad could pay £80 in tax on their holiday. The abolition of tax relief on profit-related pay is possibly the equivalent of up to 8p on the basic rate of income tax for someone on average wages, affecting 3.75 million people in the long term. Prescription charges were increased, fuel duties rose by 5 per cent. above inflation and, as the Chancellor said yesterday, tobacco duties rose by 3 per cent. above inflation.

As a result of the Tory tax changes since 1992, a typical family will have paid more than £2,120 extra tax by the time of the next general election. The tax burden is forecast to rise next year and every year until the year 2000 and beyond. So much for promises.

[Mr. Mike O'Brien]

The hon. Member for Colchester, North (Mr. Jenkin), in his own personal manifesto at the last general election, set out

"Ten good reasons to vote Conservative."

No. 4 was "lower taxes". After the election, he voted for the biggest peacetime tax increases in British political history. When I raised the matter with him, he claimed that he was referring only to income tax. However, he did not say that in his election address; he referred simply to lower taxes.

The hon. Member for Sutton and Cheam (Lady Olga Maitland) told her electorate:

"The Conservatives are pledged to low taxation".

Again she made no distinction between direct and indirect taxes. After the election, she voted for Britain's highest ever tax increases. She claims to be the champion of families, but she voted for VAT on fuel at 8 per cent. and tried to double it to 17.5 per cent. She pledged low taxation, but all that happened was a shift from direct to indirect taxation, leaving the burden on families.

The Economic Secretary to the Treasury pledged to her electorate, "We want lower taxes". That is not exactly a pledge, but she made no distinction between direct and indirect tax. A tax raiser too since 1992, perhaps she can explain her pledge to the electorate in her reply to the debate.

The hon. Member for Rochdale (Ms Lynne) cannot get away with it either. She made promises without responsibility, including double pensions at Christmas. The hon. Lady seemed to be spending her penny more than once. Does that mean that the 1p on income tax to pay for the Liberal Democrat education budget will have to be cut? I doubt it. Promises come cheap when they do not have to be delivered.

Ms Lynne: No doubt the hon. Gentleman saw our alternative Budget and he will be aware that we costed it. We shall also cost our general election manifesto. Just because the hon. Gentleman is upset that his party will not join us in the Lobby and vote against the cut in income tax or make any commitment on spending, he has to attack a party that will.

Mr. O'Brien: Yes. The Liberal Democrats are in the business of putting a higher tax burden on ordinary families. Do they not understand that we already have the highest taxing Government in British political history? The Liberal Democrats seek to raise taxes even beyond those of Britain's highest taxing Government ever. Is that a record of which to be proud? I think not.

Let us not forget the hon. Member for Beverley (Mr. Cran), who is not concentrating on the debate. He read out a letter from a Mr. Chatwin, pleading not to impose a windfall tax on the privatised utilities. I bet he did not read out constituents' letters when they asked him not to put VAT on fuel at 8 per cent. or when they asked him not to increase it to 17.5 per cent. The privilege of having a letter read out went to the director of a privatised utility, not his constituents protesting against VAT on fuel as he voted for that.

My hon. Friend the Member for Peckham (Ms Harman) described VAT on fuel as the unkindest tax of all. The Tories introduced it at 8 per cent. and tried to double it to 17.5 per cent. but we stopped them. We shall cut VAT on fuel from 8 per cent. to 5 per cent.—as low as possible. It will be a manifesto commitment. Labour will cut that tax which the Tories imposed on the British people. Before the last election, the Prime Minister promised no extension of VAT. Once he was elected, that promise was broken. The Tories cannot be trusted on taxes. The difference between the parties is that Labour promises to cut VAT on fuel and we will deliver on it.

Seventeen years ago, the Conservative party took office committed to getting the state off people's backs, lowering taxes and creating greater prosperity. Over the years, the corruption of power held for too long has led them to betray every ideal that they ever had. Those who rule in the name of Conservatism now have accrued power to themselves in Whitehall, undermining local democracy and local councils and concentrating decision making in the hands of central Government. They have voted through the biggest tax rises in British political history, including 22 rises since the last election. They have presided over the two worst economic recessions since the war, including allowing Britain to fall from 13th to 18th place in the international prosperity league. We shall not forget to keep reminding people of that.

Besides betraying the people of Britain, the Government have also betrayed themselves, their ideals and the constituency workers who have knocked on doors on their behalf. The Chancellor delivered the Budget with all the panache of a second-hand car salesman selling a dodgy motor. The rhetoric was grand, but the economy that he was selling had real problems that have not been dealt with. Despite all the rhetoric, the Budget increased taxes. The penny off income tax and the other allowance measures were more than offset by increases in indirect taxation.

The price of their economic failure is not just the betrayal of the voters on tax. That price is also being paid by the disadvantaged in this country. The Conservatives claim to care, but by their acts we know them. Today we have heard about cuts in some benefits, particularly those to lone parents.

It is a great personal tragedy when a healthy man or woman who wants to work cannot find a job and support their family, as my hon. Friend the Member for Norwich, South (Mr. Garrett) said so well in his contribution to tonight's debate. Unemployment can strip a person of dignity, self-respect and hope. It can make them lose faith in the future.

In recent years, we have seen a growing group of people in this country becoming bereft of that hope. They are the millions who have been left behind and show no signs of catching up—the casualties who huddle in the centre of London and our other cities. They are Britain's shame because they are our fellow citizens. We ought to create a society in which we can give them hope and a stake in the future. No nation can afford to waste its citizens or assign a group of people to the margins of existence. Only when the conditions of misery and injustice that breed hatred and despair are challenged can we achieve anything like a better society.

Today, the Government have made life even more difficult for the forgotten poor of the Tory years—the unemployed and lone parents. While the Government have spent the past year defending the abuses of the highly paid directors in the privatised utilities—the Sir

Desmond Pitchers of this world, whose share options were worth £453,000, and the 40 executive directors who made more than £100,000 in share options in the past year—and have been prepared to reduce the capital gains tax payable by the utility directors, who will gain millions of pounds on share options, they announced today that they would cut benefits for the unemployed, the poor and lone parents. It is a bizarre morality that claims that society needs to provide incentives for the rich by paying them more and incentives for the poor by cutting their meagre income.

Today, we listened to the words of the Secretary of State for Social Security. They were the cold antiseptic words of a privileged man from a warm office, calculating without compassion that the underprivileged can make do with less. For lone parents he offers not the chance of a job, but the certainty of a cut in their standard of living that will hit their child as well as themselves.

In a powerful contribution, my hon. Friend the Member for Glasgow, Maryhill (Mrs. Fyfe) told the House that lone parent families constituted one family in four in Scotland. She graphically told us the high price that today's families will pay for the Secretary of State's announcements.

My hon. Friend the Member for Stratford-on-Avon (Mr. Howarth) also told us in an effective contribution that families in his constituency—in my county—would be hit hard by today's announcements. Likewise, my hon. Friend the Member for Sherwood (Mr. Tipping) set out the impact of Government policy in his area—a mining area like my own. At a time when we have just heard that one third of the children in this country live in poverty, the cold antiseptic voice of the Secretary of State for Social Security delivered greater poverty for the children of lone parents.

As my hon. Friend the Member for Peckham said in her excellent speech, one in three children in this country are born into poverty. In 1979, it was one in 10. A national survey by the Health Visitors Association found widespread child malnutrition and poor living conditions. Nearly one third of health visitors found tuberculosis among their clients last year. Two thirds encountered iron deficiency, 93 per cent. had to deal with gastroenteritis and 4 per cent. dealt with reported rickets. They also found a high number of households where gas, electricity, telephone and water were cut off—the majority of those households included children. This is the international year for the eradication of poverty, and today, the Secretary of State for Social Security has contributed to the growth of poverty.

We should not be surprised by all this because Tory Britain has one of the highest proportions of workless households in the developed world. Under the Tories, one in five households of working age are without work and 11 million people have suffered a period of unemployment since the Prime Minister took office—one in four of the working population. There are still twice as many people unemployed now as there were in 1979, despite 32 changes to the statistics. The rate of job creation in Britain since 1979 ranks eleventh out of the 15 European countries. Half the work force have experienced part-time, temporary or insecure work or unemployment. Despite that, one of the Ministers with responsibility for employment has described job insecurity as a myth and the President of the Board of Trade has described it as a state of mind.

If the Tories really want to cut the cost of benefits, they should realise that the best way of doing so is to put people back to work. That would make all of us better off by cutting the cost of welfare. That is why a Labour Government will concentrate on putting the unemployed back to work, taking the initiative and acting to improve opportunities. That is why the Tories simply blame the unemployed for their plight.

Instead of offering hope to 250,000 young people without jobs, the Secretary of State for Social Security offers them the despair of lower income and reduced opportunities. While Labour proposes ladders of opportunity for lone parents and job opportunities for the young and unemployed, the Conservatives prefer to perpetuate the prejudices of their most uncaring Members of Parliament against the poor.

The choice in this tax-raising Budget is the same choice as we will face in the general election, because the Budget was really all about the election. The choice is clear. It is between perpetuating a Government of cynics, diluted by non-entities, and making a new start for Britain under Labour. It is between seeking the low-wage, low-skill economy proposed by the present clique in office, and investing in the skills, technology and innovation that will open for us a future route to competitiveness. It is a choice between the short-term economics of Tory boom and bust and the stability of fiscal prudence, which are the precondition for growth in the 21st century and offered by Labour.

The choice is between the Conservatives, who see advantages in increasing inequality in the name of free enterprise, and Labour, which will fight growing inequality as an economic imperative. Only those societies in which all can have a stake in the future can succeed. The choice is between the Tories, who talk more and more of reducing ties with Europe—with the exception, perhaps, of the Chancellor—and Labour, which sees our future economic success being closely tied to our European partners.

The aim of the Budget, of course, is to portray it as something different—as a choice between those who will give tax cuts for the future and those who will not. That is a false choice for two reasons. First, due to their record on taxes, the Tories will never be trusted again on that issue by the British people. Secondly, it is a false choice because Labour is not and never has been the party that would impose high taxes on ordinary people. For Labour, public spending is not an end in itself; it is a means. The real end is improving the quality of life of ordinary people. No one can argue that imposing VAT at 17.5 per cent. on fuel—a policy proposed by the Conservatives—would benefit ordinary people. Few would argue that 22 tax rises—the price of the Tory Government's economic failure—have benefited the people. They have left the people with the highest taxes in history.

We are living in the dying days of a morally bankrupt, intellectually incoherent and internally divided Government. For more than a year, the whole purpose of Government business has been to try to lay traps for the Opposition. They have nothing to say on the important issues facing the country. The Budget is not about the future of Britain; it is about the future of a small clique of politicians gathered around the Prime Minister. The sooner the Government go the better. Then Britain can have a new start under a new Labour Government. There is now a great urgency for that change and the people

[Mr. O'Brien]

want the election to come sooner rather than later. The budget has demonstrated the enormity of Tory failure. While they dawdle in the same old ruts, the people are looking forward to charting a new course. Labour will give them that opportunity. Let the election be called now so that we can give Britain hope again.

9.39 pm

The Economic Secretary to the Treasury (Mrs. Angela Knight): I must tell the hon. Member for North Warwickshire (Mr. O'Brien) that that was a dreadful rant. My hon. Friends will have noticed that the hon. Gentleman shouted that all our taxes are too high, but he had another line when he dropped his voice lower and, in hushed tones, he intoned that spending was too low and benefits were too low. Well, one or other is bogus and the hon. Gentleman and his party must learn to be honest. The Opposition must learn to say what it is that they mean to do and, if they are so frightened that they are not prepared to cost their pledges, I can assure him and his colleagues that we will cost them and ensure that everybody knows.

I am grateful to my hon. Friends for their excellent contributions in this debate. I shall say a few words to them in reverse order. My hon. Friend the Member for Cirencester and Tewkesbury (Mr. Clifton–Brown) made some thoughtful comments on pensions and I have read his booklet with interest. My hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) made some useful remarks on the family and her concerns for the family are well known. I wish to apologise to my hon. Friend the Member for Beverley (Mr. Cran) for missing his speech, but I was speaking to my children on the telephone at the time. I watched him on the television and his speech was, as normal, entertaining. I was pleased to hear that the Budget improved during his remarks from eight out of 10 to nine out of 10 by the end. My hon. Friend the Member for Erith and Crayford (Mr. Evennett) made his normal vigorous speech and I thank him for it. My hon. Friend the Member for Colchester, North (Mr. Jenkin) gave his customary intellectual and, indeed, probing contribution, as did my hon. Friend the Member for Luton, South (Sir G. Bright).

My right hon. Friend the Member for Worthing (Sir T. Higgins) said that this was his last aria in the Budget debate. I believe that nothing is over until the fat lady sings, but I am not sure that that expression is appropriate to our slim-line colleague. My right hon. Friend asked me why there were so many forecasts for such a long way ahead in the Red Book and he referred me to table 4A.9. The answer that I have found out for him is that table 4A.9 is not a forecast, it is a projection. The difference between a projection and a forecast is apparently not only semantics. Projections are broader and more illustrative, thus output and inflation projections are the same for 1999-2000, 2000-2001 and 2001-2002. The reality of the answer is probably that the Treasury do it that way because it has always done it that way. I suggest to my right hon. Friend that perhaps he should come up and see me some time, to borrow a well-known phrase, so that we can discuss it.

This Budget reinforces the growing confidence that we have seen in recent months. It takes no risks but concentrates on sustained economic growth, which is the best guarantee of higher living standards. It increases public spending on the services people care about—hospitals, doctors, schools and police—and it keeps spending under firm control. It fights the social security cheats and other fraud, it takes another step towards the basic 20p income tax rate and it helps small businesses. I make no apology for the fact that we took the difficult decisions when we had to. Some were politically unpopular, but if we had not taken them we would not have the stable, secure and growing economy that we have today.

The Opposition opposed the very measures that have brought about this country's economic success. Last year, when we brought down the basic rate of taxation, what did Labour Members do? They huffed and they puffed, they agonised and they squirmed, and eventually they came to an amazingly brave decision: they abstained. What a decisive party the hon. Member for North Warwickshire belongs to.

The hon. Gentleman and his hon. Friends have ranted on about their mantra of the 22 tax increases. That is juvenile economics—the economics of the kindergarten. Their list includes some increases in fuel duties, which are good both fiscally and environmentally, and it counts one tax, insurance premium tax, four times.

The hon. Gentleman criticised air passenger duty and said that it would cost mum, dad and two kids rather more to take a holiday abroad. When the Labour party was in power, if people could afford to go on holiday abroad at all, it was probably for 10 days in Benidorm, and all that they could take with them was 20 or 30 quid, because of the state of the British economy. I am delighted to say that mums, dads and kids throughout the country can now go to many different destinations. What is more, they can take with them as much money as they want, because our economy is sound and so is our currency.

We have made 25 Tory tax cuts. Interestingly, the Opposition never want to talk about those. For example, in last year's Budget personal allowances went up, as did the lower rate band and the basic rate limit, and the basic rate of income tax was reduced to 24 per cent. Those changes reduced taxation and the tax burden on people. Indeed, this year's Budget has brought the basic rate of income tax down again.

At the general election I said to my electorate that we wanted lower taxes. That is why I am delighted that we have brought income tax down from 33p to 23p in the pound. I am delighted, on my constituents' behalf, that we have a large 20p band into which more than one quarter of earners fall. I am also delighted that people are better off by £370 as a consequence of this year's Budget, and by £1,100 since 1992. That is an excellent record.

The hon. Member for North Warwickshire talked about the tax burden, but I must tell him that the tax burden increases because of buoyancy in the economy, and because of measures to block tax loopholes. It increases because we have intensified the drive against tax evasion, which means that tax due will become tax paid. The hon. Gentleman should try to learn a bit more about economics.

I draw the hon. Gentleman's attention, and that of every other hon. Member, to some of the charts in the Red Book, which has been so extensively quoted. For example, table 2.1 shows how high inflation was at the end of the 1970s, and how low it is now. I refer the hon. Gentleman to page 29, which shows how the total wealth

of everybody in this country is increasing, and to page 132, which shows the swingeing taxes on individuals that we have reduced.

We have an excellent record, and the British economy is now well into its fifth year of sustained growth. We have already enjoyed a stronger, longer and steadier recovery than any other major European country. Independent forecasters expect Britain to be the fastest growing major European economy both this year and next.

We are looking forward to the prospect of six years in which Britain will have outperformed Germany and France. People are experiencing a good economy. Even the *Hull Daily Mail* and the *Long Eaton Advertiser* agree. We are feeling it in every town and village in the country.

Moreover, inflation has stayed low, which in many previous recoveries did not happen. My hon. Friend the Member for Erith and Crayford rightly pointed out the necessity to ensure that inflation is low. Inflation has been below 4 per cent. for more than four years—the longest run of low inflation in almost half a century. That has allowed interest rates to fall to historically low levels, and mortgage rates are at their lowest for a generation. That is another set of excellent statistics, and another good record.

I am not hung up or obsessed with league tables, as seems to be the case with the Opposition. Contrary to the stories we often hear, Britain is outperforming its main competitors and climbing up the international league tables that really matter. Japan was the only major G7 industrial country to achieve faster growth in GDP per person over the past international cycle. The United Kingdom is the No. 1 destination for inward investment, and we have received as much inward investment as Germany, France and Italy put together. We have the lion's share of Europe's most successful companies. Over the past international cycle, investment growth was more than in any other major European country. We have climbed from the bottom to the top of the manufacturing productivity growth league.

Ms Eagle: Will the Minister give way?

Mrs. Knight: No, I will not.

Ms Harman: Why not?

Mrs. Knight: Because I have heard enough rubbish from Opposition Members. I am tired of hearing them talk down this country and paint an untrue picture. Scarcely a week goes by without another international company deciding to set up in Britain.

Opposition Members go around the country giving the nod and the wink to every group. They have offered long-serving teachers a year's sabbatical—the hon. Member for Sheffield, Brightside (Mr. Blunkett) has said it, the National Union of Teachers believes it and that is why we have costed it at £1.3 billion. Labour cannot deny that. During yesterday's debate, Opposition Members spent most of their time talking about the need for their local authorities to spend more money. They are committed to lifting capping, and it is worth saying that a 1 per cent. increase in spending by local authorities will cost more than £1 billion. Opposition Members are all asking for that extra money to be spent, but spending that money will cost every individual in the country. I have a—

Mr. Brian Wilson (Cunninghame, North): Vision?

Mrs. Knight: I do not have a vision. [HON. MEMBERS: "Oh!"] I have a considerable concern. If—just if—the Labour party was ever in No. 10, the union tanks would roll up Downing street with their guns pointed towards the door. The unions would ask for those nods and winks—what Labour calls "aspirations" but what those to whom they promised them call "spending pledges". What does one think would happen? Every person in the country knows that Labour would agree to what was being demanded, with the consequence that economic growth would halt, people would no longer be better off, inflation would rise and jobs would be lost. That is the reality of what the Labour party has been saying during this and every other debate.

The hon. Member for North Warwickshire and his colleagues waxed lyrical about a windfall tax, and he apparently believes that such a tax will hurt nobody and is somehow morally sound. No doubt next week a windfall tax will cure tooth decay, too. The reality is that a windfall tax will cost investment and jobs, and it will cost pensioners because many pension funds invested in the privatised utilities. Labour Members have waxed hysterical about VAT on fuel and power, but the hon. Member for Edinburgh, Central (Mr. Darling)—an Opposition Front-Bench spokesman—has said that reducing VAT from 8 per cent. to 5 per cent would be a "cynical ploy from a desperate party".—[*Official Report*, 23 January 1995; Vol. 253, c. 49.]

My right hon. Friend the Secretary of State spoke with great feeling about social security and rightly pointed out that we have an aging population that will cause pressures on the social security budget. A baby girl today has a life expectancy of 80. That is excellent: if that is the average, think what the maximum could be. It is a tribute to good food, a good environment, increasing prosperity, a social security network, a high standard of living, an excellent health service and a Conservative Government.

I am delighted about the measures that have been outlined for the "spend to save" initiative on fraud. I am sure that many people will agree that the hon. Member for Peckham (Ms Harman) spoke mostly drivel; when she was not talking drivel, she came out with a series of scare points. For example, I did not hear her say that Labour would restore the lone parent premium. I did not hear any Labour Members say that they would honour the expensive list of promises from the hon. Member for Stratford-on-Avon (Mr. Howarth).

What Labour Members promised was a national minimum wage, which they said would not cause job losses. What a lot of rubbish. The majority of research, both here and abroad, supports the Government's view that it would lead to considerable job losses, especially among young and unskilled workers; the only issue in dispute is the size of the losses. We believe in creating jobs, not in putting people out of work with such promises and proposals.

On the single room rent scare, an individual who loses a job has 13 weeks' protection, which is not what the hon. Member for Peckham said. Someone who becomes single

[Mrs. Knight]

as a consequence of death has 52 weeks' protection, which is again not what she said. There is a fallback discretionary fund that will be operated by the local authority to help hardship cases.

The hon. Lady made extraordinary personalised allegations against my right hon. Friend the Secretary of State about landlord fraud. Several important steps have been taken against landlord fraud, and she knows that he introduced them. By not withdrawing her allegations, she has shown that, in every sense of the word, she is not a gentleman.

The hon. Member for Rochdale (Ms Lynne) had a list of promises as long as not only her arm but both arms. She said that the Liberal party had a costed programme in its alternative Budget. The costed programme makes wonderful reading. It refers to spending cuts of £670 million, but does not say where from, and to savings on tax evasion and avoidance of £320 million, but again does not say where from. The only point on which I agree with the hon. Member for North Warwickshire is that the penny has been spent not once on education, but four or five times.

Our proposals will help to create jobs. Many hon. Members mentioned lone parents, and our commitment to families is an important element of our overall approach, which is why we have announced our intention to move gradually towards more even-handed treatment of one and two-parent families.

We have a series of important, useful and effective ways of helping individuals back into jobs. Easily the best way to help people, lone parents or otherwise, is to get them back into work. Project work, work skills, parent plus, the child maintenance bonus, earnings top-up and other programmes are in place.

We have an excellent record on jobs. Employment has risen by nearly 800,000 since the recovery began. We have more people in work than any other major European country. That has all happened against a background of change. All developed economies face the twin challenges of technological development and the expansion of global trade. The changes affect Britain as they do other countries. They affect us whether we work in heavy industry, the high street, services or manufacturing. The question is not whether we face change but how we deal with it. We have dealt with it in Britain in a way which has meant—

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

Fairfield Piggeries

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Knapman.]*

10 pm

Mr. David Faber (Westbury): I am grateful for the opportunity to raise the issue of Fairfield Piggeries in Bradford-on-Avon on behalf of hundreds, even thousands, of my constituents, who have for years had to put up with appalling smells and environmental harm. I regret the need for this debate, which comes at the end of several years of consideration by West Wiltshire district council and the Department of the Environment. I hope that it will mark the culmination of my correspondence with the Secretary of State and the communication between the council and the Department.

It may be helpful if I explain some of the background. Fairfield Piggeries has been running under its current ownership for some 50 years, and has 5,000 pigs. Several people have suggested that people who live in the countryside near farms should learn to live with agricultural smells, but the smells concerned are not those of the pigs but of the waste rendering process, about which we have heard much during the bovine spongiform encephalopathy scare.

The smell is noxious; it is industrial and chemical rather than agricultural. There are two rendering cookers on the site for the waste that is brought to it. One heats up waste food—vats of butter, bread, pizza, cakes; anything that can be got rid of locally. The second, more controversially, renders dead poultry. The carcases of turkeys and chickens are left on the site in skips. The resulting liquid feed is pumped through pipes to 5,000 pigs. The fumes should, technically, be removed by a biological filter bed.

In recent years, the smell from the plant has broken out way beyond the boundaries of the farm. The community of Bradford Leigh suffers an almost permanent nuisance, especially in summer when it becomes stifling. In summer, people driving past have to wind up their windows, children cannot play in gardens, and local residents cannot open their windows at night. The main reason for this debate is the delay in my right hon. Friend the Secretary of State's redetermining the appeal of the owners of the piggeries.

In October 1992—more than four years ago—the piggery owners applied to West Wiltshire district council for authorisation to carry out the rendering process, as required under the Environmental Protection Act 1990. The council refused authorisation and, in March 1994, the owners filed an appeal against the council. On 23 and 24 August 1994, a section 15 public appeal hearing was held in Bradford-on-Avon and the Secretary of State's inspector, Mr. Jarvis, heard evidence from the main parties, local residents and organisations. Naturally, he also visited the site. He concluded that the company was unlikely to be able to carry on the rendering process so as to comply effectively with the Environmental Protection Act 1990. He also concluded that the crucial test of the management practices was being failed because the emissions should not have caused an offensive smell outside the process boundary. My right hon. Friend the Secretary of State's own inspector recommended that the appeal be rejected.

West Wiltshire district council then had to wait 12 months for my right hon. Friend's decision, which came on 2 August 1995. He overruled his own inspector. He upheld the appeal by the company and directed West Wiltshire district council to issue authorisation. There was concern at the time that the condition relating to offensive smells was left out of the authorisation, even though it had been agreed by both parties at the appeal hearing.

In September 1995, the council went ahead to judicial review. It was heard by Mr. Justice Spence on 6 March 1996. At the hearing, my right hon. Friend's decision was considered in great detail. The judge decided that the Department's reasoning was poor, that the inspector's recommendations had not been acted on and that no recognition had been made of the crucial issue of the smell outside the site boundary. The judge found in the council's favour and referred the matter back to the Department of the Environment for redetermination.

West Wiltshire district council received notification of the redetermination in a letter from the Department of 12 March this year and complied with the deadline for comments of 3 April. A second round of representations was requested in a letter of 1 May, and again it replied within the deadline set, which was 20 May. Since then, in spite of telephone calls from the council to officials, and letters from me to my right hon. Friend the Secretary of State, no timetable has been set for the decision to be made.

I wrote to my right hon. Friend the Secretary of State on 14 March. On 2 April I received a reply from my hon. Friend the Under–Secretary of State for the Environment. He set out the process for redetermination and acknowledged my representations, but the letter contained no timetable for the decision. In a telephone call to the Department, the council was informed that the decision would take weeks rather than months to achieve. We are now at the end of November, and still no decision has been made.

On 11 July, I wrote again to my right hon. Friend, saying that I felt that the council had been tolerant in its use of language, given the extreme delay in the decision. I also pointed out that we were then well into the summer months, by which time the smells were noxious and extremely bad for local residents.

On 5 August, I received a reply from my hon. Friend the Under–Secretary of State for the Environment, the Member for Croydon, Central (Sir P. Beresford). He said that the appeal was being considered

"as quickly as possible given the available resources, as we are very conscious of the nuisance caused by animal rendering plant in hot weather. I hope that a revised decision will issue in the very near future."

I wrote again to my right hon. Friend the Secretary of State on 19 September at some length, following a further visit to the site the previous day. At that stage, I described the delay as intolerable and suggested that I might resort to this Adjournment debate.

My hon. Friend the Under-Secretary replied on 7 October, this time with a new excuse. He said:

"officials in my Department are giving this work the highest possible priority . . . they, remain acutely conscious of the nuisance animal rendering plant can cause, and thus the urgency of reaching a new decision . . . A number of the officials responsible for drafting it have also been occupied on urgent and unavoidable BSE-related work, which was not foreseen in March when the court made its decision. As a result, the redetermination has taken rather longer than we expected, although a decision is now in sight."

As I understand it, my right hon. Friend has two options. He can accept his inspector's report and the judge's decision and refer the matter back to West Wiltshire district council for it to give authorisation or not, or he can uphold the appeal again and reach the decision by different means, as the judge criticised the way in which the decision had been reached rather than the end product. West Wiltshire district council would then have to decide whether to go back to court.

What we are debating tonight, and the issue that I wish to raise with my hon. Friend the Minister this evening, is the on-going delay, which is simply unacceptable for everyone involved. I stressed earlier that the issue was not an agricultural smell but the smell of an industrial process.

The smell is chemical, not agricultural. The debate is not designed to criticise those who own and work at Fairfield Piggeries. The delay is every bit as bad for them as it is for everybody else—they are unable to plan; they have no idea of whether they will be closed down in the near future; and they do not know what level of investment will be required of them over the coming months. My view, which I have made clear to my right hon. Friend the Secretary of State and to local people, is that it is impossible for them to carry on the rendering process as they are and that the damage they are doing to local people's environment is simply unacceptable.

It is possible that a programme of investment such as that suggested by the district council could alleviate the problem. I understand that improvements could be made in two areas: first, a lobby building on the end of the main building where the waste enters would act as an airlock; and, secondly, improvements could be made to the abatement plant by installing one or more extra filter beds to stop the smells resulting from the rendering process.

As I said, the debate is about the inordinate length of time that my hon. Friend's Department is taking to come to a decision. Between June and September 1994, the local district council received 255 complaints from local people; in the same period for 1995, 251 complaints were received; and in the same period this year—the hottest summer months—the figure rose to 392 complaints. Local residents are justifiably angry. People who live near the piggeries cannot open their windows; their children cannot go out and play during the summer; the value of their houses has been affected; and, naturally, many have justifiable concerns about the effects on public health.

Apart from the anger expressed locally against those who own and run the piggeries, much anger is now directed at my hon. Friend's Department because of the length of time that it has taken to reach a decision. The delay has had a seriously detrimental effect on the local environment and on the company's ability to plan for the future. For the district council, it has been a frustrating process and I pay tribute to the way in which the council has dealt with the problem.

As a district council, it has its own set of specifications for the level of service it offers—it provides detailed response times and complaints procedures for local council tax payers. If the council falls out of line, the Audit Commission and the local government ombudsman are always available to investigate any mistakes. No such sanction is available to local people in respect of the Department of the Environment. The district council's hands are tied. Under the Environmental Protection

[Mr. David Faber]

Act 1990, it is unable to intervene as long as the issue is with my right hon. Friend the Secretary of State for redetermination.

I believe that the Department's delay in reaching a decision—it is now nine months since the judicial review, after which the judge sent the case back to my right hon. Friend for redetermination—is wholly unacceptable. The problem has been going on for years, which is too long for everyone involved. It is almost nine months since the court hearing and several years since the first appeal was made, yet no end is in sight.

Even if my hon. Friend is unable to announce a decision tonight on the Floor of the House, I urge him to come up with some idea of when a date will be given for the appeal process to end. That way, some stability can be given to the owners of the plant, to local people and to the district council, so that they can plan ahead.

10.12 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. James Clappison): Hon. Members will have gathered that this is a matter of considerable interest to the constituents of my hon. Friend the Member for Westbury (Mr. Faber), who have complained of the smell from Fairfield Piggeries. It is self-evident, from the history that my hon. Friend outlined, that he has followed developments for some time with close interest and that he has been assiduous in representing his constituents' interests.

I congratulate my hon. Friend on securing this debate on the subject of Fairfield Piggeries. He clearly described what the piggeries consist of—they are a combined animal and vegetable rendering process. Such processes have the potential to cause severe local odour nuisance, and my hon. Friend described what happened in this case. It is clear that my hon. Friend, West Wiltshire district council and the Government are of one mind—that this odour problem must be sorted out. However, we have so far disagreed on the best means to bring that about.

Like all animal rendering processes, that at Fairfield Piggeries is subject to local air pollution control, which is a scheme for the prior approval of polluting processes, brought in by the Environmental Protection Act 1990, as my hon. Friend rightly said. Under the scheme, renderers are required to obtain an authorisation from their local authority to continue operating. In common with all process operators, renderers have a statutory right of appeal to the Secretary of State against, inter alia, any refusal by a local authority to issue an authorisation, and any of the conditions that have been included in any authorisation that is issued. In this case, West Wiltshire district council is the authorising body.

I shall deal first of all with my hon. Friend's concerns about the time that it is taking to redetermine this case, before moving on to explain the considerations that cases such as this raise and how the Secretary of State approaches them.

The operators of Fairfield Piggeries applied for an authorisation for their rendering processes in late 1992; they were refused by West Wiltshire district council in September 1993; they appealed against the council's refusal to the Secretary of State in March 1994 and, following a public hearing in August 1994, the Secretary of State directed the council to issue an authorisation in August 1995.

Notwithstanding the fact that the Secretary of State's decision was that stringent conditions should be included in the authorisation that he directed the council to issue, to bring about a rapid improvement in the long-standing odour problems at the site, the council decided to seek judicial review of that decision. In March this year, the High Court determined that the Secretary of State had failed to give adequate reasons for his decision, which was then quashed. The Secretary of State immediately embarked on a redetermination of the case, and the current position is that we expect a decision shortly. I shall say a little more about that in due course.

Understandably, my hon. Friend, West Wiltshire district council and the local people are concerned to see the case redetermined as rapidly as possible. Until there is a new decision, the council is effectively unable to take steps under the local air pollution control regime to have the process upgraded or shut down.

All that I can say is that my Department is extremely conscious of the urgency of the case and that we are doing our very best to reach a new decision as rapidly as possible.

To cast light on the matter, it may help if I explain to my hon. Friend that, in March, the High Court did not attack the Secretary of State for having upheld the appeal. It quashed the Secretary of State's decision because the letter did not adequately set out the reasons why he had upheld the appeal. I hope that my hon. Friend and West Wiltshire council are aware that the redetermined decision may be to uphold the appeal as before, and that it is not a matter of the High Court having told the Secretary of State that he must refuse the appeal. The Secretary of State will reach, as quickly as possible, whatever decision is right in the light of the inspector's report and all the other evidence before him.

I clearly cannot comment about the specifics of this particular case, because it is still before the Secretary of State for redetermination. However, I can make some observations, which I think will be helpful, about the policy considerations on which the case hinges, which I hope that those with an interest in the matter will find useful.

The first and most important policy consideration is that the Government are determined that animal renderers must improve their odour control, using the best available techniques not entailing excessive cost. A guidance note has been issued detailing the extensive odour control measures that the Secretary of State would expect existing or new processes to take, the aim being that there should be no smell at the process boundary.

Although the expectation is that an existing process that gives rise to smell problems would be authorised and required to upgrade along the lines set out in the process guidance note, it is, of course, possible for regulatory authorities to refuse to issue an authorisation at all. The Government would expect a refusal to be very much a last resort, and to be backed up by cogent evidence that the process operator is not able to mend his ways in the manner envisaged by the legislation.

Mr. Faber: Can my hon. Friend confirm that part II of the Environmental Protection Act 1990—which deals

with waste management licensing—enshrines the principle of the owner of the property or the owner of a process being a "fit and proper person", whereas part I of the Act, which deals with the authorisation of the processes that we are discussing, makes no such mention of the qualification of being a fit and proper person?

Mr. Clappison: I think that my hon. Friend is right about that. Part II, to which he referred, deals with waste management, and being a fit and proper person has an important role to play in that. Part I deals with the authorisations for air pollution control that we are talking about in this instance. The considerations in that regard are somewhat different, and directed toward avoiding the problems outlined by my hon. Friend. They are concerned particularly with the ability of the person controlling the operation to bring the problems to an end. I shall deal with that problem in a moment.

As I said, the Government expect refusals to be very much a last resort, and to be backed up by cogent evidence that the process operator is not able to mend his ways in the manner envisaged by legislation. Refusal is not at all common, but it is, of course, what happened in the case of Fairfield Piggeries.

The Environmental Protection Act—in a way, this deals with the point that my hon. Friend has just raised—envisages the possibility of refusal of an application for authorisation. Section 6 states:

"An application shall not be granted unless the enforcing authority considers that the applicant will be able to carry on the process so as to comply with the conditions which would be included in the authorisation."

In the Secretary of State's view, an enforcing authority should first ask itself, "What conditions would be included if this process were to be authorised?" and then, "Is the applicant able to comply with them?" focusing on the applicant's ability to comply.

When we do encounter refusals to grant authorisation, section 6(4) is usually cited by the enforcing authority as the reason, as was the case with West Wiltshire when it declined to authorise the Fairfield Piggeries process. All too often, however, the enforcing authority will tell the person concerned, effectively, "You have not complied with conditions in the past; therefore, we do not consider that you are able to comply with the conditions that we would include in any authorisation."

I am afraid that that is not the right way forward. The enforcing authority has to consider the applicant's ability to comply, not his track record. The track record is, of course, a useful indication, but it is usually far from being sufficient evidence in itself to justify taking away someone's livelihood—which is usually what is at stake in such cases. It is simply not good enough for an enforcing authority to say, "This applicant has operated with too many smell problems in the past; therefore he is not capable of sorting them out in the future."

It is the Secretary of State's practice—although not that of such enforcing authorities—to apply his mind to the test set by the legislation, that is, the applicant's ability to comply with the conditions that would be included in any authorisation. Often there is little or no evidence directly bearing on that question. Attitude and past performance may be pretty clear, but ability or otherwise is difficult to establish. In such circumstances, the Secretary of State's policy is to give the applicant the benefit of the doubt. It would not be defensible to take someone's livelihood from him because of unsubstantiated doubts about his ability to comply with conditions.

My hon. Friend may say that this is a little hard on those who must put up with the effects of an applicant's being given the benefit of the doubt in that way. As I said, he has been assiduous in the matter. But the beauty of the 1990 Act system is that, once an authorisation has been issued, people no longer have to put up with unacceptable behaviour. That may be of some assistance to my hon. Friend's constituents. Failure to comply with conditions is a criminal offence, carrying swingeing penalties on conviction, while continued unacceptable behaviour on the part of a polluter can lead to revocation of his authorisation by the enforcing authority. It is possible that one or more of the operators given the benefit of the doubt as to "ability" in that way will, having been authorised, subsequently turn out quite rapidly not to have been worthy of authorisation—but that is not in itself a reason not to give such operators a chance to clean up their act.

I have taken careful note of my hon. Friend's wish for a decision on the appeal to be issued as a matter of urgency—

Mr. Faber: I entirely understand what my hon. Friend is saying, and agree wholeheartedly that the benefit of the doubt should be with the person who is carrying out the operation. I have no desire for someone's livelihood—or the livelihood of those who work for that person—to be taken away unnecessarily. I hope that my hon. Friend appreciates that that has not been the tone of my speech or of the debate. I have merely sought to point out that the process of appeal, judicial review and redetermination has now been going on for several years, and that that is unacceptable to those who run the plant, to the local people who are suffering the smell and to West Wiltshire district council.

I endorse much of what my hon. Friend has said, but what we want locally is a decision one way or the other, so that the district council knows where it stands. It needs to know whether it must encourage the owners to make the required investment to bring their plant up to scratch, so that the smells can be eliminated. All we want is a date or a time in the near future when the redetermination will be complete, so that everyone knows where they stand.

Mr. Clappison: My hon. Friend has been reasonable, not just this evening, but in all his communications on the matter. I understand his concerns.

I can assure my hon. Friend on two points. First, I can assure him on the general policy on conditions, and the severe consequences that will follow from a breach of conditions. Secondly, I have listened carefully to the points that he made. Although I cannot give him a date here and now, I can assure him that I shall closely consider the timing, bearing in mind the reasonable points that he made about the importance of time. I shall examine how the matter is being handled. I shall do my best to ensure that a decision is made as soon as possible. I shall take a close interest in the matter, to reflect the close interest that he has taken throughout.

Question put and agreed to.

Adjourned accordingly at twenty-five minutes past Ten o'clock.

House of Commons

Friday 29 November 1996

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PETITION

Arms Sales

9.34 am

Mr. Alan Keen (Feltham and Heston): I have a petition presented by constituents of mine from Heston in Middlesex, signed by 373 people. It says:

To the House of Commons.

The Petition of the Christians of Heston

Declares

That as followers of Christ we are to be peacemakers, so it is of great concern to us that our country is a major exporter of weapons, and that many British jobs are thus dependent on there being a continuation of poverty and insecurity in the world.

Therefore we humbly request that your honourable House takes practical steps to:

a) curtail the export of arms to countries with poor human rights records and to countries unable to pay for arms except at the expense of essential welfare services;

b) divert funds currently used for the promotion of arms exports into support for the conversion arms manufacture to civilian production.

And the petitioners remain, etc . . .

To lie upon the Table.

BILL PRESENTED

NORTHERN IRELAND ARMS DECOMMISSIONING

Sir Patrick Mayhew, supported by the Prime Minister, Mr. Secretary Howard, Mr. Secretary Rifkind, Mr. Secretary Portillo, Mr. Secretary Forsyth and Sir John Wheeler, presented a Bill to make provision connected with Northern Ireland about the decommissioning of firearms, ammunition and explosives; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Monday next, and to be printed [Bill 45].

Tourism

[Relevant document: The First Report from the National Heritage Committee of Session 1996-97, on Tourism, HC 108-I.]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Wood.]*

9.35 am

The Secretary of State for National Heritage (Mrs. Virginia Bottomley): It is pleasing to note that this is the seventh debate on tourism in the House in the present Parliament. On Tuesday of this week, I received the National Heritage Select Committee's first report on tourism. These are welcome signs of the seriousness with which tourism is regarded by honourable Members. The Select Committee report contains some far-reaching recommendations, which I shall consider with great care.

Tourism has been a great success story under this Government. In 1995 this country welcomed more overseas visitors, spending more money, than ever before. Tourism is high on the Government's agenda and has a vital economic role. With the creation of the Department of National Heritage in 1992, tourism became a major part of the responsibilities of a Cabinet Minister. I have made championing the industry one of my Department's top priorities. To consolidate our success, the Government, the tourist boards and the industry must continue to work together. Last year, our tourism industry grew faster than that of any of our European rivals.

A little over a year ago, I had the pleasure of speaking at the first ever tourism debate at the Confederation of British Industry's national conference. Next month, the Deputy Prime Minister and I will be speaking at another CBI conference on the future for Britain's tourism industry. The business world is waking up to the economic importance of tourism.

The director general of the CBI said at our recent conference on planning and tourism that, while 10 years ago people might have been surprised at his speaking at a tourism conference, the importance of the industry is much more widely recognised today. He acknowledged the role that my Department has played in that, but added—and I agree with him—that we must continue to work to

"get the message across that tourism is one of our key industries which is playing an increasing role in the success of our economy".

He pointed out that, over the past 10 years, overall employment has risen by 2 per cent., manufacturing employment has declined by 20 per cent., but employment in tourism, leisure and hospitality has grown by 31 per cent. It is an industry of the future.

Tourism, with hospitality, will be the world's biggest industry by the year 2000. It is a key creator of wealth and employment—in Britain, it generates £37 billion of income, equivalent to 5 per cent. of GDP. Some 1.8 million people work in the industry, and there are as many again whose jobs depend indirectly on tourism. The industry has the potential to create up to 1 million new jobs in the next 10 years.

Mr. Harry Greenway (Ealing, North): I hope that I am not anticipating my right hon. Friend, although I fear that I may be, because her speech must show that tourism is very much concentrated in London. Does she accept that boroughs such as Ealing have a great deal to offer,

[Mr. Harry Greenway]

including sites for hotels and other facilities from which people can easily come to London, thus taking congestion away from London hotels and providing valuable employment in Northolt, Perivale, Hanwell and the rest of Ealing and surrounding boroughs? Ealing is the queen of the suburbs and has much to offer.

Mrs. Bottomley: I am interested to learn from my hon. Friend the Member for Ealing, North (Mr. Greenway) that Ealing is the queen of the suburbs. I would not like to take issue with him on that. I am delighted by the excellent turnout in this morning's debate which shows how seriously our party takes tourism and hospitality. I am also delighted by my hon. Friend's recognition that tourism and hospitality are the source of opportunities for jobs and the generation of wealth in his constituency. I am sure that everyone at London First and others who are trying to ensure that all parts of London play their role in boosting the tourism industry will realise that, as my hon. Friend said, Ealing is the queen of the suburbs.

Sir Jim Lester (Broxtowe): Will my right hon. Friend give way?

Mrs. Bottomley: And Leicester.

Sir Jim Lester: I do not come from Leicester; Lester is my name.

I speak on behalf of the regions because I represent and am a son of Nottinghamshire, which has tremendous tourist potential. We already get a lot of tourists as we have much to interest them, from the first socialist, Robin Hood, to modern authors such as D. H. Lawrence. We also have many industrial museums; we have so much to offer.

For years, we have said that rather than people coming into London first, they should come into one of the regional airports. They should spend three or four days in the regions where there are many exciting things to see. In the House of Commons, we have a picture of Charles I raising his standard on Standard hill which we show all the tourists who come here. Standard hill still exists and people can stand on the site where Charles I raised his standard.

I hope that my right hon. Friend will try to ensure that the whole of Britain shares in the tourism industry. I hope that we encourage inward flights to the regional airports so that people can enjoy the many benefits of our country, not just in London and Ealing.

Mrs. Bottomley: My hon. Friend the Member for Broxtowe (Sir J. Lester) is one of many who can give evidence of the great excitement in many of our wonderful cities and towns. I was in Nottingham only the other day to see the way in which the Lace Market, the Playhouse and many of the other arts, cultural and heritage facilities are benefiting from the Government's commitment to regeneration across the country—especially with the additional help of money from the national lottery. I would be the first to say that people who come only to London and do not see the quality of life in wonderful cities across the country fail to get the full benefit of life in Britain today.

Some 1.8 million people work in the industry and there are as many again whose jobs depend indirectly on tourism. The industry has the potential to create up to 1 million new jobs in the next 10 years. That success is, of course, the reward for our increasing competitiveness in recent years. Unlike the Labour party, we will not burden the industry with job-destroying, bureaucratic regulations. We will continue to work to ensure that Britain remains competitive in the increasingly tough and demanding worldwide market.

The domestic market is particularly vulnerable. Travel to many places is easier than it has ever been. The political changes of recent years have opened up destinations that were previously almost impossible to visit. Increasing affluence, thanks to the Conservative Government's prudent handling of the nation's finances, means that consumers are more demanding, more able to travel and more discriminating than ever before.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): This is all good encouraging stuff, but we must consider what happened in the Budget. Does the Secretary of State agree that the new impost on people who travel by air will make it more difficult for the tourism industry to succeed, especially in island and rural areas in the northern parts of the United Kingdom?

Mrs. Bottomley: Is that intervention another example of the Opposition resisting every tax increase and supporting every spending pledge? Looking at the evidence, I note that the year in which our country had the record increase in tourism and more visitors than ever before was the year in which the air passenger duty was introduced. I would not argue that those two facts were connected any more than I would advance the case that air passenger duty promoted the domestic tourism market. That might be stretching people's patience too far. But the fact is that our tax on air travel is extremely modest compared with others. There is no excise duty on air fuel and there is no VAT on tickets. Air passenger duty is a modest and appropriate response, especially in a booming and successful industry.

Mr. Edward Leigh (Gainsborough and Horncastle): I can understand why the tax should apply to business travellers, but why should it apply to children?

Mrs. Bottomley: I tend to agree with my hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) on matters concerning the family, but not in this case. We have to spread the tax base as widely as we can. My hon. Friend will be aware that Britain welcomed a record 24 million overseas visitors in 1995, after the introduction of air passenger duty. Earnings from overseas visitors were £12.1 billion, a record in real terms and an increase of nearly a quarter on the previous year. Those figures are impressive, showing more visitors spending more money than ever before.

The news is even more encouraging when we compare our performance with that of our nearest rivals. Using US dollars to make the comparison, Britain's earnings grew by more than a quarter in 1995. Those of Spain and Italy grew by just 15 per cent. and those of France by 9 per cent. Our growth was much better than the world average.

Dr. John Cunningham (Copeland): The right hon. Lady is making much of one year's figures; we will come

back to that point later. If that year was so outstandingly successful, why was it necessary for her to dismiss Anne Biss from her job at the British Tourist Authority?

Mrs. Bottomley: In my view, the former chairmen of the tourist boards did an extremely good job in getting the industry to a state of readiness for further development. There is no doubt that the present chairman of the British Tourist Authority, David Quarmby, with his experience of having been the joint managing director of a major company, is the person to take the industry, which is diverse, fragmented and enormously important, into the next millennium. He is well suited to the complexity of the work, with the business links, the training and enterprise councils and the need to improve quality right across the country. I congratulate him warmly on his progress so far and on building on the substantial achievements of his predecessor.

The Government's support for tourism and the contribution of successive heads of the tourist boards are two of a number of factors that have contributed to the improvement in performance. They come at a time when the Government are more active than ever before in seeking to improve the competitiveness of the industry.

The work of the British Tourist Authority and the English tourist board is an important component of Government support for the industry. This week, I announced the allocation of funds to those bodies for the next financial year. As the House will be aware, the Government are determined to keep tight control of public spending and difficult choices always have to be made. I have allocated £35 million to the British Tourist Authority—a slight reduction on this year, but still more than it ever received before that. The industry is booming and there are many opportunities. I support the chairman in his work and in his discussions with people in the industry about how they can contribute to the endeavour to promote and market their product.

The level of funding will allow the BTA to continue its excellent work. Over the past year, it has sought to target its promotion more effectively on the consumer groups most likely to visit Britain. It has had great success in attracting funding from the private sector, raising around £16 million. I am confident that the BTA will do even better in future.

Funding to the English tourist board has been maintained at its previously planned level, before allowing for a reallocation of funds to the Government's new sector challenge fund, making a net figure of £9.9 million. That will allow the board to continue its important work on improving the classification schemes, researching new opportunities in the domestic market and helping the industry to improve the quality of its product.

In addition to direct financial support, the wider DNH programme provides further benefits to tourism. My Department spends almost £1 billion a year, much of it on museums, galleries, the heritage and the arts, all of which are important generators of domestic and overseas tourism.

A large number of projects financed by the national lottery are now playing a growing role in the promotion of tourism for the future. There are numerous examples including Nottingham. The national lottery has provided £25 million for the Kennet and Avon canal, £40 million for the renaissance of Portsmouth harbour and £14.5 million for the Llanelli coastal park.

Mr. Peter Viggers (Gosport): My right hon. Friend used the trigger words "Portsmouth harbour". I know that she takes a key interest in the millennium project that will improve Portsmouth harbour and the facilities in Portsmouth and Gosport and has visited the city of Portsmouth and the borough of Gosport. As I have been in correspondence with her on the issue, can she say when she expects the signature to take place which will allow the millennium project to proceed?

Mrs. Bottomley: I would like to be able to tell my hon. Friend that I know with confidence when that will take place. I am confident that excellent progress is being made, but there are few further hurdles to resolve. The project is a demonstration of how the addition of National Lottery Millennium Commission money can provide enormous new opportunities for a wonderful city with a great tradition. In Newcastle, Bristol and many other parts of the country, lottery funded projects have acted as a catalyst, bringing together different partners and providing many jobs for the future. There may be as many as 500 new jobs in Portsmouth. The Lowry centre at Salford will produce similar benefits. I shall come back to my hon. Friend with a date for a signature as soon as I can.

The Government's support of the tourism industry involves much more than the provision of funds. It is almost two years since we published "Tourism—Competing with the best". In that time we have worked closely in partnership with the industry and the tourist boards on measures to improve the competitiveness of British tourism.

Our work concentrates on six key areas: championing and raising the profile of the industry, improving the quality of the product, developing a world-class human resource, increasing competitiveness, making marketing more effective and managing the impact of tourism.

One of my main priorities has been to raise the profile and esteem of the industry throughout Government. Tourism is high on our policy agenda. It figures strongly in the Deputy Prime Minister's competitiveness strategy and in the "Competitiveness" White Papers. It was the topic of the first deregulation seminar. We recently held a major conference to increase understanding between tourism developers and local authority planners and, for the first time, the Government themselves are taking a strategic lead.

We have worked with other Government Departments significantly to reduce the burden of regulation on the industry. We want fewer, simpler, better regulations, and to that end we have simplified the rules on food hygiene and fire safety. We have created a less cumbersome regime on signposting and extended opening hours for pubs. The Government have strongly championed liberalisation, deregulation and support for small businesses. All those initiatives help the tourism, leisure and hospitality industries first and foremost.

Mr. Michael Stephen (Shoreham): My right hon. Friend mentioned small businesses and there are many small businesses in the tourist industry. Does she welcome the statement by my right hon. and learned Friend the

[Mr. Michael Stephen]

Chancellor on Tuesday providing greater relief to small businesses from business rates? Does she share my view that in future we need to move the burden of taxation away from business rates, which take no account of the ability to pay, towards such taxes as income tax and corporation tax which relate to the profitability of a business?

Mrs. Bottomley: I thank my hon. Friend for allowing me to foreshadow my later remarks on the way in which the Budget has been of great benefit to those in tourism and hospitality. My right hon. and learned Friend's announcements about business rates will certainly be welcome news to many in the industry.

I had a further example brought to my attention of the effect of liberalisation on the industry. The Marriage Act 1994 liberalised civil marriages. As a result, hotels up and down the country are doing more business at weekends than they ever anticipated. One of my constituents wrote to me saying,

"Our weekend occupancy has climbed from 50 per cent. to 100 per cent."

Dr. John Cunningham: Is marriage booming under the Tories?

Mrs. Bottomley: Yes. I am so pleased that the right hon. Gentleman's recognises the success of yet another Tory policy. We are in favour of more marriage, more often, but please do not tell my hon. Friend the Member for Eltham (Mr. Bottomley) that I said that.

Whereas we believe in deregulation, liberalisation, reducing the burden on small businesses and lowering income tax, the Opposition believe in interference, control and regulation. We are particularly concerned about the EU working time directive. The Government regard its imposition as unreasonable, unnecessary and unwelcome. We intend to insist on changes to the treaty to ensure that social measures are not further imposed on the United Kingdom. Why are the Opposition always so keen to bow to Brussels? Why will they never stand up and defend Britain's interests?

Mr. Leigh: They do not care.

Mrs. Bottomley: My hon. Friend is right. They are blinkered to the real interests of our industry.

Of course, we must obey the law, but we are determined that there will be no gold-plating of this, or indeed any other, European regulation when it is implemented in the UK. I shall ensure that the views of the tourism industry are fully taken into account. There are derogations for tourism in the directive, and I intend to ensure that the industry receives the fullest possible benefit from them. I shall be meeting representatives of the industry shortly to learn more about the possible effects of the directive on their business. The costs to tourism as a result of the measure are estimated by the British Hospitality Association to be as much as £100 million.

Earlier this year, Sir Ian Prosser, chairman of Bass plc, said:

"At Bass we are very conscious of the difference in the on-costs to Holiday Inn employees remuneration across Europe where our people do similar jobs. They range from 10 per cent. in the UK to 43 per cent. in Italy. The difference in on-costs across the European Union reflects different national employment laws and charges."

Granada Forte added:

"The introduction of the Social Chapter and the imposition of a national minimum wage would have a devastating effect on the flexibility and competitiveness of this industry, which is one of the largest providers of employment in the UK."

The position is clear. The latest OECD survey of the UK economy records a steady drop in structural unemployment and concludes that

"the better jobs and inflation record reflects the UK's greater exposure to market forces and competition".

The well-being of the tourism and hospitality industry depends on the flexible labour market policies that the Government pursue and that the social chapter and the minimum wage would destroy. A further study by the US Bureau of Labor Statistics shows that the UK has the second lowest non-wage labour costs in the EU with only Denmark being lower. The UK is the only G7 country which has experienced a fall in the rate of non-wage labour costs since 1990.

In the face of all that evidence, it is ludicrous for the Opposition to be so blinkered about the damaging effect of their proposed policies on the industry. Labour is no friend of tourist resorts or the tourism industry or those who seek employment and prosperity in tourism and hospitality.

I expect that the right hon. Member for Copeland (Dr. Cunningham) will mention the Business Services Association, which apparently made a timid approach towards recognising a minimum wage. However, that initiative is already unpicking. Gardner Merchant is distancing itself fast, no doubt having heard the deputy Leader of the Opposition say that any fool knows that a minimum wage would destroy jobs. The company knows that it is estimated that a minimum wage of £4.15 per hour would cause the loss of 1.8 million jobs.

The final cheek of the Labour party was to produce a policy document about tourism that does not mention where Labour stands on the minimum wage and the social chapter. On the front of the document is a picture of Blackpool pleasure beach, when Geoffrey Thompson, the head of Blackpool pleasure beach said that the minimum wage and the social chapter would have an enormously damaging effect on the industry.

Mr. Robert Banks (Harrogate): Does my right hon. Friend agree that the conference industry is one of the most important sectors of tourism? It relies to a large extent on part-time and other workers to provide hotel and conference facilities that cater for many people arriving over a limited period of time. The working time directive and the minimum wage would have a very serious effect on that sector. I know that she has only recently visited Harrogate, where she will no doubt have heard a number of hoteliers express their very deep concern about the two directives.

Mrs. Bottomley: My hon. Friend, who has always been extremely well informed about the real needs of the tourism and hospitality industry, makes some most important points. I am well aware of the significance of the hospitality industry and the relevance of tourism in

Harrogate. He is right to warn the House and others of the extremely damaging effect that the Labour party's policies would have on an industry of such importance to the future employment and wealth of our country.

My hon. Friend the Member for Harrogate (Mr. Banks) will agree that success is about not only a flexible labour market—although we must give that priority—but the quality of the tourism product. "Competing with the best" agreed to take forward work on the accommodation sector. It is vital that the visitor's experience is favourable. Levels of dissatisfaction with accommodation have been unacceptably high. We have addressed that in a number of ways and a great deal has been achieved. We began by carrying out a major piece of research into what consumers want from hotels, basing it on an exercise of benchmarking small hotels against their peers. The guidance that we drew up as a result aimed to help smaller accommodation providers to compare their business with the best performers and thus find ways in which to improve. It was widely welcomed and has been used throughout the industry.

The chairman of the BTA and the ETB, David Quarmby, said:

"The Department of National Heritage's benchmarking exercise for small hotels is beginning to penetrate this very fragmented industry and helping to raise standards."

Our research on hotels also informed the work that the ETB has carried out to improve the classification schemes for tourist accommodation. At present, too many visitors—about one in four in some surveys—are dissatisfied with their accommodation. It is vital that customers are able to distinguish accommodation that meets their needs in advance of purchase. Only then will there be real incentives for improvement, as the best hotels will be adequately rewarded in the marketplace for their excellence.

David Quarmby has already devoted considerable personal effort to that complex task. Work has progressed a long way since he took up his post in June, especially through negotiations with other interested organisations. He hopes to consult the industry about his proposals in the new year, but recognises that there is much to be done in the next few weeks to achieve that target.

The most significant influence on experience and guests' reports of their stay is not the physical facilities but the way in which people are treated by staff. Today, the Henley Centre for Forecasting commented again on the importance of service and training for service.

Tourism is fundamentally a people industry. We launched a major investigation into the industry's human resource practices, using Coopers and Lybrand for advice, and published the results at the end of last month. Some firms are failing to make best use of their people, which is affecting their competitive performance, but the best ones successfully create a distinctive service culture throughout their organisations, and satisfied customers return again and again.

We have been indebted to the help provided by the recent appointment of Peter Moore, of Center Parcs, to the English tourist board. He echoed much of the comment that we have received when he said:

"I am greatly encouraged to see the focus of attention turn to this vitally important aspect of the quality of the tourism product."

We are drawing up an action plan to take forward the initiative with a group of experts from the industry and people from the world of education and training so that we can ensure that we develop the service culture to match and surpass any in the world.

In a sense, everything that we do is to increase the competitiveness of the industry by helping it to become more aware of what customers want and to find ways of delivering it more efficiently. An important further area has been the downward trend in domestic holidays. The trend towards overseas holidays is well established all over the world, and a consequence of increasing prosperity and easier access to overseas travel. I do not conclude from that, however, that the decline of the domestic holiday is inevitable.

Many hon. Members are aware of the great importance of the domestic market to jobs and opportunities in their constituencies. For that reason, I have asked the English tourist board, in collaboration with my Department, to conduct a major research project to discover what steps need to be taken to increase the appeal of holidays in Britain to the British. The research is under way and I expect to see its findings in the new year. It is good news for British holiday resorts and destinations.

I have been impressed on my visits—whether to Margate, Worthing, Eastbourne, Southport, Blackpool or the many resorts on the Isle of Wight—by the way in which the domestic holiday market is trying to improve its quality to ensure that it takes the opportunities available to it. The further research will help it in directing its services and promoting its marketing.

In all our work, we have been working closely with the industry. I have established an advisory forum of leading industry figures to help take forward our plans; we have a number of secondees from the industry working in the Department; we work closely with the CBI tourism action group and with local authority associations on planning matters; and, of course, a new chairman of the tourist boards was appointed earlier in the year.

It is not simply enough for Britain's tourism to be a world-class product; we need to be sure that we communicate the fact effectively to potential customers. I have spoken of the British Tourist Authority's excellent work. A great deal of research by it and others makes it clear that London is crucial to our efforts to attract overseas visitors.

I am not sure how many hon. Members will be familiar with the Ministry of Sound. It is not to be found in *Vacher's* or the *Civil Service Year Book*. It is one of the world's most popular dance clubs, and it is here in London. We are witnessing the growing recognition that London is the place to be. It is fun, fashionable, exciting, prosperous and successful. Retailing is excellent and eating out, as Sir Terence Conran said only the other day in *Le Monde*, is said to be superior to that in Paris. In the recent edition of *Newsweek* magazine, London was described as

"the coolest city on the planet"

Such comments provide a huge opportunity for all in the tourism and hospitality industry.

London has a great deal more to offer. People are drawn here by our wonderful heritage buildings, museums, galleries, palaces and pageantry. There is also a vast amount of investment in the future. The national

[Mrs. Bottomley]

lottery has helped to fund new developments at the Tate at Bankside, the redevelopment of Sadler's Wells and the £30 million development of the British museum. Above all, the millennium exhibition in Greenwich—I was pleased that the right hon. Member for Copeland recognised this—will provide Britain with an unprecedented opportunity to bring millions of visitors from all round the world to create a wonderful legacy for the city and, indeed, the whole of Britain.

Mr. Denis MacShane (Rotherham): We all share the right hon. Lady's celebration of what I believe is becoming known around the world as "cool Britannia", but is there not one substantial problem with London: transport? For many people living in west London, because of the concentration of arrivals into Heathrow, the number of night flights—14,000 so far this year arriving before 7 am—is turning their homes into part of the glide path. In addition, the constant traffic gridlock in London means that it can take half an hour by car from the House to Trafalgar square. The problem needs to be addressed.

Mrs. Bottomley: I will pass on the hon. Gentleman's comments to my right hon. Friend the Secretary of State for Transport, but given the great prosperity that we see in London today we have to balance the needs of the environment and investment in infrastructure with the opportunities for business and for commerce, as they do in other cities. On the question of transport and the millennium exhibition, I had the privilege the other day of being the first passenger on the new Jubilee line from Stratford, under the Thames, to North Greenwich. That is a major regeneration project which, with care and determination, can be a wonderful opportunity for Britain as we move into the next millennium.

Mr. Stephen: On transport, does my right hon. Friend also welcome not only the multi-million pound Jubilee line extension, but the massive investment programme undertaken to upgrade London's underground system generally and to create a new high-speed link between London and Heathrow airport?

Mrs. Bottomley: Yes. I was keen to have a debate on tourism on a Friday and I would prefer it not to be hijacked into a debate on transport matters, so I hope that my hon. Friend will not mind if I return to the subject in hand.

The millennium exhibition is excellent news for the whole of Britain. Research shows that London is our greatest asset in attracting overseas visitors. If Britain is to do well in the world of tourism, we need London to do well. It is the principal gateway to Britain, and once visitors have been motivated to come here we can show what the country as a whole has to offer and persuade and encourage them to travel round and stay elsewhere, as my hon. Friends have pointed out so wisely. That is why the Government, in partnership with the BTA, London First and the London tourist board, created the Focus London campaign, which I launched in January last year. That partnership is researching London's appeal in overseas markets and leading a strong and co-ordinated effort to promote all of London's assets much more effectively than ever before.

I am pleased to announce that I have again been able to include in the BTA's grant in aid for 1997-98 £1.5 million to support the Focus London campaign. I have asked the BTA to put in as much again, and I expect the private sector to more than match that total. That will allow the Focus London partners to build on the excellent foundation that we have created in the past two years. I have asked that the plans for this year should especially emphasise measures to strengthen London's gateway role; to encourage tour operators to develop more "London plus" itineraries which take visitors elsewhere as well as London; and to do more to get independent travellers to visit other parts of the country. It is my view that those who visit this country and only experience life in London have missed out on an important dimension of the United Kingdom.

My sixth aim is to manage tourism demand and its impacts. Clearly, we need to protect the precious assets that attract visitors, not only because of their intrinsic value, but because not doing so would be akin to killing the goose that lays the golden eggs. It is in the industry's interests to ensure that tourism development is sustainable. It is our countryside, our wonderful houses and our landscapes that attract visitors from all round the world, so it is important that we take forward our work in sustainable tourism and visitor management.

The Government and the tourist boards have led the way in promoting responsible environmental practices by the industry, through support for local projects and through issuing well-targeted advice and guidance. The most recent initiatives are guidance on developing sustainable rural tourism; a practical green audit kit for tourism operators; and co-operation with the local authority associations to improve working relationships between tourism operators and local authority planners.

With the English tourist board, we will consult the industry on what further action needs to be taken, whether it be tackling seasonal or geographical pressure points, spreading good practice on safeguarding our natural, built and cultural heritage, or other initiatives that are required to ensure sustainability.

My hon. Friends have already mentioned the vital relevance of Budget measures for small firms. One in 12 small businesses operates in the areas of tourism and hospitality, so it is vital that, in addition to specific financial support to the tourist boards and sector challenge funding, the tourism industry also benefits from the extensive support that the Government provide for small firms. There are around 250,000 such enterprises and the Government fully recognise their key role in the economy, and in providing new ideas, new services and new jobs.

In his Budget statement, my right hon. and learned Friend the Chancellor of the Exchequer set out our policies to provide an environment in which small firms can succeed. His was a Budget for lasting prosperity, and that is what business wants. Above all, businesses need stability, a growing economy, low inflation and low interest rates and that is what the Government have provided.

Our economy is in its fifth year of sustained growth and we have had the longest period of low inflation for almost half a century. That is particularly beneficial to tourism because those are exactly the sort of economic conditions in which leisure and business travel can thrive. As a result of the Budget, a family on average earnings

will be £1,100 better off next year than it was five years ago. *[Interruption.]* The Opposition love to jeer and laugh. Over the past 25 years, average real household disposable income has risen by 45 per cent. That is a great boon for the tourism and hospitality industries.

Mr. MacShane: Come on.

Mrs. Bottomley: As ever, the Opposition despise success. They envy the Government's achievements. That is understandable, but people in the tourism and leisure industries will note the Opposition's reactions.

The Budget offers more help to small businesses. In addition to the reduction in the basic rate of income tax, corporation tax on small companies will be cut to 23p; the business rate freeze was mentioned by my hon. Friend the Member for Shoreham (Mr. Stephen); the VAT registration threshold was increased; and the employer's national insurance contribution will be reduced from April 1997. After those changes, the UK tax rate on company profit up to £300,000 will be the lowest in the EU. Government support for small businesses does not stop there. We have reduced administrative burdens on business considerably and we provide direct assistance where required.

After listening to small firms' concerns, earlier this year, the Prime Minister organised his "Your Business Matters" conferences to give small firms a chance to have their say about future policy development. In the Department of National Heritage, we try hard to ensure that the interests of the tourism, hospitality and leisure industries benefit practically from the wider initiatives that the Government are introducing. One example is the new sector challenge fund. Time and again, businesses have asked us to simplify the systems by which support funding is distributed. The Government have responded by bringing together most Government sectoral support into the new sector challenge fund.

Challenge funding will encourage business-led partnerships at local and national level, and will mean that the most promising proposals will be rewarded. Tourism stands to benefit enormously from the fund. The economic significance of the tourism industry is recognised, and trade associations, businesses and the national and regional tourist boards have been quick to recognise the potential. I am confident that they will produce the high-quality bids that are needed for the tourism industry to attract substantial support from the Government sector challenge fund. I understand that the English tourist board has already submitted a bid, with the hospitality training bodies, to help small hotels to work with training and enterprise councils and business links around the country to ensure that they have the support they need to take all the opportunities now available.

TECs and business links are a vital part of the help we give. They provide the funds and expertise to support small businesses and help them to improve. There are some 240 business links around the country and I am determined that, together with our deregulatory reforms, small businesses in the tourism industry should recognise the facilities that are available for them so that they can work constructively to obtain the benefits. The story of Government support goes further. There are examples up and down the country of investment in regeneration through the single regeneration budget. Brighton, Portsmouth, Ramsgate, Margate, Eastbourne and Hove have all benefited. Over the next seven years, Great Yarmouth will receive £8.7 million, Blackpool £19.3 million and Morecambe £4.3 million. I imagine that the Labour party used the picture of Blackpool pleasure beach in recognition of the great support that the Government have given to it.

In addition, £100 million from the European regional development fund will go to tourism projects. That all adds up to a programme of strong, varied and effective support for the industry, and we intend to do much more.

I know that many hon. Members wish to speak about the importance of tourism and hospitality to their constituencies. We intend to make a further policy statement in the new year about the way forward for the industry, and I shall take careful note of the comments made today by my hon. Friends about how we can best help this growth industry of the future.

Our policies deliver the maximum economic and social benefit for tourism, which is a major source of jobs both now and for the future. It is a major contributor to economic and social regeneration and provides valuable income for our cultural heritage, which is so important to our quality of life.

People are waking up to the importance of tourism and to the huge potential of the industry. The Labour party threatens all that is being achieved. I am confident that people connected with tourism know full well that if they want a champion for an industry that matters to our nation, the party in government has done a huge amount. This has been a record year, and I hope that next year will be even better.

10.20 am

Dr. John Cunningham (Copeland): I join the Secretary of State in welcoming the opportunity to debate the tourism and hospitality industries, especially as all hon. Members share her view that they are important to Britain—to our economy as a whole and to our social well-being. It is predicted that those industries will soon be the largest in Britain, and the largest globally, too.

In the United Kingdom the industry is disaggregated—literally, as it is spread out through the economies of rural areas, small villages, market towns, and large conurbations from Land's End to John O'Groats. Tourism is of special and growing importance in Cumbria and the Lake District national park, with which much of my constituency is involved.

I could not agree with the Secretary of State's central theme, which seemed to represent an innovation for the Conservative party—the idea that increasing taxation and cutting budgets for the cultural industries and tourism will be of wide-ranging benefit and contribute to their future success. That is a real about-turn, and as the debate unfolds I shall be interested to hear whether her right hon. and hon. Friends share her view.

About 1.7 million people are involved in the industry. Many of them are low paid and without proper skills and training. I shall return to what the Secretary of State said about the social chapter, the minimum wage and the working hours directive. Most people, including many in the industry, believe that its future success can be based only on improving the quality of the product and of customer services, as the right hon. Lady rightly said, and on moving up-market to attract more visitors to Britain.

[Dr. John Cunningham]

None of that will be possible with a sweatshop attitude to employment, widespread poverty pay and a lack of proper skills and training for the work force. According to the right hon. Lady, the Conservatives' view is that the present conditions should endure. At the outset of the debate, on behalf of the Labour party, I reject that approach absolutely.

In 1995 the tourism and hospitality industries generated £37.6 billion in our economy. Slightly more than £12 billion of that came from foreign visitors, so their importance to us is clear. However, United Kingdom residents in turn spent £15.7 billion abroad, so we have a deficit of about £3.6 billion on that account.

Visitors come to Britain for our arts and cultural activities; for our museums, galleries and theatres; for our heritage, our countryside and our sporting events. That is why it is important for us to bid to host events such as the football World cup and the Olympic games. The success of the Football Association in hosting Euro 96 is clear for all to see, and we must build on that success as quickly as we can.

Mr. Gerald Kaufman (Manchester, Gorton): My right hon. Friend has mentioned the bid for the Olympic games. He is of course aware that Manchester will be the venue for the Commonwealth games in 2002. Does he agree that the Government could send a signal of their recognition of the fact that we are to host those games by making a speedy announcement of their approval for a second runway at Manchester airport?

Dr. Cunningham: I share my right hon. Friend's view of the importance of that, not only to Manchester and the Commonwealth games but to the future success of the economy of the north-west as a whole.

The industries that we are talking about are hugely important to Exchequer income in Britain. Yet this week the arts, museums and tourism were hammered again by a disastrous short-term Budget. Again the Secretary of State completely failed to protect her departmental responsibilities from damaging cuts.

I welcome the report of the National Heritage Select Committee, which is so ably chaired by my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman). I am confident that the Committee's ideas will be widely endorsed, and I share its view about the special importance of a statutory register for all premises offering accommodation to visitors in Britain, and about the need quickly to produce a harmonised official scheme of ratings. Those are two aspects of the Labour party policy document, "Breaking New Ground—Labour's strategy for tourism and hospitality".

The right hon. Lady chided us for including on the cover of that document a photograph of Blackpool pleasure beach, and said something about the managing director, Geoffrey Thompson. In his endorsement of our document, this is what he actually said about Labour party policy, as opposed to what the right hon. Lady alleged he said:

"It's great to see tourism recognised as an industry and on the political agenda. We welcome this initiative".

He also gave his approval for the inclusion of the photograph.

Mrs. Virginia Bottomley: As I understand it, Geoffrey Thompson said that he was pleased that any political party should say that tourism is important—and any company would be happy for its key facility to appear on the front of a pamphlet. But what Mr. Thompson minds about is the minimum wage and the social chapter, which would have appalling effects on his business, as they would on almost every other industry.

What the Labour party does not understand is that if people can get first jobs they can trade up and get other jobs. Unemployment is lower in Britain than in other countries in Europe precisely because we have resisted such policies. The Labour party will not listen, and that outrages the tourism and hospitality industries.

Dr. Cunningham: The fact that the Secretary of State's response seemed to be prompted by the hon. Member for Blackpool, South (Mr. Hawkins), who is sitting behind her, is rather a joke, in this context. The hon. Gentleman is running away from the electorate of Blackpool, South to seek a safer seat somewhere else, so clearly he does not have much confidence in Government policies for tourism in Blackpool. He is abandoning the electors of Blackpool and seeking safer pastures, so he is the last person who should be complaining about Labour party policy on tourism.

I am encouraged by the Select Committee's report not least because it shares and complements many of the policies set out in our policy document. That document was widely welcomed, not only by Mr. Geoffrey Thompson but by the chairman of the British Tourist Authority; by Mr. Richard Branson; by Mr. Jeremy Logie, the chief executive of the British Hospitality Association; by Juliet Simpkins, the director of public affairs of the Tussaud group; by Mr. Ken Robinson, the chairman of the Tourism Society; by Charles Allen of Granada and by many other leading operators in the tourism and hospitality industries. Unlike the Conservative party, we have a policy and a strategy. The Conservative party has no policy that anyone in the industry or any Opposition Member can discern.

The Select Committee report earned a complimentary welcome, and I congratulate my right hon. Friend the Member for Gorton and his colleagues. I also congratulate my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry), who enjoys considerable support across the tourism and hospitality sector for the excellent groundwork that he has done in the development of our policy document.

It is clear that our culture, heritage, museums, galleries, theatres, sports arenas and countryside have tremendous potential to attract even more visitors to Britain. A Labour Government introduced the Development of Tourism Act 1969, which created the tourist boards. We remain convinced about their importance and their activities in promoting the tourist industries. It was a ground-breaking Act when it was introduced and it has stood the test of time. We should also reflect that some Conservative Members of Parliament went into the Lobby to oppose the Act at the time. Labour's record on tourism is a good one and it is sad, and an indication of the indifference of the Conservative party, that in 17 years, it has made no attempt to update or improve on the workings of the Act, which we think is due for an overhaul.

With transport, energy, the environment and consumer affairs all impinging in important ways upon tourism, it is clear that more consideration needs to be given to

cross-departmental co-operation in the interests of more effective tourism policies. It was surprising to hear the Secretary of State say that she did not want to respond to questions on transport and transport infrastructure. If after all this time in office, she has not made the connection between tourism and the importance of flexible and successful transport policies in providing access to other parts of the country, she has made a huge mistake. A disaggregated industry such as tourism needs sustained Government support and direction across all Departments if it is ever to achieve its full potential.

Recent cuts in the funding of the British Tourist Authority and the English tourist board have exposed the staggering short-sightedness of the Secretary of State and her Government colleagues. Obviously, her colleagues have either forgotten what she has been saying about tourism or they have completely ignored the opinions that she has been expressing, not only to the House today, but in earlier debates and discussions about the significance of the industry to us all. When one considers that for every pound spent on promotion by the British Tourist Authority there is a return of some £27 to the British economy, the prudence of maintaining its budget and investment is apparent. But yet again this week, we have seen a cut in the allocation from the right hon. Lady to the BTA.

Britain should take greater advantage of the economic potential in the tourism sector. Tourism will be the largest industry in the world by the end of the millennium. Yet on recent performance, Britain's share of increasing world tourism is in relative decline. If we had simply retained our share of that global market in the past 10 years, we could perhaps have had 200,000 more jobs in our economy today. We have a £5.6 billion deficit on our tourism balance of trade, and that is why the further cuts in the BTA budget, and that of the English tourist board, seem so senseless to us. This short-term, budget-cutting measure will cost us much more in the medium and longer term.

The tourism, hospitality and related industries have many attractions for an incoming Labour Government—something many of the industries hope to see. First, the industries are truly nationwide, and have considerable growth potential. They create jobs, stimulate local economies and promote investment in our cultural industries, heritage, sport and arts. There is a complementary mix of small, medium and large enterprises, and we can build on and extend current performance. The question is, what needs to be done to unlock that considerable potential?

Here are the core issues on the agenda. First—this is a failure on the part of the Secretary of State—it is absolutely essential to establish a political understanding of the importance of the industries to the whole of our economy across all Government Departments. That has not been done in the 17 years of Conservative Government, and it is clear from the events of this week that the Secretary of State faces an uphill struggle in trying to convince the Chancellor of the Exchequer of that importance. Coherence in policy making across the many Departments of Government will be a primary objective for Labour.

Secondly, a review of the existing policy framework and the methods for delivering it is needed, and that should include the various options within the industries. The Secretary of State had nothing new to say today about the existing framework for the delivery of effective policies for tourism and leisure in the British economy. We also believe in the need for a statutory scheme of registration to be phased in over an appropriate period. That policy has earned widespread support in the industries, which want such a scheme exactly because they believe that it will help them to strengthen their market share and to improve the quality of product. Many people in the industries have made it clear that it will also stop bad employers undercutting good ones and driving the market down.

Britain's performance in providing advice, guidance and information to visitors—particularly overseas visitors—can and should be dramatically improved. We are inept in some respects in providing helpful and easily accessible information to visitors to our country—including, I regret to say, in the capital city, London. We should make a concerted effort to improve the provision of help and information to tourists. The impact of transport policies needs to be analysed—especially rail privatisation, which is affecting the ability of many areas to attract even existing levels of visitors, let alone to build upon them.

We must initiate a wide-ranging debate on sustainable tourism, and that is also on our agenda. I was pleased to see—I compliment her on it—that it is also on the agenda of the Secretary of State. I am happy to have a debate with the right hon. Lady and her colleagues about the social chapter and its consequences for the tourism and hospitality industries, whom I believe have nothing to fear from it. Contrary to what she has said, the social chapter will not impose other nations' social costs on Britain. Nor does it—to knock down another myth from Conservative Members—have anything to do with earnings.

Allied to those discussions must be a higher priority for training and skills in tourism, as in other industries. There are plenty of examples in Britain—for example, York city council's successful York tourist employer of distinction policy, which is a good and succesful model that other local authorities can follow.

The case for the tourism and hospitality industries on the impact of a minimum wage will be effectively presented to a low pay commission to be established by a Labour Government. The industry has that commitment not only from me, but from my right hon. Friend the leader of the Labour party. A Labour Government will establish such a commission because we are aware of the need to consult industry, commerce, unions and employees before any decision is taken.

Mr. MacShane: Did my right hon. Friend have a chance to hear the interview on Radio 4's "Today" programme this morning with the director of the Business Services Association, who welcomed a minimum wage, was seeking to participate in the low pay commission and pointed out that driving down wages to £2 and £1.50 an hour encouraged bad employment practices? Is that not relevant to the tourist industry?

Dr. Cunningham: Indeed, I heard that interview and I have also seen the reports in the press today. What disconcerts Conservative Members is the fact that there is growing recognition that Britain cannot compete on miserably low levels of income. That is recognised throughout Europe and in the United States of America.

[Dr. Cunningham]

The idea that we can somehow improve the quality of our product and our services by paying people low wages is absurd.

I have never understood the Conservative party's argument that it is necessary to pay those on high incomes more to make them work harder, but those on low incomes less and to give those on large incomes tax reductions to improve their incentives, but to increase the tax burdens on those on low and middle incomes. That is an absurd argument and I cannot believe that in their heart of hearts many Conservative Members believe in it.

Mrs. Virginia Bottomley: What the right hon. Gentleman fails to understand is that the Conservative party dislikes always telling people what to do, how to run their business and what to pay their staff. We believe that prosperity, jobs and opportunity come from freedom, deregulation and liberalisation. The Labour party stands for regulation, legislation and bureaucracy—always telling other people that it can run their business better than they can themselves. That is why we shall win the next election.

Dr. Cunningham: The next election cannot come too soon for us. If the right hon. Lady is so confident of her policies and the Budget, let us have the election now. What are we waiting for? The people of Britain would like to have the election now and we have confidence in our policies, our position and our level of support.

Lady Olga Maitland (Sutton and Cheam) *rose—*

Dr. Cunningham: I will not give way at the moment as I want to return to what the Secretary of State said about poverty, pay and low wages, which she defends. She mentioned Mr. Peter Moore of Center Parcs in her speech.

Mr. MacShane: Praising him.

Dr. Cunningham: Indeed. But this is what Mr. Peter Moore had to say about low pay:

"You can't pay low wages—it's a false economy"—

if you do—

"Additional money has then to be spent on constant recruitment, selection and training. No genuine service culture can therefore be built and it just becomes a negative spiral."

The right hon. Lady ought to be a little more careful in adducing support from such people. She did not accurately express his views.

We are determined to make an impact on low pay and we are committed to the principle of a minimum wage. We are determined too that Government and the industries will work together more effectively to market UK plc, to enhance our chances of improving our share of the continuing growth in global tourism.

The Government's record is one of 17 years of indifference, neglect and policies that have been damaging to the industries, culminating this week in the abysmal Budget, with its taxes and cuts in the right hon. Lady's departmental budget. Tax is the ground on which the Tories often choose to fight and I am happy to take up that challenge. Let us consider air passenger duty, which was first introduced by the Government—one of their 22 new taxes. The present rate is £5 for most flights in Europe and £10 for other journeys. Those rates will be doubled as a result of the Budget. The £10 rate will apply to flights beginning in the UK and ending in the UK or any of the following countries: any EU member state, Switzerland, Iceland, Norway, the Azores, the Balearic Islands, the Canary Islands, Corsica, the Faroe Islands, Madeira, Sardinia, Sicily, the Channel Islands and Gibraltar. The £20 rate is for flights to the United States of America. The revenue yield will be £385 million in a full year.

So, the Secretary of State is telling us that by taxing people an extra £385 million she is helping the prospects of our tourism industry. That is complete and arrant nonsense. I cannot believe that it comes from the party that says that low taxes are important. Yet the right hon. Lady—a member of the Cabinet—tells the House today that those increases will not damage the prospects of our tourism and hospitality industries.

The insurance premium tax has also increased as a result of the Budget. Travel insurance and insurance on car hire are the two areas of relevance to be affected. Is increasing the taxes on those insurances calculated to increase the attractiveness of Britain for foreign visitors? Is it calculated to make us more competitive as a host country for visitors and tourists, or less? I will be happy to give way to any right hon. or hon. Gentleman who wants to advance an answer or an argument. Will the taxes help or hinder us? Yes or no? They do not seem to be quite so keen to intervene at this point in the debate.

Mr. Simon Coombs (Swindon): I hesitated a long time before interrupting the right hon. Gentleman as he is getting on very slowly and this intervention will only slow him down even more—I can see that there is a wodge more of his speech to come. Two years ago, the Labour party argued that the introduction of airport passenger duty was likely to lead to a massive diminution in the number of overseas visitors to this country. It has not done so. As my right hon. Friend the Secretary of State said, a massive increase coincided with its introduction. My suspicion is that the attractiveness of Britain is so great that it overcomes that sort of problem. So, the answer to the right hon. Gentleman's question is that those matters are broadly neutral.

Dr. Cunningham: That is not what the Secretary of State said, so the hon. Gentleman is using a different argument. It was fortuitous for the Government and for visitors to Britain that the tax was introduced at a time when sterling was falling in value—there was a devaluation in sterling—and an IRA ceasefire was announced, which we all welcome. So, circumstances other than the introduction of the tax have also to be taken into account.

I stand by what I said—in all other areas of policy and activity the Conservatives believe that lower taxes are essential, but in this area they believe that increasing taxes will somehow not be damaging. That is facing both ways at once and the hon. Member for Swindon (Mr. Coombs) knows that to be so.

Everyone shares the view, I think, that the future success of our arts and cultural industries is inextricably linked with visitors and tourism—not just in London but

nationwide. Yet this week's Budget makes all areas of Britain less competitive as places to visit and in which to enjoy holidays. It was not so much giving with one hand and taking away with the other as taking away with both hands—taking from the arts, museums and tourism. Cuts to the budgets of the British Tourist Authority and the English tourist board are barmy in the face of all the arguments about the importance of the industry to us. The cuts are economic nonsense.

The Secretary of State said that she was pleased to announce today a £1.5 million grant to London, but overall she has agreed to a reduction of £500,000 in the BTA budget, which equates to the cost of several BTA offices abroad—offices that are there to attract visitors to Britain and to promote our country.

A further £134,000 is transferred from the English tourist board budget to the Department of Trade and Industry. The Secretary of State said that she was delighted to announce that the ETB had already put in an application for that money; of course it has: it is trying to get its budget back. It now has to compete for what was its own money, which is absurd.

Our policies on skills and training have won backing today, as my hon. Friend the Member for Rotherham (Mr. MacShane) said earlier, and will win further backing. There is growing support for the introduction of a minimum wage, and we also learn from a report in the *Financial Times* that

"The study on the financial impact of poor customer service, the first of its kind, suggests that over a five-year period, a business with annual turnover of £500m could lose more than £1.8bn in revenue and £267m in profits, because of such poor service."

If we maintain the approach on pay and training—or the lack of them—that the Government have endorsed again today, we shall damage the quality of service in our tourism and hospitality industries, throwing away money in false economies.

The timing of this debate is rather curious. I could not quite bring myself to believe that the Secretary of State wanted to come to the Chamber today, following a Select Committee report that was supportive of Labour party policies and a Budget that has had such damaging consequences for all her responsibilities. She had no new policy announcements to make, no coherence in her approach and no new White Paper to flag up.

All was revealed when we read about the activities of the chairman of the Conservative party, the right hon. Member for Peterborough (Dr. Mawhinney).

Mr. Robert Banks: The right hon. Gentleman said that the Select Committee report coincided with Labour party policy. Where does he stand on the funding of the British Tourist Authority and the recommendations in the report?

Dr. Cunningham: I said that I opposed the cuts in the BTA, which are short-sighted and barmy economics, cutting off our nose to spite our face. In the long term, its budget should have been sustained, if we are to believe what the Secretary of State said at great length this morning about the Government's commitment to tourism.

We hear that the Secretary of State has had some argy-bargy with the chairman of her party, who has been bullying her into being more active in defence of the Government's policies, and we have seen the result today: she came along with an incoherent speech and nothing new to say. She must be wondering who needs enemies, when she has friends and colleagues like that.

Today, we have been given the opportunity to expose the Government's failure to do anything new on tourism in the past few years or to produce any coherent view of its future development. The industry, the Select Committee and Labour have policy ideas for the future of tourism, but the very person who should have such ideas, the Secretary of State, has none. The best that can be said of her speech today is that she seems to have taken a policy holiday on the future of tourism.

The Secretary of State has acquiesced this week in plenty of policies against the best interests of the industry, which will be served, as she said, when the people have the opportunity to vote; when they do so, they will give the right hon. Lady and her colleagues a long holiday in Opposition—and the sooner the better.

10.54 am

Mr. Jonathan Aitken (South Thanet): My right hon. Friend the Secretary of State, in her excellent and comprehensive speech, made it clear that we are debating a success story—the story of an expanding, increasingly professional industry that is growing in terms of invisible exports, investment and employment.

We had to pinch ourselves during the speech of the right hon. Member for Copeland (Dr. Cunningham) to remember that the subject under debate was such a success story. I have never heard such a moaning Minnie—or whingeing pom, as the Australians say. He described in a way to make our flesh creep the terrible horrors of sweatshops and poverty pay, and he tried to make our blood curdle with tales of terrible cuts and the barmy economics of the reduction in the British Tourist Authority's budget.

One would have thought that the reduction was huge and sensational; in fact, it is from £35.5 million to £35 million, a cut of £500,000. By the standards of Chief Secretaries, that is not a significant cut but a sliver or fine shaving.

The tourism industry as a whole has gained by tens if not hundreds of millions of pounds from the national lottery, so the notion that my right hon. Friend is presiding over some cruel, Scrooge-like torturing, twisting and cutting of the British tourism industry is typical of the right hon. Member for Copeland, whose only role in tourism should be as a fairground barker for the house of horrors: roll up to see the terrible disasters that will occur if the Labour party ever gets its hands on the industry.

The statistics in my right hon. Friend's speech that struck me most were those on employment. She reminded us that 1.8 million people work in tourism, which is almost 6 per cent. of total employment in the United Kingdom, and she forecast that the industry had the potential to create another 1 million jobs over the next 10 years.

The industry is such a success story precisely because it is a deregulated industry that benefits from flexible labour laws. One way to wreck it would be to do as the right hon. Member for Copeland suggested; he seemed to imply that the social chapter would have no impact whatever, but one need only consider the pressures imposed by ingredients of the social chapter such as the

[Mr. Jonathan Aitken]

parental leave, part-time work and works council directives—not to mention the working time directive, which my right hon. Friend said would cost the tourism industry £100 million—to see clearly that the combination of Brussels and Copeland would be a disaster for the industry.

Dr. John Cunningham: The right hon. Gentleman will recall, as we do, that the Secretary of State for Education and Employment came back from Brussels after discussions on that directive claiming a victory. She said, in effect, "We've won." Was she telling the truth? Before the right hon. Gentleman runs away with this nonsense about the working time directive, he should note that tourism is classified in it as an industry with a number of exemptions: it is exempt from articles 3, 4, 5, 8 and 16. He must do a little better if he wants to convince anyone that he understands what he is talking about.

Mr. Aitken: It is not a matter of dispute that my right hon. Friend the Secretary of State for Education and Employment got a better deal than expected on the working time directive, but it is still a bad deal for Britain overall. The only common ground that I have with the right hon. Gentleman is that I thank goodness that my right hon. Friend managed, among other things, to negotiate some derogations and exemptions.

One of the problems with Brussels is, when is an exemption an exemption? Often it is not one. The right hon. Gentleman's complacency may be misplaced, and I think that the figure of £100 million for the cost to the tourism industry of the working time directive is about right.

The essence of the tourism industry is that, geographically speaking, one could describe it as an archipelago of classical small businesses, particularly in the hotel trade. Last week, I attended, as I do nearly every year, the annual dinner of the hoteliers of my constituency. There are 535 hotels in Thanet, which employ, directly or indirectly, some 1,500 people. That constituency figure reminds us how well spread is the tourism industry. It is important not only from a London point of view, as has rightly been emphasised, but constituency by constituency.

The hoteliers in my constituency, to whom I often talk, would not recognise the resonant, flesh-creeping phrases of the right hon. Member for Copeland about sweatshop attitudes and poverty pay. The industry is full of optimism, gaining more business than ever before and, in Thanet, creating some good niches such as language schools, which bring in more than £10 million to Thanet, creating some 500 jobs. Seeing you in the Chair, Mr. Deputy Speaker, I am reminded of the great golf courses in east Kent, which are patronised by you and others. Niche businesses are creating more and more jobs in hotels.

If I had a slight niggle about my right hon. Friend's speech it was that it was London-focused. From her point of view that may be correct, because London is a great magnet for tourism, but she mentioned Heathrow's importance as the gateway to Britain. I agree about that, but there is another gateway: the channel ports. They are much in the news at present but, I am sorry to say, for their vulnerability because of the current blockade of Calais by French lorry drivers and the recent Eurotunnel fire. That should remind us that we need diversity, accessibility and a multiplicity of ports, routes and carriers at the gateway to Europe in Kent.

A few months ago, there was much boastful talk, not a million miles from Eurotunnel, about how it would win the price war against the ferries, put its rivals out of business and dominate the cross-channel traffic market. Perhaps that was a case of pride coming before a fire. The regrettable closure of the channel tunnel reminds us that we need competition in the cross-channel marketplace and flourishing ferry companies, just as we need a safe and successful Eurotunnel.

In the cross-channel market, and in the tourism market as a whole, tourism and the travelling public win if competition thrives, but it must be fair competition. I have a special plea for the Government. Let there be equal rights for all channel ports. Fair play must be the order of the day in matters such as signposting, tourism promotion and, above all, communications links. The Government should create for the channel ports, and for elsewhere, a truly level tourism playing field. I must highlight a manifest inequality in the treatment of Ramsgate, which for road links is the Cinderella of channel ports, especially in relation to her two sisters, Dover and Folkestone. I do not intend to imply that they are the ugly sisters—they are attractive towns—but they are far better provided with road links.

The channel tunnel terminal at Cheriton near Folkestone has its spanking new M20 motorway. It cost tens of millions of pounds to bring it up to the terminal entrance. Dover has the M2 and its Jubilee way leading right into the port. Ramsgate alone lacks any sort of port access to link Britain's second biggest channel port to the dual carriageway system of Kent and Britain's motorway network. I know that my right hon. Friend is not the Secretary of State for Transport, so I shall not burden her by rehearsing all the arguments for the Ramsgate harbour approach road, even though the environmental, economic and transportation case is overwhelming, but I would like her to do two things in her capacity as the Minister responsible for tourism.

First, I would like my right hon. Friend to reflect on the unfairness point: that every other channel part in Kent—and for that matter in France and Belgium—has, or is planned to have, its own major port access road, paid for out of the public purse, to separate the port traffic from the congested traffic of the adjoining town. Ramsgate alone is discriminated against. It is Britain's second largest channel port, with 3.5 million passengers, more than 450,000 cars and 250,000 lorries every year; it is in the middle of an expansion programme involving two new fast ferries or catamarans that are expected to attract an additional 1.5 million passengers, 300,000 cars and 140,000 lorries next year; port Ramsgate and the Holyman-Sally ferry company are obviously good for tourism and for Britain and are intending to grow and flourish with the new investment in the tourism infrastructure. Despite all those factors, Ramsgate is the only channel port without a port access road. To leave it in that isolated position is to introduce an element of unfair competition in favour of other ports.

When my right hon. Friend has reflected on the unfairness point, will she take a message from the debate to the Secretary of State for Transport and his road

programme and, perhaps more interestingly, to the Secretary of State for the Environment, who is in charge of the capital challenge bid programme? I hope that the conversation that she may have with him will be particularly fruitful, because the capital challenge programme is designed to create jobs and develop successful industries such as tourism. The Kent bid is especially imaginative, because it includes the Ramsgate harbour approach road and all its attendant benefits to tourism. I hope that her role and that of the Department of National Heritage in the capital challenge programme bidding process will be important so that she will be a decisive voice for the Kent bid and the Ramsgate harbour approach road.

That brings me to a theme that I might call my one niggle or nagging doubt about the Department's role in tourism. The House knows after her excellent speech that my right hon. Friend is serious about tourism, but are the rest of Whitehall and the Government equally serious and committed? It is good news that we at long last have a Cabinet Minister, and an energetic and vocal one, responsible for tourism, but how well does her Department co-ordinate with others? When she and others talk about the need to attract high-spending tourists from overseas, especially from the far east and America, I wonder how well co-ordinated that enthusiasm is, given the squalid treatment that they are given at Heathrow, with its huge visa queues of people coming from America and other countries. They are subjected to unjustifiable delays because of the immigration service, which is the responsibility of the Home Office.

In asking how good co-ordination is, I shall let the House into a little official secret. I happen to know that an important Whitehall committee was once set up. It was called the ministerial co-ordinating committee on tourism. I tried to find out how often it has met, and discovered that it has not met since 1991. The five-year gap in its schedule suggests that the Government's approach to tourism is not quite as well orchestrated as it perhaps should be. My right hon. Friend may have a perfectly good answer. Without the help of a co-ordinating committee, she is setting a faster pace and getting more effective results than any previous Minister for tourism. She has a good precedent for that. Perhaps I may refer to an ancestor or relative of mine. When the late Lord Beaverbrook became Minister for Aircraft Production in 1940, he abolished all co-ordinating committees with the memorable dictum:

"Committees take the punch out of war."

Perhaps they take the punch out of tourism, too. I do not wish to be too critical, but I believe that there is a need for greater co-operation between Departments, as with the competitiveness White Paper.

The essential message of the debate is that tourism is doing well and has a good Minister, who has raised its profile at home and abroad. I have one last suggestion on profile raising. I wonder whether a better title for my right hon. Friend would not be the Secretary of State for National Heritage and Tourism. It is not simply a matter of nomenclature. Tourism is a huge national interest and creator of jobs. It represents more than 5 per cent. of gross domestic product—some £37 billion a year. We may or may not need a ministerial committee to co-ordinate tourism, but tourism deserves a clearer ministerial identification, and I hope that the title change will be considered.

I have to end my speech on a note of apology. I am going to attend a funeral so, alas, I cannot stay for the end of the debate. I hope that my suggestions will find favour with the Government and that British tourism, like the rest of the British economy, will continue to go from strength to strength.

11.10 am

Mr. Gerald Kaufman (Manchester, Gorton): The right hon. Member for South Thanet (Mr. Aitken) asked whether the Government were serious about tourism. I shall come to that in a moment. In a week in which the National Heritage Select Committee has published a unanimous report, as all our reports are on tourism, the question that I ask is how serious the country is about tourism. How serious is the House of Commons about tourism? The Secretary of State said that there was a good turnout for the debate. A maximum of 22 hon. Members have been present out of 649. Plaid Cymru and the Scottish National party have been absent from the debate, even though Wales and Scotland are much more amply funded than England in terms of tourism. The Press Gallery is almost empty.

When we launched our Select Committee report on Wednesday, we had an attendance, including a team of three from the BBC, of six journalists. Yet, as the Secretary of State, the right hon. Member for South Thanet and my right hon. Friend the Member for Copeland (Dr. Cunningham) pointed out, tourism is the biggest private sector industry in Britain. Before the end of the decade, it will be the biggest industry in Britain. As our report says, it employs more people than agriculture, coal mining, steel making, automobile manufacture, aircraft manufacture, food production and the textile industry put together.

One of the special merits of the tourism industry is that it is labour intensive. In an era in which the expansion of industry is capital intensive rather than labour intensive, the propensity of tourism to employ people is one of its most, though not overwhelmingly its most, important aspect. I say to both the Secretary of State and the right hon. Member for South Thanet that the issue of the minimum wage is an important one.

I am baffled as to why Conservatives, of all people, seem to believe that a statutory minimum wage is not desirable. As the United States presidential election campaign entered its last phases, Congress voted to increase the American statutory minimum wage. The Republicans were falling over themselves to agree with the Democrats that an increase was necessary. I find it difficult to understand why a Government dedicated to capitalist economics cannot understand that the economy in the world most dedicated to capitalist economics, that of the United States, regards a statutory minimum wage as an inherent part of a burgeoning and innovating economy.

The Department of National Heritage is the most undervalued Department in the Government. I believe—I have said it and the Select Committee has said it—that the creation of the Department of National Heritage was an act of great imagination by the Prime Minister. I believe and the Select Committee which I chair believes that the centrality of the Department is not sufficiently recognised. It is responsible for the two most important industries in the country. It is responsible for the electronic and visual communications industry, which is

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the industry of the future, on which the basis of our economy and society will revolve as the new century progresses. It is also responsible for tourism, which is the most important private sector industry that the country possesses. It is extremely important that we do everything that we can to expand and foster that industry.

The right hon. Member for South Thanet said that tourism affected most of our constituencies—perhaps not absolutely all, but most. That is why I intervened in the speech of my right hon. Friend the Member for Copeland with regard to Manchester airport. The airport was voted internationally the best airport in the world. It requires urgently a decision on the second runway. Manchester has been classified as an exceptionally important tourist city. The north-west, including the areas to which the Secretary of State referred, is one of the central areas of tourism.

I agree with the right hon. Member for South Thanet that although no one can deny the central importance of London, there is a whole United Kingdom outside London with enormous attractions for tourists, which we should do a great deal more about. I shall deal with that later. If one is dealing with London, one ought to examine not only the merits of London—who can deny them?—but the fact that there is dissatisfaction among tourists with some aspects of tourism in London. I very much hope that the Secretary of State and her right hon. Friends will tackle some of those matters. For example, tourists are exploited by phoney and exploitative theatrical booking agencies, which rip off tourists by selling tickets which are both overpriced and for badly situated seats.

One of the things that I find most annoying as I come to the House of Commons every day is the passing tourist buses run by two companies—London Pride and Blue Triangle—which have on them notices saying, "Official London Tourist Bus". That is deceptive because there is nothing official about them whatever. They claim some official status, and by doing so seriously deceive tourists. I should like to see tourists and visitors to London from other parts of the United Kingdom protected from such activities.

The Secretary of State and my right hon. Friend the Member for Copeland were both kind enough to refer to the report of the National Heritage Select Committee, which we published on Wednesday. As I say, it is a unanimous report. Although my right hon. Friend has a perfect right to make whatever claims he wishes about any similarities between our report and the Labour party document, it is important for me to point out that we compiled our report without having seen the Labour party document; the Labour party document was not discussed during the compilation of our report. Therefore, if there are resemblances, to which my right hon. Friend has a perfect right to draw attention, they are coincidences which my right hon. Friend may well call happy.

Dr. John Cunningham: I am happy and pleased to confirm what my right hon. Friend says. Of course there was no collusion between us at all. I am just delighted that an independent Select Committee of the House of Commons, with Conservative Members on it, came broadly to the same conclusions as we in the Labour party did. I am reassured by that.

Mr. Kaufman: The Select Committee not only has Conservative Members on it but it has a Conservative majority, as do all Select Committees. The hon. Member for Falmouth and Camborne (Mr. Coe), who sat for a while on our Select Committee, is well aware that we do not have politics on our Select Committee.

I would be the last person to detract from the success and prospects of the tourism industry, which is an extraordinarily important one. If I have a complaint it is that because the industry encompasses entertainment, heritage attractions and the countryside, it is somehow regarded as a peripheral industry rather than one that is central to the prospects of our economy. It employs 1.75 million people, attracts vast amounts of foreign currency and has great prospects. Therefore, if the burden of my speech deals with some of the proposals in our Select Committee report which draw attention to shortcomings, that is not because I or anyone on the Select Committee would detract from the success of the tourism industry, but because we wish to see that industry made even more successful.

That is why I have to agree with my right hon. Friend the Member for Copeland about the unfortunate cut in funding for the British Tourist Authority. That authority is profoundly underfunded.

When our Select Committee went to the United States, we noted that individual states have more funding for the promotion of tourism within their states than the BTA has to promote Britain. The BTA covers north, south and central America and is centrally run from an office in New York, although there are other offices elsewhere. We regard it as utterly absurd that a potentially extremely lucrative market should be run from New York and that the authority should be so severely underfunded. The BTA has £5.1 million to promote Britain in the whole of the Americas and £750,000 is devoted to advertising Britain throughout the whole of the Americas. Insufficient money is available to establish an office in Dallas, although Texas is regarded as one of the most important growth areas for tourism to Britain.

The Select Committee went to the state of Virginia to visit Colonial Williamsburg. That state spends $1 million overseas from a tourism budget of $17 million. It has a bigger tourism budget than the BTA has for the Americas, and it spends more overseas than the BTA can spend on advertising itself throughout the Americas.

As we said in our Select Committee report:

"We asked one of the people we visited what he thought of the BTA's marketing efforts, and mentioned their budget; he replied, 'I guess that's why we never see the ads.'"

We attract 750,000 visitors from the United States. That may sound pretty good, but out of a population of more than 250 million it is by no means as good as it should be.

I accept that the resemblances between the state of Virginia and Britain are not total, and I would not want to make too much of the analogy. Nevertheless, as many people in a year visit Colonial Williamsburg in the state of Virginia as visit the United Kingdom from the United States. I accept that that town is in the same country, although it is a huge continental one, and I do not want to make over-much of that fact, but it is clear that we are not promoting the BTA in the Americas anything like as much as we should be.

The statistics on the BTA show that that additional money should not be regarded as a grant because financing the BTA and the tourist boards is an investment in Britain. That investment pays off enormously. The

statistics that we cite in our report, which have been updated by the BTA, show that between 1991 and 1994, each pound spent by the BTA generated £14 in return for the British economy. In 1994-95, the return was £23 and in 1995-96, the return was £27. That extremely lucrative investment creates employment and tax revenue in this country.

Our Select Committee report proposes an increase of £100 million for the BTA over the next five years. We base that on extremely conservative estimates because we were careful not to overstate the possibilities. Nevertheless, we pointed out that according to the ratios available, which are official figures, an increase of £100 million in BTA financing could attract more than £2 billion in increased tourism spending in this country. If only 40 per cent. of that was spent on items liable for VAT, the yield on that tax alone would be £140 million. If the Government look on that money as simply a giveaway, they will not understand that it is an investment that would create jobs, provide us with vast amounts of foreign exchange and provide money for the Revenue.

Mr. Simon Coombs: For the benefit of the House, will the right hon. Gentleman explain exactly what he means by the phrase, "over the next five years"? Is he suggesting in the report that that financial support for the BTA should be an additional £100 million this year, next year, the year after and in each of five years; that it should be steadily built up to reach the figure at the end of five years; or that that money should be provided over the five years?

Mr. Kaufman: The second of the three—it should build up. We are an extremely reasonable Select Committee—that is obvious since it contains some of the most prudent Members from the Conservative and Labour parties. We do not make foolish demands and we had a long discussion about that funding before we decided that it was an appropriate amount to recommend.

I should like to draw attention to the funding of the English tourist board. Just as the funding for the BTA has been reduced in the Budget, so has the funding for that board. It is a curious thing that although the Scottish and Welsh tourist boards are funded substantially—I will not say amply—the English tourist board is funded in an absolutely derisory fashion. Grant in aid to the English tourist board—before the cut that we heard about today—for the current financial year is £10 million. That compares with £18.2 million for the Scottish tourist board and £14.7 million for the Welsh tourist board. That means that, per head of the population, grant in aid for the Welsh tourist board is £6.40, for the Scottish tourist board it is £4.78 and for the English tourist board it is 26p.

We do not resent the funding for the Scottish and Welsh tourist boards—far from it. There are superb attractions in Scotland, Wales and, indeed, in Northern Ireland for tourists, but there are superb attractions in England, too. It is extraordinary that England should be so ludicrously underpromoted because of the way in which funding is allocated. That is why the Select Committee recommends that the funding of the English tourist board should be re-examined.

The Secretary of State spoke about the attractions of museums, galleries and other cultural institutions. I am sure that our Select Committee would have issued some strictures if we had known in advance about the cut in funding for the British museum. That is one of the most absurd cuts there could possibly be because it is an established fact that one of the primary destinations of overseas tourists is the British museum. Huge numbers of people go there. Free admission to the British museum brings in hundreds of millions, if not billions, of pounds from foreign tourists providing business for our hotels, restaurants and shops. It is extraordinarily short-sighted that the British museum's funding should be reduced.

Mrs. Virginia Bottomley: A number of comments about spending decisions have been made today and now is not the moment to correct the many incorrect comments, because I understand why they were made. In respect of museums, however, it is important to say that I was able to put an additional £3 million into museums overall. Out of that, we have established a museum maintenance fund, which is being allocated to the major museums according to their needs and circumstances.

The British museum has been the subject of the deeply disturbing Edwards report, which leaves many questions to be answered as a matter of urgency. The museum's most profound difficulty, which I have accommodated in full, is what happens when the British Library moves out. I was able to find £1.7 million in the second year and £3.4 million in the third year so that, provided that it acts on the issues in the Edwards report, the museum can look forward with greater confidence to the phase when the British Library moves out, at which time the museum will need assistance.

Mr. Kaufman: I shall not quarrel with the right hon. Lady's figures—I am sure that they are absolutely accurate—but the fact is that the British museum has suffered a cut of £1.3 million.

With the greatest possible good will, I say to the right hon. Lady that she had better not start me off on the subject of the British Library, which is a disaster of monumental proportions. It is a disaster in terms of expenditure, which has gone vastly out of control; it is a disaster because the new building is one of the ugliest on the face of this planet; and it is a disaster in terms of the job that it is supposed to do, because it is too small to accommodate the number of books it already has. I do not hold the right hon. Lady personally responsible for the whole affair—there is a long trail that goes right back to Mrs. Shirley Williams—but the British Library is one of the great disaster stories of our time.

If the right hon. Lady wants to do me a personal favour, instead of announcing when the British Library will move out of the British museum, she will instruct the British Library to stay in the round reading room, which is one of the world's great cultural monuments. It will be a disaster when the round reading room is lost. She had better not start me off on that subject, because I have several ancient mariner obsessions and that is one of them.

On the whole, much of the accommodation that we offer in this country is very good. That statement does not apply only to the great hotels, but goes right down to the excellent bed-and-breakfast establishments that can be found throughout the country. Nevertheless, as the right hon. Lady pointed out, it is a sad fact that some accommodation falls below acceptable standards. There is already a statutory provision in operation in Northern Ireland for the compulsory registration of hotels and the

[Mr. Kaufman]

Development of Tourism Act 1969 gives the Secretary of State the power to provide for the registration of hotels in the rest of the United Kingdom as well.

As my right hon. Friend the Member for Copeland pointed out, representatives of vast sections of the industry who came to give evidence to the Select Committee and people whom we met during our substantial tour of British tourist centres as part of our Committee's work begged for registration and for something to be done about classification. Of course, we understand that there are many subjective criteria for classification purposes, but it is extraordinarily confusing for visitors to be faced with one classification from the AA, another from the RAC, yet another from the "Good Hotel Guide", and still others in various guide books. It is difficult for the visitor to know what to choose and what value will be received.

That is why we strongly support the efforts of the industry to come up with a unified classification system. After a long and painstaking discussion, the Committee also concluded that, if such a scheme cannot be made to stick if it is voluntary and if it cannot be done within the next 12 months, a compulsory scheme will be the obvious and only alternative. Accommodation is the basis of all tourism. People have a right to clean, attractive and tidy hotels, boarding houses and bed-and-breakfast establishments. I ask the right hon. Lady to consider that proposal with the utmost seriousness.

I agree entirely with the right hon. Lady that we have a success story in tourism. It is a great industry and the decline of other labour-intensive industries because of industrial and technological change means that tourism will become more important. By the end of the decade, it will be the biggest employer and the biggest industry in this country.

The right hon. Member for South Thanet, who explained why he was unable to stay for the remainder of the debate, spoke of the failure of co-ordination by Government and, sadly, that is true. The ministerial tourism co-ordination committee does not meet and there are too many Government Departments with a finger in the pie. The Select Committee, in an earlier report, stated its belief that the Department of National Heritage should have transferred to it a great many of the functions relating to its core activities which are currently spun off into other Departments. The Select Committee believes that the structure of Government involvement in the tourist industry should be re-examined urgently, so that the industry can develop to its full potential.

It may sound odd coming from me, but I am sorry that there has been so much party politics in today's debate. In 1970, when I first became a Member of Parliament, I was young and perhaps even more callow than I am now and I made a somewhat controversial speech on a Friday. Afterwards, Mr. Albert Costain, who was then the hon. Member for Folkestone, took me aside and said, "I think I ought to explain to you that we do not have party politics in Friday debates." There might have been a change in the House's practice since then, but a debate of this sort, on this day, is one in which we can focus on how we can work together to improve the tourist industry.

Of course, with a general election approaching, we will all make party political points and I shall not be backward in doing so myself; nevertheless, where hon. Members on both sides can work together to promote the tourist industry, we should do so. It is in the interest of all our constituents that the industry should be as prosperous as possible. I hope that the right hon. Lady will respond positively to all the recommendations in the Select Committee report. Hon. Members must accept that there is no industry more important to employment and prosperity in our country than the tourist industry.

11.37 am

Mr. Hugh Dykes (Harrow, East): I am glad to follow the right hon. Member for Manchester, Gorton (Mr. Kaufman), especially after hearing his final remarks. It would be naive to say that there should not be too much party politicking on whatever day of the week, because that is the very stuff of this historic Chamber; but an excess of it, and the exchanges of insults, the ranting and raving, and the sloganised imprecations that now characterise our daily debates are turning the public off to a significant degree. That attitude reflects, in part, on hon. Members. The right hon. Gentleman referred to empty Chamber syndrome, not only on Friday but on other days of the week. It is a fairly ominous development for Parliament.

I shall be brief. Like my right hon. Friend the Member for South Thanet (Mr. Aitken), I shall have to leave before the end of the debate to attend other engagements. I apologise for that. Unfortunately, it will prevent me from hearing what I imagine will be an excellent and, as usual, competent speech by the Minister of State, but I shall read it very carefully and no doubt he will be able to put up with one or two subsequent letters from me on various policy aspects, if that would be in order.

I thank the Minister, not only for being a dynamic and confident Minister of his Department, which is an important Department and deserves to grow and expand in future, but for being especially helpful on the school playing fields problem that we have in London—not only central London but outer London, including my constituency of Harrow, East. I am grateful that, this morning, he once again agreed that we can fix a time for an urgent meeting next week to discuss the problem of Camden's ceasing to run the Prince Edward playing fields and the possible options. Those fields are on the verge of being vandalised and falling into dereliction as, in a week or two, for financial reasons, the present tenants—I use that word deliberately—give up running them.

I shall make several rapid points about tourism. Some relate to the activities of Departments other than the Department of National Heritage. As other hon. Members are anxious to speak, I shall not go into detail, and what I say will sound like a list, but perhaps I may develop some points later.

My right hon. Friend the Member for South Thanet mentioned the fire in the channel tunnel. When we contemplate that terrible fire and the damage that it has done to Eurostar and Le Shuttle services, we should react with sympathy, not criticism. It was a massive misfortune for the operators of the tunnel and the train services. We do not know what the three inquiries will produce. That service is crucial to the development and health of our tourism industry and the flow of our citizens abroad. It has been a wonderful success so far, and I can only express enormous sympathy for all concerned in the chunnel company and on the French side.

Subject to those three inquiries, I would say that, ominously, the fire appears to have resulted from the negligence of the owner of the vehicle where the fire started—perhaps also the driver, but I hesitate to say so because that could be massively unfair, so I shall not dwell on it—or sabotage or something similar. I hope that the truth will emerge from the inquiries, if it is able to be ascertained. That may be a problem.

In view of the great success of that service—the world's most wonderful transport project—the recent fire is in sharp contrast to the massive and tragic loss of life in ferry boat accidents. A great deal of attention has been given to injuries. Mercifully, only six or seven people were injured; others were in considerable discomfort, but the exercise of removing them from the train went extremely well. We understand that the mistakes made—subject to the inquiries, so I shall be careful what I say—are principally that, understandably, the steward opened the door and allowed smoke to come in and that there was confusion about whether the driver should proceed or stop. We do not know whether the electronics intervened.

We must all support the early resumption of chunnel services. There has been a rather malicious, "Oh, it will have to stay closed for years" attitude, especially in some of our more frenetic, hysterical, chauvinistic tabloid press. I hope that that will not be supported—it has not been so far—by anything that is said officially.

I am a strong supporter of the millennium wheel which, if all the permissions are sustained, is due to be created outside the still empty and unused County hall. By the way, when foreign tourists come to London they are open-mouthed and amazed at the history of the destruction of London government. That is another matter, which we shall go into another time. I opposed that idea when it was proposed by the Thatcher Government.

I hope that there will be more signs in foreign languages, in appropriate places, both official and privately promoted. Although English is the world's dominant language—we are blessed by that and it is fortunate for us—it is reassuring for foreign visitors to see signs in their own language. We are much better at providing such signs than we were 10 years ago, and we were much better at it 10 years ago than we were 20 years ago, but much more needs to be done.

Town twinning helps to promote tourism. The London borough of Harrow has a happy, felicitous and marvellously successful town-twinning arrangement with Douai, near Lille, the centre of the judiciary in north-western France. It is a great success in institutional, collective and personal relationship terms. It promotes tourism because people learn about it in a family and personal sense and then decide to visit one another's town and the surrounding areas. When the channel tunnel service resumes, that will be even easier.

The Government must try to reassure us through the appropriate agencies—London Transport, and our parliamentary authorities—in respect of a dramatic project: the lowering and creation of the Jubilee line connection at Westminster tube station and the new Parliament building. Apparently, both are now behind schedule. It is important for the Government to be able to reassure us that they will not run massively behind schedule. The matter is extremely important because many foreign visitors come to this location, despite the fact that it is a monstrous building site. I make no immediate complaint about that, but if it were to go on too long it could be damaging. Many people will flock to this area, to the benefit of our economy in the tourism sense, when those exciting projects are completed.

The British Rail Heathrow link was mentioned. I hope that it will not fall behind schedule and that we can have reassuring reports about it. I should like Ministers in general—this has a direct impact on tourism—to be more prepared to defend our membership of the European Union in the sense of the reciprocity of the single market in tourism. Thousands of visitors cross the planet as well as the member states of the European Union, but still the attitude of Ministers is not to defend our membership of the European Union enough, generally or specifically.

I make one important suggestion, to which I know the Minister, who is an extremely intelligent person, will react positively. We should do as other countries now do. Will he please discuss with the Department of Transport—we know that, whenever a new idea is promulgated, it takes about 19 years for it to be realised, so the sooner the better—showing the European flag on the numberplates of British cars, as it is in the other states of the European Union? That would be a good idea. Even if it started voluntarily, so that my hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) would not have to do it, it could be made compulsory later, once people realised what an overwhelmingly popular idea it was.

I conclude with a point of enormous importance to the tourism industry, on which the Department of National Heritage should perhaps hold discussions in future with two other crucial Departments, the DTI and the Treasury. I have expressed several times, and shall develop the theme relentlessly—so I warn my hon. Friend the Minister that letters will flow in due course, if he can stand opening them and reading them—my anxieties about the excessive costs of exchanging foreign currency at currency exchange bureaux in airports and elsewhere. They are often monopoly services in the sense that people cannot really leave a specific zone of the airport, and if they do, the rates quoted elsewhere are usually the same. The rates are based on the lead guidance rates of the leading commercial and clearing banks. As I said recently to the press, when I returned from France in the summer, I wanted to exchange some French francs back into sterling. The rates being quoted, even for quite large amounts of foreign currency, in this case more than £100—nowadays a modest amount of money for tourism and travel would be well into the £250 to £300 area—were phoney and the commission rates approached 10 per cent. In one case, it was well over 10 per cent.—and it was difficult to shop around and get a cheaper rate. There is a similar problem in booths in town and throughout the country.

The Government should look into that matter through the appropriate machinery—the Director General of Fair Trading. My hon. Friend the Minister for Competition and Consumer Affairs suggested that I contact the Director General of Fair Trading. I have done so, but I still await a reply. The obvious solution is to have the single currency, which is not the intellectual preserve of the central banking elites and high-falutin' officials deciding on their favourite projects. It is for Mr. and Mrs. Public.

I was entranced when a very right-wing colleague in the House—I will not name him—told me about his holiday with his wife, who I shall call, perhaps appropriately, Muriel. He said, "We drove my Daimler. We went around Holland a bit, around Belgium, a little

[Mr. Hugh Dykes]

bit in Germany, but that is a dangerous country of course so we did not stay there too long, and a little bit in northern France. We stayed in wonderful hotels and I used my credit card everywhere. But by the way, Hugh, always remember that I am dead against the single currency." It was a wonderfully illogical remark. We shall see how that pans out.

The single currency is a matter for tourists to benefit from. The credit card system allows them to do that, as do similar financial systems. The Government should directly encourage it, even during the preliminary phase before the central policy decision on a single currency is made, to promote the good cause of tourism in this country.

In the mean time, it is essential to reduce the huge cost of exchanges. Long-distance juggernaut drivers grumble massively about the inconvenience of the system. We all know the example of a family driving around half the European Union countries and exchanging currencies as they go across borders. Such a family would lose more than 50 per cent. of every gross pound that they spent because of that ludicrous process. The sooner we make a change, the better. I know that my hon. Friend the Minister will undoubtedly give me a positive preliminary response to that very important suggestion.

11.49 am

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I am happy to concur with the majority of the incisive and perceptive speech of the hon. Member for Harrow, East (Mr. Dykes). I look forward to having a European flag on my car registration plate soon, courtesy of the Government.

I apologise for not being my hon. Friend the Member for Caithness and Sutherland (Mr. Maclennan). He is our parliamentary spokesman on tourism, but he is, alas, indisposed. He has been under the surgeon's knife recently. The prognosis is good, but he is ill and I am an inadequate substitute for his experience and knowledge of the wider aspects of the tourism industry. I should like to be able to say that I am about to rush to his bedside to peel a grape and console him, but alas I have to go to Scotland almost as soon as I sit down to attend surgeries that were publicly advertised before I knew that I would have to replace him in this morning's important debate.

We have had a good debate so far. I concur with the view expressed earlier that our Friday debates are often the best. There is no doubt that tourism is an important industry. I concede that the Government have made some progress, but they are not doing as much as they should.

To province evidence of that, I return to the subject of my intervention on the Secretary of State. Air passenger duty is difficult for the industry to cope with. The British Tourist Authority has expressed disappointment about it. I was discussing earlier this morning with the hon. Member for Rotherham (Mr. MacShane) the impact that the tax will have on families who travel. He has tabled an amendment on the issue, which I am happy to support. The Government cannot double the duty at a stroke and expect families to be able to travel as easily as they did. The duty has a worrying effect on the competitiveness of the industry. I wonder whether that has been properly thought through.

I also agree with the view of the right hon. Member for Copeland (Dr. Cunningham) that taxpayers' investment in the BTA is good value for money. He quoted an estimated return of £27 for every £1 invested. We are not doing enough to invest sensibly and wisely so that we continue to receive good returns. The view is shared across the House that the industry is developing almost exponentially. As the Organisation for Economic Co-operation and Development has made clear, it will be the biggest employer of labour across the world by the end of the decade. It is therefore worrying that the United Kingdom's share of the world tourism market has decreased in the past 10 years from 5.6 per cent. to the latest available figure of 4.3 per cent.—as the Government's report "Competing with the best" conceded. A declining share of the market is bad news and augurs ill for the success of our tourism industry against an upward trend in other parts of the world.

Like the hon. Member for Harrow, East, I should like to make a number of short, sharp points. I was a little disappointed that the Secretary of State focused so much on central areas. The right hon. Member for South Thanet (Mr. Aitken) said that her speech was too London-centred. That is true.

We suffer as a result of resting on our laurels. It is right and proper to set on the front of our tourism stall all our heritage, culture and museums—the right hon. Member for Manchester, Gorton (Mr. Kaufman) was right to say that the British museum is a jewel in the crown—but they are not the only things that tourists come to see. Looking to the next century, people will be increasingly interested in culture, arts, fashion and music. The Secretary of State was right to mention the Ministry of Sound. Such attractions will become more valid means of bringing people from furth of the United Kingdom.

I went to Taiwan as a tourist for four days earlier this year—well, actually, I was a member of a parliamentary delegation and we worked very hard studying the economy of Taiwan. However, we did a bit of tourism. I looked forward to seeing the art collection in Taipei from mainland China. My abiding memory of those few days was of the culture and the economy. People who come to Britain in future will be as interested in our fashions and the modern industries that are developing and will continue to develop as they have been in Beefeaters, museums, royal palaces and the like. We must keep that balance in mind.

I should also like to complain—if that is the right word to use—that the Government's view, as explained by the Secretary of State, seemed to ignore the disproportionately high impact of tourism on rural areas and small coastal communities. All the big honey pot visitor attractions that we know so well will be visited and get attention—deservedly so—in any case. We must engage in positive discrimination. That can be supported because of the disproportionate impact that investment in tourism in rural and small coastal communities can have. Industries in those areas are family-based, fragmented and subject to seasonal variations, making it difficult to sustain their financial viability without support. I understand the need for grand, national—nay, international—strategies, but I hope that the Government will also bear it in mind that the economies of small rural and coastal communities rely increasingly on tourism.

I should like to talk briefly about standards, to which the right hon. Member for Gorton referred. His Select Committee report is excellent and well timed. It certainly helped me to prepare for the debate, and I am sure that it will be an excellent aid to inform future discussions. Standards are important, not just in England and Wales, but across the Scottish-English border. The Scottish system is based on assessment and guaranteeing quality in the provision of facilities. As I understand it, the English system focuses far more on the physical facilities provided. We have almost 10 years' experience of our system. We use crowns; I think that in England, people use stars. The RAC and the AA use their own classification systems.

It would be a great shame and a retrograde step if the Scottish emphasis on quality was lost in the implementation of a system guaranteeing quality assurance in the industry. The one point above all that I want to leave in the Minister's mind as a result of this debate is this. I argue forcefully, strongly and robustly for getting a national scheme across the United Kingdom that does not lose the valuable advantage we have gained north of the border from establishing quality as the pre-eminent standard around which everything else should be organised. I encourage the Government to take up the Select Committee report and to make progress on the introduction of standard quality indicators throughout the United Kingdom.

Although the Minister does not have strict departmental responsibility in Scotland, he is a kent face north of the border and he knows my part of the world well. He will know that there has been a rationalisation of the area tourist boards in Scotland, which has been a success. The new boards were introduced in April this year and they are working well.

However, there is still a bit of uncertainty about the funding being delivered, as it now is, through local authorities and local enterprise companies. The LECs concentrate on the important functions of training and the like whereas the new unitary authorities look after the core funding. The area tourist boards look after the promotion and the marketing. In my part of the world, the area tourist boards are concerned that they should have a core funding base that enables them to plan ahead. At present, there is uncertainty about local authority expenditure north of the border. The Borders tourist board expects a cumulative 10 per cent. cut in its core budget because of the downward pressure that central Government are applying on local authority budgets. I ask the Minister to keep an eye on that, in conjunction with his Scottish colleagues, to ensure that the area tourist boards are not left without adequate resources to do the job.

I now turn to matters that are important from a constituency point of view. There is evidence across the south of Scotland that improving the main trunk roads north—the A1 and the M74—is encouraging people to travel faster through the south of Scotland as they head for destinations in the central belt and the highlands. I make it clear that nobody is complaining about getting better roads. The Government have made significant progress in improving those trunk roads.

There is, however, evidence from a recent survey conducted by the area tourist boards that although more people are coming to Scotland from England—an 11 per cent. increase in 1995, which is very welcome; we have obviously been successful in encouraging people to come north—they are travelling straight through to the central belt or the highlands. We need to improve transport links through the central borders; the A7 and the A68 need to be upgraded. I hope that the Minister will carry that message back to his colleagues in the Scottish Office.

An even more important item—it is not a big expenditure item, but it is important psychologically—is the need to get better signposting of the roads through the central area of southern Scotland, a matter that goes wider than the Minister's departmental responsibility. The Department of Transport, the Department of the Environment and local authorities north of the border should get together and have a far more co-ordinated approach to providing signs that enable tourists to take advantage of some of the tourist opportunities in the south of Scotland, especially in some of the border towns which the Minister knows almost as well as I do.

It is important to develop tourism as a means of diversifying local economies. The Minister knows well that in areas such as Hawick, where there is a textile industry that will not be able to provide job opportunities as it has done in the past because the textile industry throughout the world is declining, tourism as a tool for diversification is essential. Hawick could quite legitimately be described as one of the principal world centres for knitwear.

I would love to see Government Departments getting together with the local authorities and the LECs to try to develop towns such as Hawick, which is an important example. Hawick has working spinning mills which are museums that could provide tourist and visitor attractions alongside exhibitions of the world-class knitwear produced by Barrie Knitwear, Pringle, Peter Scott, Lyle and Scott and the other companies with which we are all familiar.

Hawick, which is the biggest town in the borders, does not even have a tourist information centre open 12 months a year. That is a great shame. Simple ideas, such as a walking holiday promoted by the local tourist board, can be tremendously successful. People have been able to enjoy the physical environment surrounding the town of Hawick. I am sure that the warmth of the welcome they received will encourage them to return. It requires just a little extra effort, co-ordination and support.

The town of Stirling has been transformed. I do not know whether that has anything to do with the fact that it is represented by the Parliamentarian of the Year, but that would be a churlish suggestion. I shall confine myself to saying that everyone recognises that the initiative has been a fantastic success. If the Government stimulate and sponsor such promotions in other areas—Hawick would be a very good candidate because of the declining knitwear industry—we could make more progress in tourism in future.

The United Kingdom must protect its share of the tourism market. Committing resources to develop tourism is an investment for the future. We need to promote, develop and finance it, and provide facilities and amenities that will encourage people to visit and to return because of the quality of the visitor attractions and the warmth of their welcome in the United Kingdom.

12.5 pm

Mr. Peter Viggers (Gosport): We have had a thoughtful and well-informed debate. If it has the effect of making people more aware of the importance of the tourism industry, it will have achieved its purpose, as will the authoritative report published by the National Heritage Select Committee earlier this week.

[Mr. Peter Viggers]

Every hon. Member who has spoken has commented on the size of the tourism industry. It is perhaps surprising that it has such a low profile in public perception. The right hon. Member for Manchester, Gorton (Mr. Kaufman) pointed out that the tourism industry is central, not peripheral, to the economy. Some 5 per cent. of the gross domestic product derives from tourism, as do some one in 14 jobs. About 1.7 million people are involved in the industry catering for some 24 million visitors each year, so it is a vast industry.

At the beginning of the year, 8.4 per cent. growth in tourism was forecast. The current figure is some 14 per cent., so the industry has already grown rapidly and 40 per cent. of new jobs are expected to be in tourism, which already contributes some £25 billion a year to the economy.

However, the industry is on a 50-year decline. The traditional tourist destinations do not draw as they did because of the alternative attractions of the weather and the cultural differences in other countries. According to my research, we have a deficit of some £3.7 billion a year, although mention has been made of a £5 billion deficit. The disparity between those figures is not surprising as it is difficult to establish accurate statistics in such a deregulated industry.

Tourism is a difficult industry to organise. I read that some 120,000 small businesses are involved in tourism; however, my right hon. Friend the Secretary of State referred to some 250,000 enterprises. The figures vary, depending on whether they include individual landladies and bed-and-breakfast establishments. Therefore, it is difficult for the Government to take responsibility for the tourism industry. Their job must be to lead, inspire and encourage and to use the small amount of money involved intelligently.

My own experience is that, somewhat to my surprise, in 1986 I became a Minister in the Northern Ireland Office, with responsibility for industry, a post that included responsibility for tourism. In Northern Ireland, the pronunciation of the word tourism sounds much like that of terrorism, so I could stop a cocktail party when people thought that I was Minister for terrorism in Northern Ireland.

It was a difficult time, when terrorism was rife in the Province, so we tried to develop different niche markets for tourists. One such niche market was fishing, which interested many Germans. I remember visiting those taking part in a fishing competition at Lough Erne in Northern Ireland. I approached a fisherman who had a German fishing rod, a German fishing bag and another piece of German equipment, and said in bad schoolboy German, "How much have you caught today?" He said, "Two fish and one Minister, Minister." He was, in fact, a civil servant from my Department.

On taking up my post, I inherited a situation where the Northern Ireland tourist board was not speaking to the Bord Fáiltę Ęireann, the Republic of Ireland tourist board. When it was suggested that we should promote co-operation between the two, it was widely regarded as a political move that would be unhelpful. We went ahead, and it proved absolutely right to promote the whole of Ireland. When trying to encourage people in Newfoundland or Tasmania to come to Northern Ireland, one has first to explain that the island is divided into two different regimes. It is much easier to say, "When you are in Ireland, come to the north", which was the campaign that we developed.

We found in the Department that it was possible to develop niche markets. Tourism is about not one big market but niche markets. We in Northern Ireland developed the niche market of sport and promoted the attractions of the countryside, so that when people came to see their families, we encouraged them to visit elsewhere in Northern Ireland, and when they came on business, we encouraged them to come next time with their wives and families and spend an extra day or so. That is why I suggest that one can bring to the discussion on tourism the concept that it is important to have a professional approach and develop niche markets. The French, for instance, are particularly interested in shopping in England, the Japanese are more interested in cultural activities—the so-called "tea and roses campaign"—and the Americans are, of course, keen on the theatre. The success of tourism derives from its deregulation.

Following the important point made by the right hon. Member for Gorton, as tourism is so central to our economy, so important and such a growth area, I would encourage people to think of the tourism industry in its broadest sense as an appropriate career path. I suspect that very few people at school or college think of tourism as their intended career, but there is a very good career to be made in hotel management, travel and all the different aspects of tourism. I hope that my hon. Friend the Minister will be able to respond to that point and think of ways in which younger people can be encouraged to consider tourism in its broader sense as an appropriate career. They should be encouraged to think that serving others who are tourists is in no way demeaning. It is worth while and appropriate.

Representing Gosport, as I do, I can tell the House that the area is looking very much to the millennium project for Portsmouth harbour and hoping that it will be signed and carried forward very soon. The concept is dramatic, with walkways on the Portsmouth and Gosport sides of the harbour, a very high tower on the Gunwharf site in Portsmouth and clever use of illumination. It has every prospect of being one of the millennium's most exciting projects and one of the most exciting developments of a region of the United Kingdom.

As a parallel, I think of San Antonio in Texas, and the Alamo. Everyone has heard of the Alamo—the site of a famous siege—but it is rather disappointing once one gets there. People in San Antonio tried to work out how to develop the place as a tourist attraction, since once one has seen the Alamo, one is not likely to spend a particularly exciting time in San Antonio. Alongside the river, they have developed a most exciting walkway with shops, restaurants and all kinds of entertainment facilities, and I see that as the future of the Portsmouth harbour Portsmouth-Gosport project.

Our area has many local facilities already, such as the submarine museum and the marina, and future developments are planned for the Royal Clarence yard and Priddy's Hard. If the harbour project goes ahead, it will put Gosport and Portsmouth very much on the tourist map and encourage people to visit the area not only to see HMS Victory, the Mary Rose, or HMS Warrior, and then go home, but to stay for several days using the hotels.

The whole concept will come to full, flowering fruition only if people are encouraged to make use of the water when they are there. We want people to come to the Portsmouth-Gosport area and book into a hotel. I would love to see a cruise liner put into Portsmouth harbour so that people could enjoy a static cruise, as it were, and then use boats to visit the other attractions of Portchester castle and the naval yard. That would make the area a dramatic holiday destination.

We have now been waiting some months for the project to be signed. The Millennium Commission has made demanding requests of the local authorities, but I understand that the project will be signed in the next two weeks or so. We are keen that that project should proceed, because it will provide, as my right hon. Friend the Secretary of State mentioned earlier, some 5,000 jobs locally.

The House will not expect me to make my next and final point. We need good facilities if we are to promote tourism in this country, and good facilities include every kind of convenience. I venture into the territory of my next remarks with great diffidence. Some 10 years ago, I made a speech in which I said that it was grossly unfair that women should have to queue for the loo. I first thought that at the London Coliseum theatre when I noticed that people were returning to their seats after the interval had finished and women were still queuing to get into the ladies' lavatory. It is monstrous that we should impose that inconvenience on women.

The problems derives from physical differences. The House will be entranced to hear, for instance, that men take an average of 45 seconds in the lavatory and women take an average of 80 seconds. As Claire Rayner the journalist has pointed out wittily, men have a handy little gadget for coping with the task, and women do not.

It is bad for tourism in this country that we still do not have fully adequate facilities for women. I make a plea for all those who make decisions on such issues to consider that. I do so with diffidence because, after my previous comments on the subject, I was inundated with letters and I did live television and radio interviews with Canada and Australia. I do not want any of that, but I must point out that decision makers, architects and managers, who tend to be men, usually provide the same sized areas for male and for female lavatories. In fact, women need around three times the amount of provision. I hope that that plea will be heard by some of the people who make the decisions about the provision of public lavatories.

I am afraid that I, too, have to leave before the end of the debate. I undertook a commitment at the beginning of the year to chair a meeting of the governors of St. Vincent's college in my constituency and I regret that I shall not be able to stay for the winding-up speech of my hon. Friend the Minister. I shall certainly read it in *Hansard*.

12.17 pm

Mr. Jim Callaghan (Heywood and Middleton): I welcome the opportunity today to speak on this important subject and I hope that the debate itself will help to promote the industry for the benefit of all who work within it. For the past four Sunday evenings, I have been delighted and fascinated by the BBC's programme on the history of American art. The presenter, Robert Hughes—an Australian art historian—began the series by showing scenes from Plymouth bay and Williamsburg in the United States of America. Those two areas are present-day tourist attractions, in which well-educated actors and actresses dress in period costumes and dresses and, speaking in the language used in colonial times, illustrate the beginnings of American-European art history. I feel sure that the series will not only promote an interest in American culture, but will stimulate interest in the American tourist industry. Many American and European tourists will be attracted to those historic sites.

I became more than interested in the programme because of my great interest in the arts, and also because the Select Committee on National Heritage, of which I am a member, recently visited both of those tourist sites during our research on tourism.

On Wednesday our Committee presented its report on tourism to the press. I always find it difficult to speak after my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), the Chairman of the Select Committee, because of his firm grasp of the subject, but I shall do my best. He gave a superb summary of the report and stressed how important the tourist industry is to the British economy.

The BBC reporter covering the north-west immediately asked my right hon. Friend why, if the industry was so vital to the British economy, so little was known about it. That question went to the heart of our report, and I am sure that people who read the report in full will find their questions answered.

As my right hon. Friend said, tourism is a big and important industry. It is not usually a matter of party political controversy, so it is not often given anything like sufficient attention by Governments. None the less, the tourist industry now employs more people than agriculture, coal mining, steel making and car and aircraft manufacture put together, and it brings in more foreign revenue too.

Too often the industry has been regarded as an incidental activity rather than a central element of the economy. The Government should re-examine it urgently so that it can develop its full potential. We must invest significant capital in the industry, because that brings such a huge return in the form of jobs and foreign currency.

The Americans advertise their tourism and we should do the same. If we do not, we shall fall behind other countries. In the course of our inquiry the Committee tried to find out whether our industry is efficient or bureaucratic, whether Government investment is sufficient and whether it is productively spent. We also tried to find out what changes could be made to improve the efficiency of the industry.

During the inquiry we took evidence from many witnesses, and undertook two short visits. Our first visit covered a wide range of tourist destinations in England—Blackpool, Morecambe, Lancaster, Wigan, Chester, Alton Towers, Stratford and Oxford. Our second visit was to the United States to see how historical tourist attractions are operated and marketed there. We visited Plymouth, Boston, Williamsburg, Concord and Salem.

Several of the sites that we visited are of national significance for the history of the United States, and many children visit them as part of their education. In Plymouth, Massachusetts, there is a replica of the Mayflower which was built and sailed over from the United Kingdom in

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the 1950s. The Plymouth plantation, a completely rebuilt village intended to resemble that in which the pilgrim fathers lived, was featured in the Robert Hughes television programme that I mentioned earlier.

Colonial Williamsburg, in Virginia, consisted of an area of the original town in which some buildings had been preserved and the remainder rebuilt in accordance with historical records. In parts of Plymouth and Williamsburg there are staff dressed in period costume, acting as people from colonial times and speaking in the language of those times.

We saw an example of a similar approach during our visit to Wigan pier, where we saw a school in action and became the pupils in a class. We believe that greater use of imaginative methods of interpretation at appropriate sites in the United Kingdom should be encouraged.

We discovered that the tourist industry in the United Kingdom employs about 1.7 million people, and that in 1995 it generated £37.6 billion, £12.1 billion of which represented spending by just over 24 million foreign tourists. Those are impressive figures, but unfortunately the balance of trade cancels them out, because United Kingdom residents spent £15.7 billion abroad. Between 1980 and 1990, international tourism to the UK grew by an annual average of 5.7 per cent. However, the world average was 8.5 per cent. I was pleased to note that, in 1994-95, Britain's tourism trade grew faster than the world average and Britain regained fifth place in the world tourism league, earning more money as a result.

The current structure of Government investment in the industry stems from the Development of Tourism Act 1969, which has been mentioned already. The Act set up the British Tourist Authority and the English, Scottish and Welsh tourist boards. The Northern Ireland tourist board was set up in 1948. The BTA undertakes overseas promotion through a network of 42 overseas offices, and it has developed many ways of attracting visitors to the United Kingdom. However, we discovered during our visit to the United States that states and individual towns have state-funded budgets for the marketing of tourism.

We were struck by the comparison that the BTA's budget was £5.1 million for the whole of the Americas, but the state of Virginia spent $1 million overseas from a tourist budget of $17 million, and the state of Massachusetts spent $2 million from a budget of $9.8 million. The BTA claims that, between 1991 and 1994, each pound spent on marketing generated £14 for the UK economy, and the corresponding figures for 1994-95 and 1995-96 were estimated at £23 and £27 respectively. That return on every pound invested is—as my right hon. Friend the Member for Gorton said—an argument for considerable increases in funding.

As regards the money invested in the industry, the Council for Travel and Tourism was highly critical that the grant-in-aid to the English tourist board in 1996-97 was £10 million, compared with £18.2 million for the Scottish tourist board and £14.7 million for the Welsh tourist board. The council says that this imbalance

"cannot be justified on any rational grounds"

and I agree.

The English tourist board has said that its funding has been more than halved in real terms since 1991-92 and that it therefore lacks the resources to promote England to the British. The Select Committee believes that a complete reappraisal of the situation is essential to the funding of the English tourist board. As regards the quality of tourism provided, surveys conducted by the BTA show that only 28 per cent. of overseas visitors to London believe that London hotels provide good value for money, and that is not good enough. Due to the shortage of hotel accommodation in London, poor-quality hotels are not driven out of business by market forces, and that is a great pity.

We must discuss whether there should be a minimum standard below which accommodation should not be allowed to be offered at all, and this would require a compulsory system of registration and inspection. In addition, we need to discuss whether the information about accommodation could be improved by a unified system of grading and classification and whether such a system should be compulsory, as it has been in Northern Ireland since 1948. That is a matter for the House to decide.

On overcrowding and tourist management, the National Trust has said:

"The Prime Object of any tourism strategy must be to protect the environment on which tourism depends. If tourism impacts too much on the environment, the people are destroying the very thing they are coming to enjoy."

The Countryside Commission said:

"It has become almost a national pastime to overstate the problems that visitors bring to the rural environment and its communities. Evidence shows that the actual problems are localised and comparatively few in number."

The Select Committee on the Environment concluded in its report on the environmental impact of leisure activities that

"according to the balance of evidence we received, compared to other activities, leisure and tourism do not cause significant widespread ecological damage to the countryside."

English Heritage told us, however, of the need to avoid conflict between tourism and conservation by the careful management of sites.

So, what do we need to do to assist the tourist industry? The Department of National Heritage said that Government intervention was needed to provide effective tourism marketing and to improve product quality. No one can disagree with that. The Council for Travel and Tourism said that the industry required leadership to bring the different elements together. The Tourism Society said that there is no co-ordination at Government level between the tourism activities of the BTA and the ETB under the sponsorship of the Department of National Heritage and the tourism activities supervised by the Welsh Office and the Scottish Office.

A survey of hotels in the "The Good Hotel Guide" by its editor elicited the complaint that nine Ministers have been responsible for tourism in the past 11 years. This constant change in leadership does not help the industry.

Our strategy for tourism and hospitality should have six broad aims: first, a positive approach from Government for the industry; secondly, the marketing of Britain overseas; thirdly, the marketing of Britain at home; fourthly, improving the quality of the product; fifthly, jobs, training and investment in people; and, sixthly, protecting the environment. I believe in those aims because tourism and hospitality already make a massive contribution to our social well-being and the potential for growth is exciting.

Last year, four out of every 10 new jobs created were in tourism and hospitality. Forecasts indicate that direct employment in the industry could increase by 400,000 in the next 10 years and that the indirect employment created in related industries could bring the total employment gain to 1 million.

The aim of our report is to begin a debate on how the industry and the Government can together rise to the challenge. I hope that the Government and the industry will bring together information and ideas from a range of sources to build up a viable and strong tourist industry that can meet international competition and win back our share of the world market. I trust and hope that the Government will take note of our report and take all the necessary action to assist the tourist industry.

12.32 pm

Mr. Simon Coombs (Swindon): I welcome you to the Chair, Madam Deputy Speaker. Just before you took the Chair, the hon. Member for Heywood and Middleton (Mr. Callaghan) was talking about the visit of the Select Committee on National Heritage to Plymouth, Massachusetts, which is very much a sister town to your own. As a young man still at school I took part in a debate whose terms were, "This House wishes that the Plymouth Rock had landed on the Plymouth Brethren and not the other way round." I am delighted to discover that the hon. Gentleman and his colleagues had a successful visit to America—something that we were not able to achieve in the pursuit of the study of tourism when I was a member of the Select Committee on Employment six years ago.

The industry has had a successful couple of years—1995 and 1996 will go down in history as two of the best years ever for tourism. As a result, as has been said, the United Kingdom has regained its fifth place in the world tourism league. We do not compete with the United States of America because of the size of the continental market there and we can compete only with the greatest difficulty with warm weather countries, such as France, Spain and Italy. The fact that we rank behind only those four is a mark of the success of the British Tourist Authority, the English tourist board and all those involved in the industry.

It is sad that Opposition Members, in order to make their points about the Government, seem to pay less than the due regard to the work that is done in the industry. I know that that is not their true attitude, but it is the impression that sometimes comes across. I know that I speak for all hon. Members when I say that the work done by all the people in the industry is widely admired, respected and appreciated.

The industry is well positioned for the future, as the impact of lottery money on infrastructure projects gives us yet more attractions to bring people from throughout the world and to encourage the British to move around the island and see for themselves what is being done. I suspect that the spur of the millennium in three years or so will attract enormous numbers of visitors.

The point has been made well and often in the House that tourism is a complex industry that does not sit as easily under the analyst's pen as the motor car, chemical or textile industries, for example. It is a diffuse industry and there can be confusion in trying to assess the statistics. I welcome the recent joint suggestion of the Council for Travel and Tourism and the Tourism Society that an element of satellite accounting might be undertaken by the Treasury to give a just assessment of tourism's contribution to the British economy.

We benefit not only when people who come to this country spend money on hotels or attractions, but when they go shopping and to a range of leisure facilities that also contribute to the enjoyment of the indigenous population.

There is evidence of growth in tourism throughout the country and there are many excellent initiatives. Since the previous tourism debate some months ago, I have visited many places, and I want to mention one or two that stand out in my mind. In the summer, I visited Cumbria, which is extremely successful in attracting visitors because it contains the Lake district.

It was interesting that, in the two and half days that I spent in Cumbria, the tourist board invited me to visit Barrow and Carlisle, two towns that were traditionally the Cinderellas of Cumbria, because they were not in the Lake district. I visited the dock museum in Barrow and spent a whole day in the proud city of Carlisle, where I was enormously impressed by the Tullie House museum. I realised that tourism was changing and developing from the traditional attractions of the seaside, lakes and mountains to industrial and historical tourism.

Thanks to some recent American scholarship, it has been discovered that no less a person than King Arthur was not from the west country, from Tintagel or Glastonbury, as has generally been believed in the past, but was firmly based in Carlisle, with occasional forays across the borders, through the constituency of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), to Edinburgh—think of Arthur's seat—and up to Stirling, which he mentioned and about which I shall say more in a few minutes. I suspect that the development of the King Arthur legend as a north-west England and southern Scotland legend will play a big part in the development of tourism there.

My visit to the north continued to Scotland, where I was enormously impressed by the professionalism of those involved in the tourist industry. I saw everything from the highlands to the borders. I am sorry that the hon. Member for Roxburgh and Berwickshire has had to leave early—I understand the reason—because I wanted to pay a special tribute to the work of the Borders tourist board: the quality of the accommodation that I was shown was as impressive as the general professionalism, and I echo his comments about the success of the Scottish tourist board's crown classification scheme.

Only this week, I visited our second city, Birmingham, to see the work that is being done to restore canals and build the international convention centre and view some of the public sculpture that is a credit to the city.

At the beginning of the year, thanks to the kindness of the British Incoming Tour Operators Association, I was able to visit Cardiff, the capital of Wales. I saw the Techniquest museum, the first hands-on museum in which children of all ages can explore the wonders of science.

Mr. Tom Pendry (Stalybridge and Hyde): What about Harry Ramsden's?

Mr. Coombs: The hon. Gentleman asks me to plug a well-known Yorkshire fish restaurant. My next comment would have drawn attention to the fact that the ubiquitous

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Harry Ramsden's is well established in Cardiff bay. I am pleased to add that it will shortly open a new emporium in my constituency. The Cardiff bay development is recognised in south Wales as likely to lead to an enormous increase in the number of visitors who come to that already fair city.

My hon. Friend the Member for Gosport (Mr. Viggers) spoke about the glories of Portsmouth harbour. He probably knows that I am a native of Portsmouth. That is why I am delighted at the prospect of lottery money being used to transform Portsmouth harbour. I was christened in the dockyard, though I am not sure that that is of great significance. However, the Mary Rose, HMS Warrior and the Victory are tremendous tourist sights that are likely only to become more attractive.

To complete the round Britain tour to which I have subjected the House, I shall return to London. My point in emphasising the regions was to agree with hon. Members who have spoken about the importance of encouraging tourism in the regions. However, we cannot neglect the fact that London acts a magnet for the whole world. Few people who have heard of it do not regard it as a place that they would like to visit at some time in their lives. That is why so many do. The London of 10 or 20 years' time will be a very different place from the London of today. The developments that my right hon. Friend the Secretary of State mentioned along the River Thames are of great significance. I hope that I can look forward to seeing the Tate gallery of modern art in Bankside power station in time for the millennium. When I visited the power station with the Tate gallery a couple of years ago, it talked of the possibility of a river boat shuttle service between the existing gallery and the new one. I suggested that it might be known as the Tate-à-Tate service.

The millennium wheel causes considerable emotion among hon. Members but there is a misunderstanding about it. It was suggested during National Heritage questions recently that it was a millennium project in the sense that it was likely to attract money from the millennium fund. That is not so; it is an entirely private sector venture, primarily the initiative of British Airways. I welcome it on the understanding that it is a temporary construction. It would not be appropriate for the south bank to have it for the rest of time. On the understanding that it will be there for five years to celebrate the millennium, I think that it will add a little extra something.

Mr. Leigh *rose—*

Mr. Coombs: I had a feeling that I would wake up at least one member of my audience.

Mr. Leigh: Does my hon. Friend recall that the Eiffel tower was supposed to be temporary?

Mr. Coombs: Yes. That is why I was at pains to stress that the wheel must be temporary. That should be clear in the minds of those who will give planning consent. Having said that, I welcome it. When hon. Members go on the Terrace in the summer they are overlooked by cameras from Westminster bridge; the fact that people will be able to look down on us from the considerable height of the wheel should not be a greater problem. We will pass to other matters.

The obvious major attraction in London in the next few years will be the Greenwich millennium festival, which I welcome hugely. Notwithstanding the claims of Birmingham which were pressed hard during my visit there on Monday this week, London and in particular Greenwich is the natural place for the festival since it combines the important elements of time and location. I have little doubt that, for all the difficulties that the Government have experienced in getting the programme under way, it will be a vast success when we come to AD2000.

The lottery contribution to tourism, which has not been much mentioned in the debate, should be singled out as of supreme importance to the industry now and in the future. We will see a huge growth in expenditure on infrastructure right across the board from both the Millennium Commission's fund and the arts, sport and heritage funds. Many hon. Members have not necessarily comprehended just how significant that expenditure will be. It opens many opportunities for tourism development.

I wish to sound a note of caution here, and ask my hon. Friend the Minister to think about it before he responds. The question of matching funds concerns me. Many excellent projects have been offered funding by the various lottery funding councils. I shall mention just one example. The Kennet and Avon canal, which runs through Wiltshire and other counties, has been offered some £25 million from lottery funds. The question that is now being asked locally is how the matching funds will be raised. Private industry, local councils and voluntary donations will all no doubt be tapped, but the sum involved in matching that £25 million is substantial. I hope that the Government will keep their eye on this particular ball and recognise that although that project may be successful, others will run into difficulties because of the problem of finding matching funding. That is something that needs to be thought about in the on-going debate on the lottery which will undoubtedly take place.

In the same context, I welcome the National Heritage Bill, which is currently passing through another place. I have spoken previously in the House about the need to protect those elements of the heritage that are in private hands from the depredations of age and the competition which rages in that particular area of our tourism industry from other attractions that are publicly funded. I hope that the Bill will lead to the opportunity to make extra funding available for the private heritage.

Today's debate is an interruption of the Budget debate, which has occupied the attention of the House since Tuesday, so I hope that it will not be thought inappropriate if I make one or two references to the Budget. I was delighted when my right hon. and learned Friend the Chancellor of the Exchequer mentioned the idea of "spend to save". He expressed himself in a way that made me think that he thought that this was a new idea. However, back in 1980 the Government introduced the concept of the development corporations. A pound of public money was thought to be likely to generate between £5 and £10 of private money. So "spend to save" or "speculate to accumulate" is not a new idea. It is an idea that the tourism industry has been putting to the Department of National Heritage and, dare I say it, the Department has been putting to the Treasury for many years now.

I support the idea that the British Tourist Authority should spend as much money as possible on advertising and promotion of British tourism in overseas markets. Indeed, as has been said often in the House today, a large part of its budget goes to precisely that. We should not forget that a further £16 million is made available from the private sector of the tourism industry to the BTA to help it market Britain overseas. Not surprisingly, the Opposition were quick to condemn the small reduction in the grant to the BTA. Of course, they have not suggested that extra effort on the BTA's part, which no doubt it will make, might have the effect of replacing the £500,000 of lost grant with additional funding from the private sector, which recognises that it offers extremely good value.

This week, the report of the Select Committee on National Heritage was published. I am sorry that none of its members is now present because I rather thought that they might have been encouraged to respond to my comments. Nevertheless, in their absence, I should like to draw attention to certain issues that must be highlighted.

I intervened on the right hon. Member for Manchester, Gorton (Mr. Kaufman) to ask him to explain exactly what was meant by the rather unclear wording in the Select Committee report about additional funding for the BTA. He was good enough to explain that he was recommending that the grants to the BTA should be increased by up to £100 million over a period of five years. He did not spell out what the grant would be in the first year or in any of the following four years, but by the end of five years we would see an extra £100 million in the coffers of the BTA.

When my hon. Friend the Member for Harrogate (Mr. Banks) gave the right hon. Member for Copeland (Dr. Cunningham) a fair opportunity to say whether the Labour party supported the Select Committee's recommendation, all that was forthcoming was that the Opposition would not have made the reduction that the Treasury imposed in the Budget on the Department of National Heritage. We do not know whether it is Labour policy to spend up to another £100 million on the BTA over the next five years. My guess is that, as is normal with the Labour party at the moment, private nudges and winks will suggest, "Yes, of course, don't worry. It will be all right. There will be plenty more money when we are in power." Then the shadow Chancellor will rise to his feet and with the enormous fiscal rectitude that he always displays on such occasions, he will say, "Not a penny more will the industry get from us." We will be left with the same old hypocrisy—the Labour party promises one thing on one hand and then promises something quite different on the other.

The Select Committee report has a problem, notwithstanding the fact that at its final meeting more Labour Members were present than Conservative ones, so perhaps we should assume that its report is supported by the Labour party. That report is unrealistic. The BTA does not need a general increase in its budget. It does not need four times as many cleaners and ladies to serve tea in the cafeteria; what it needs, if its needs anything, is an increase in the amount of money for promotions and advertisements overseas. That point has been properly made already.

In its 1990 report on tourism, the Select Committee on Employment suggested that an increase of between £2 million and £5 million should be made for promotions and advertisements by the BTA for its overseas efforts. That is a sensible figure—perhaps it could be upgraded a little to cover the rate of inflation—and it is the sort of figure that the BTA could usefully absorb and spend. It could have a dramatic effect on world markets that are already well inclined towards the United Kingdom.

It is worth noting that, thanks to the tough measures that the Conservative Government have taken in the past six years, the price of the 1990 Select Committee report was £5.85 whereas the price of the National Heritage Select Committee report, which is exactly the same length as that 1990 report, is £6.50. A 10 per cent. increase in six years shows that, if no one else is doing it, the Stationery Office is absorbing inflation extremely effectively. I pay tribute to it.

I certainly agree that if at some future stage in the Government's financial management of the economy conditions are as good as they are now, with the inflation rate low, it would be a good thing for Britain to allow the BTA more money to spend on overseas promotions and advertisements.

Recently, the Labour party published a strategy document. The trumpet sounded and the hon. Member for Stalybridge and Hyde (Mr. Pendry), who is lurking on the Opposition Front Bench to speak, attended the World Travel Market with his right hon. Friend the Member for Copeland to launch that document. It was mentioned in one or two newspapers. We did not hear a great deal about it after that, although not surprisingly it resurfaced earlier in the debate. It had the massive endorsement of the industry.

I follow the hon. Member for Stalybridge and Hyde on visits around various sections of the tourism industry and we meet on many occasions. He has many friends, as I have, and their names are all down on that list. He will not agree, but I suggest that all his friends in the industry—as he is a nice man, he has plenty of them—are delighted that the Labour party is finally expressing an interest in tourism. Years have gone by with only thinly populated debates on tourism—the Labour Benches are not over-full at the moment, but, to be fair, nor are ours. In the past, the Labour party has ignored tourism.

A few months ago, when I had a question to the Welsh Office about tourism in Wales, the hon. Member for Neath (Mr. Hain) had a supplementary called by Madam Speaker. He asked—I think my recollection is accurate—"Can I now ask a question about a real industry?" and went on to talk about coal or steel. That is the authentic voice of Labour. Over the past two or three years, ably spearheaded by the hon. Member for Stalybridge and Hyde, the Labour party has made a serious effort to convince people that it now recognises the importance of the tourism industry.

It is not surprising that many people welcome that effort—I welcome it. I do not know whether it is sincere—we shall find that out in due course—but I am delighted that the Labour party is showing an interest in tourism. There is nothing in the Labour party document with which most reasonable people would disagree, other than, of course, the usual hints that Labour would spend more money than the Government have been able to spend.

It is worth pointing out that the right hon. Member for Dunfermline, East (Mr. Brown) would fall on the hon. Member for Stalybridge and Hyde from a great height, soon after attaining a position in which he could do

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anything about spending plans. He would say, "I'm sorry, Tom, but it's not on—you cannot have £100 million for the British Tourist Authority." The tourism industry would say, "Ah, well, there we go. It was worth a try." Let us not get too carried away by all those nice people being nice to their friend, the hon. Member for Stalybridge and Hyde—when all is said and done, the document does not add up to a row of beans.

Most of the document is unexceptionable stuff and most of it agrees with what the Government are doing at the moment. One or two matters should be highlighted, however. I have heard the hon. Member for Stalybridge and Hyde talking about a review of the Tourism Development Act 1969 for some time and I have to tell him that the regional tourist boards do not want to be amalgamated. The English tourist board does not want to be absorbed into the British Tourist Authority and Scotland and Wales certainly do not want to lose their autonomy. When it starts talking about meddling with the structure of tourism—the Select Committee report said something similar—the Labour party might be stirring up a little antipathy and resistance. It might even be losing votes, which I know it is desperately anxious to avoid at the moment. It should think carefully about how far it should go down the road of threatening all those bodies with extinction.

My visit to Cumbria in August convinced me that there is enormous pride in the work of the regional tourist boards. The new chairman of the Cumbria tourist board, Mr. Richard Boddy, was at pains to point out that Cumbria was Cumbria, that it did not have synergies with the north-west, Yorkshire or Northumbria—excellent regions though they are—and that the board wanted to be able to continue to market Cumbria in its own way, for the benefit of the people who live there. I support that.

The enormous success of Euro '96 clearly demonstrated that Britain can handle large numbers of visitors in an effective and friendly manner and London remains one of the most popular destinations in the world. However, I hope that the success of Euro '96 showed us something else—that the regions can cope with large numbers of additional visitors, if only we can persuade them to go and see other parts of Britain for themselves.

I want the marketing of the regions to be done in London. Large numbers of people come to London because it is a magnet, but they never go elsewhere in the United Kingdom. Why not do more regional marketing in London, when visitors, who have already demonstrated their willingness to come to the United Kingdom in the first place, are at the mercy of placards in the backs of taxis or in the tube that tell them about the other England, the other Britain, the other United Kingdom that lies outside London? I hope that that point will commend itself to my hon. Friend the Minister and other right hon. and hon. Members.

The Select Committee report discussed accommodation standards. The Government have already set about the business of trying to improve the quality of accommodation in this country with the benchmarking exercise. I welcome that and look forward to its being brought to fruition. I know that it will raise standards.

Classification schemes are a difficult issue. We know that in 1990, the Select Committee report on tourism recommended that we move to single inspection followed by a single scheme six years later. We are still trying to move in that direction, but it is not easy. There is a great deal of resistance from the private sector, especially the AA and RAC, which feel that they have perfectly worthwhile star schemes. As the hon. Member for Roxburgh and Berwickshire and others said, the English, Scottish and Welsh tourist boards have developed excellent crown schemes, with the additional advantage of quality representations to make them an extremely worthwhile basis for assessment and classification of accommodation.

I hope that the best efforts of my right hon. Friend the Secretary of State, my hon. Friend the Minister of State, David Quarmby, the BTA and the ETB will combine to produce a scheme that works. We look forward to hearing what it is.

May I say a word to the hon. Member for Heywood and Middleton about interpretation? The Select Committee report highlighted the visit that the Committee made to Colonial Williamsburg. I have been there too, not at the taxpayer's expense, and I noticed the excellent work done there in interpretation, but the next time that the Select Committee undertakes a study of tourism, let it visit Stirling gaol, go on a ghost tour of Edinburgh or visit the Scottish wool centre in the Trossachs, and see for itself the superb interpreting work that is being done, bringing alive to visitors the history, geography and economy of towns and cities throughout the country.

Not only Wigan pier is on that bandwagon; in the past six years, interpretation has taken on a new lease of life throughout the country. I am slightly disappointed that the Select Committee felt it necessary to hold up Colonial Williamsburg as an example of how to do things in this country when we already do them so well.

The tourist industry is doing very well at the moment, but there is no room for complacency, so we must not allow the national minimum wage to be introduced. In the debate much has been made—and may yet be made—of the suggestion made this morning by an organisation that the national minimum wage was a good thing. The marketing director, I believe, of Gardner Merchant, Mr. Bob Cottam, was asked what he thought. He said, "We do not mind a minimum wage provided it is at a sufficiently low level not to interfere with the market." So much for the national minimum wage.

The Opposition's problem is that they are still hand in glove with the unions, who have already set out their stall for £4.26 and no doubt will advocate an even higher figure by the time of the general election. That is not what the industry wants. Most employers in the industry do not want a national minimum wage. If they must have one, they want one at a level that will not interfere with their ability to employ people and thus create unemployment. It is not good enough for the Opposition to quote reports that are immediately unstitched by the people who put their name to them, pointing out that the opposite of what is claimed is the truth.

We not want the national minimum wage, the social chapter or the 48-hour rule. We do not want any interference from Brussels in our ability to provide the tourism industry with a framework in which it can continue to be hugely successful. Basically, we do not need a Labour Government.

1.8 pm

Mr. Denis MacShane (Rotherham): I shall make a short speech, because Back Benchers of all parties are waiting to speak. I look forward to their contributions.

The Secretary of State referred to the Budget. We need to address one aspect—or rather, one and a half aspects—of the national economic situation in this debate. The first is the alarming rise in the exchange rate. Sterling is creeping up against the dollar and the deutschmark week by week. The fact that the past two years have been good for tourism in this country almost certainly reflects the massive devaluation of the pound after the 1992 humiliation for the then Chancellor. As a tourist who occasionally goes overseas, I may welcome a stronger pound, but for our export industry the continuing rise in sterling presents real problems. It will certainly cause problems for our inward-bound tourism industry.

We need a policy to ensure stable interest rates, inflation and exchange rates. None of those factors holds at the moment, alas. To build a strong and enduring tourist industry—a policy that the whole House supports—they will have to be addressed.

The other sad part of the Chancellor's sad Budget was the tax on children and children's holidays implicit in the doubling of the air passenger duty, to which the hon. Member for Gainsborough and Horncastle (Mr. Leigh) has already referred. According to 1995 figures provided by the Library, 3.5 million children travelled by air that year. There is a case for exempting them from the doubling of air passenger duty, or even exempting them from the duty altogether. I am happy to say that there is all-party support for an amendment to that end that I have tabled to the Budget resolutions on the Order Paper.

The issue of air travel into the United Kingdom is relevant. Heathrow, our main port of entry, is immensely crowded. No other country in Europe or the world so funnels its tourists and other passengers into a single airport. The most common noise heard in London, or at least this part of London, is that of planes flying overhead. I can think of no other major capital city that suffers that level of noise pollution.

I want a strong Heathrow, a strong British Airports Authority and strong flow of visitors into the United Kingdom, but I wonder whether we shall have to consider at some stage whether all those passengers have to come into Heathrow. We must try to spread the flow of arrivals across other airports and, as hon. Members from both sides have said, encourage people to visit the regions.

Tourism outside London and the south-east is of great concern to all those hon. Members who, like me, do not represent constituencies within the M25 beltway. I have no problem with the proposed giant ferris wheel on the south bank. I understand that we shall be able to see Tunbridge Wells from the top of it. I know that it has always been an ambition of many hon. Members to be able to see Tunbridge Wells from somewhere in the centre of London.

How can we get a more balanced tourist trade? One important area is the upgrading of staff quality and competence. The hon. Member for Swindon (Mr. Coombs) referred to interpretation. Our skills in language interpretation are notably deficient. We shall not get skilled staff by continually driving down wages. Over the past 17 years, the British share of the world tourism market has sunk from nearly 7 per cent. to 5 per cent. We have a £3.5 billion balance of trade deficit in tourism.

British tourists flock in their millions to Europe, where they often enjoy better-priced facilities. Minimum wage legislation, if it exists in the countries concerned, and the social chapter, are respected there. The sooner that we send out a signal that British tourism will not be based on very low wages the better. My hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry), in his excellent report "Breaking New Ground", has set out a clear policy on the matter, which will be welcomed widely in the tourism industry.

I make a special appeal for Yorkshire, the region in which my constituency is situated and which has some of the finest tourist attractions in Europe. I am a great walker and I cannot see a hill without wanting to scramble to the top of it, hoping that I can conquer my fear of vertigo to do so. The dales and the peak district of Yorkshire stand comparison with any equivalent walking region in the rest of Europe.

However, we need more. We need to increase the availability of heritage attractions in Yorkshire. I was astonished by a reply I received only last week from the Minister, who is responsible for tourism—he is not here at present—to a question in which I asked him to identify the museums and heritage centres for the rail, car and steel industries. There are 36 railway museums and 21 car museums. There are major coal mining museums, including the national coal mining museum for England, the Scottish mining museum and the Lancashire mining museum. But for steel, one of the industries to which Britain gave birth and in which we still have an excellent record, there were only four rather minor cottage and craft museums—I mean no offence to them. The time has come to put on the map the need for a major heritage tourist centre for steel.

In Rotherham, there is a wonderful project, the Magna steel project, which is backed by British Steel, by the business community, by the local council and by the local community. The intention is to open a steel heritage centre in Rotherham. Rotherham is where the cannons that sunk Napoleon's fleet at Trafalgar were made and where the Bailey bridge was developed. It is still a major steel-producing site.

Steel conferences are often international. I am sure that many of those conferences would come outside London instead of crowding inside London if the Magna steel project was set up in Templeborough in my constituency. Unfortunately, both the Millennium Commission and the Secretary of State have shown almost complete indifference to the application for funding for the project. I hope that the Magna project—which is part of the steel heritage, which is a proud part of the British heritage, which will attract tourists

[Mr. Denis MacShane]

outside London and which will be a focal point for the many international conferences for the world steel industry—will be given the attention it deserves.

1.12 pm

Mr. Edward Leigh (Gainsborough and Horncastle): I am delighted to follow the hon. Member for Rotherham (Mr. MacShane). As I made clear in an earlier intervention, I share his concern about the imposition of the new tax on travel by children. That may seem a small point, but it is a serious matter if one is trying to take three or four children on holiday because the tax could add £80 to the journey. I hope that the Government will think again about that.

The hon. Member for Rotherham, a great and noted enthusiast for all matters European, dwelt on the exchange rate at length. I will not deal with that issue except to say that as the great value of England and Great Britain generally in terms of tourism is our distinctiveness, whether it is warm beer as opposed to cool refreshing beer or driving on the left rather than driving on the right, there is no point in allowing the European Community to acquire competence over tourism. I will not dwell on that; I make the point so that if the Minister wants to reply on that particular matter, he has the opportunity to do so.

I want to deal with a concept of national importance which is of particular interest locally to my constituency—I refer to the Mayflower 2000 project. It is a millennium project which has been conceived by the Southwark Heritage Association, a registered charity.

The project is important for tourism because the voyage of the Mayflower, which is one of the most famous voyages in history after that of Noah's Ark, has been sadly neglected. Some 22 million Americans claim descent from the pilgrim fathers, who sailed in the Mayflower and related crossings. The hon. Member for Heywood and Middleton (Mr. Callaghan), the right hon. Member for Manchester, Gorton (Mr. Kaufman) and my hon. Friend the Member for Swindon (Mr. Coombs), among others, have mentioned Williamsburg. Americans are enormously interested in their colonial history and anything that we can do to encourage that interest through ideas such as the Mayflower project will be enormously beneficial in attracting American tourists to Britain.

The basic idea of the project is to reconstruct the Mayflower. However, it would not be a replica. A replica was built in 1957 as a gift from Britain to the American people. It is now the centre of a pilgrim fathers exhibition at Plymouth Rock in Massachusetts, which has already been mentioned in the debate and is a tremendous tourist attraction.

The concept behind the Mayflower 2000 project is to build a permanent memorial based in Britain. It will be a symbol of resistance to religious persecution. The Mayflower compact, which was signed in 1620 by the male passengers of the Mayflower, is considered to be the foundation stone of American democracy.

The idea of the project is to build an exact reconstruction of the Mayflower which will set out for America in spring 1999 and then return to Rotherhithe, the original spiritual home of the Mayflower, where it will become a visitor centre. It will have enormous importance educationally, not just in terms of tourism.

The project is not just about building a replica; it will also set up a pilgrim heritage trail that will involve parts of my constituency. Famous ports of call—particularly in the east of the country—were important to the pilgrim fathers. They include Rotherhithe, Boston in Lincolnshire and your constituency of Plymouth, Madam Deputy Speaker, which although it is not in the east of the country is an important part of Mayflower history. The Mayflower project has enormous tourist potential in encouraging Americans to our shores.

The project also involves my constituency. Gainsborough has a former congregational chapel—now a United Reform chapel—called the John Robinson memorial chapel. It was built in 1896 and earlier this year I was happy to attend its centenary. John Robinson was one of the original pilgrim fathers. Indeed, the Americans showed their interest in Gainsborough when the then American ambassador, T. S. Baynard, laid the foundation stone of the John Robinson memorial chapel in 1895.

John Robinson may have been born in Gainsborough, but he was probably born a few miles away, in Sturton le Steeple in the constituency of the hon. Member for Bassetlaw (Mr. Ashton), who also takes a close interest in the project. However, it is certain that on Sundays John Robinson and the other original separatists would walk to Gainsborough to worship at services conducted by the Baptist, the Rev. John Smythe. They were led by a marvellous character called Robert Trouble Church Browne.

Rev. Smythe had been sacked from his living in Lincoln for preaching "strange doctrines" and Robinson had been the pastor at Norwich before he had to flee to Gainsborough. When the authorities prevented them from preaching in churches, they met in the Old Hall in Gainsborough, which is an excellent tourist attraction. It was built in about 1480 and is probably a leading example of domestic architecture of that period.

When John Robinson and his friends were persecuted, he tried to leave for Holland from Boston in Lincolnshire in autumn 1607. He was arrested and imprisoned in Boston, but finally left for Holland, as did many of his friends. In 1620, as the whole world knows, they set out in the Mayflower. Robinson was either on the first or the subsequent trip and certainly some of the original pilgrims on the Mayflower who founded American democracy came from Gainsborough and the surrounding Lincolnshire and Nottinghamshire countryside.

I am sorry that my hon. Friend the Minister is not in his place at the moment—I am sure that he will soon return—because I particularly wanted to direct the following remarks to him. I am sure that my hon. Friend the Whip will ensure that my remarks are passed on. I want my hon. Friend the Minister to reply to the point. The Mayflower was captained by a Harwich man, and, of course my hon. Friend represents Harwich. Indeed, I have in my hand a letter of support from him, as the Member for Harwich, for the whole Mayflower 2000 project. I hope that he will take a particular interest because his intervention could be absolutely vital to the project. Why do I say that?

One would think from what I have said—that the project is wonderful, it will promote tourism, it is important to our history and it is a sad and neglected part of our heritage—that it will surely go ahead and is bound to receive the Millennium Commission's support. Sadly,

the Millennium Commission, of which my hon. Friend the Secretary of State is chairman, has turned down the project on the ground that it does not allocate funds for replicas. Of course, what would be built would not be a replica.

As the hon. Member for Bassetlaw said in the National Heritage Committee to my right hon. Friend the Secretary of State, it is not as if we want to build a model of a Viking ship to float on the Serpentine in Hyde park. We would reconstruct in exact detail the Mayflower. In replying to the hon. Gentleman, my right hon. Friend said that she thought that the policy decision was taken before she became chairman of the Millennium Commission and undertook to report back to it the hon. Gentleman's concerns.

I very much hope that, since the matter has been raised in Select Committee, the specific point has been put to my right hon. Friend the Secretary of State and the Mayflower was captained by a Harwich man initially, both my right hon. Friend and my hon. Friend the Minister will take up the issue and see whether there is any way in which we can revive the project and make funds available for this excellent concept.

If the Mayflower were built and berthed at Rotherhithe it would not need to stay there all the time. It would a sea-worthy vessel and could travel to Plymouth, Boston or even Gainsborough, and be a tremendous source of new tourism. Tourism in a rural area such as West Lindsey can be very important. In 1994, it is estimated that it raised about £24 million and supported 642 full-time jobs. With related and seasonal jobs it could support as many as 912 jobs.

If we can encourage tourists to come to Lincolnshire and other ports of call in East Anglia on the Mayflower trail, they will have much else to look at in the area. I have already mentioned the Old Hall in Gainsborough. Gainsborough was mentioned by George Eliot—it is called St. Oggs in "The Mill on the Floss". There are interesting towns such as Caistor and Market Rasen. Horncastle and Market Rasen are Roman towns and the latter is the site of a national hunt racecourse. There is all sorts of interest in which local tourists can get involved. It has become almost a cliche in this debate to say that we do not need any more tourists in London and that we must encourage them to visit the provinces, the Lincolnshires, of our country. We must also use our history creatively to encourage tourists to come to these shores in order to generate wealth, opportunity and jobs.

1.23 pm

Lady Olga Maitland (Sutton and Cheam): I am pleased that we are having this important debate. I looked at *Hansard* for reports of previous tourism debates; an impossibly long time has elapsed since the last one. I think it was nearly two years ago, and the previous one was another two years before that. We have had too few debates on tourism, which is surprising considering the important role that it plays in this country.

I want, first, to pay a special tribute to my right hon. Friend the Secretary of State for National Heritage for her efforts to raise the profile of tourism. She has been a champion, and I do not think anyone could have done more. I know also that she has been ably supported by her Minister. One example of her energies was her visit to Tokyo to spread the good news in Japan. Japanese tourists play a key role among visitors to this country and they are coming in greater numbers than ever before. It is important for my right hon. Friend to keep her eye on the ball, and I congratulate her on her foresight in going to Japan. Tourism from Japan brought receipts of £554 million in 1995, excluding air fares, so her efforts were worth while. I hope that she will not stop at Japan, and that she will also visit other countries.

There was a slight ripple of laughter around the Chamber earlier when my hon. Friend the Member for Ealing, North (Mr. Greenway) claimed that his constituency is the queen of the suburbs. He claimed that Ealing had the right conditions to attract tourists. I have to take issue with my hon. Friend; if he thinks Ealing is good news, I reckon visitors would get an even better deal if they came to my constituency of Sutton and Cheam, which is a leafy, pleasant area with many avenues, parks and quiet streets. The hon. Member for Stalybridge and Hyde (Mr. Pendry) can testify to that; I know that he has a close relative living there and that he is able to bear good witness to what we have to offer.

My remarks are not totally in jest, because it is nice for visitors to London to stay somewhere quiet and pleasant. We are well placed for transport—we are not only on the main lines to Victoria, but are equidistant from Heathrow and Gatwick. The main arterial route of the M25 is also close by, making it easy for visitors to travel across the country.

Companies should also bear in mind our affordable conference facilities. Not all companies are immediately attracted to the main conference centres in the centre of London and they should think carefully about deploying their efforts to a pleasant suburb, such as Sutton, where they would get good value for money.

In fact, the whole debate hinges on the key point of value for money. Few people realise what a significant role tourism plays in our economy. As my right hon. Friend the Secretary of State said, the spirit of our tourism has been driven by freedom from regulations. The industry operates according to market forces in a low tax economy and, of course, has the most wonderful resources in the world. It is not surprising that tourism is responsible for more than 5 per cent. of our gross domestic product, amounting to £38 billion. I welcome the fact that the United Kingdom is fifth in the world in earnings from foreign visitors, who last year accounted for a blockbusting £12 billion, up by more than 22 per cent. on 1994.

As has already been mentioned today—it is worth re-emphasising—the industry employs 1.7 million people. Admittedly, some of the jobs are part-time or seasonal, but all those people have jobs. The industry is also responsible for 220,000 businesses, 200,000 of which are classified as small businesses, which are a key factor in the industry as a whole.

The industry is labour intensive, and employs more people than the Russian Army or the Indian railways. As the Select Committee report pointed out, it employs more people than are involved in agriculture, coal mining, steel making, car and aircraft manufacture, food production and the textile industry put together.

Considering the enormous tie-up of resources and people involved, it is astonishing that we have not given the Department of National Heritage the status that it deserves. As my right hon. Friend the Member for South

[Lady Olga Maitland]

Thanet (Mr. Aitken) said, it should be called the Department of National Heritage and Tourism. I am sure that my hon. Friend the Minister will join me in pressing that, eventually, we should make that change.

The industry involves such a significant amount of capital that we must ask ourselves why it does not achieve the attention and esteem that it deserves. It is disappointing that it is not recognised as a central element in the economy. I think one reason for that lies in the very nature of the industry, which consists of places of leisure. Somehow, leisure is not considered serious.

The industry embraces hotels, heritage attractions such as castles, places of entertainment, theatres, fairs and jousting. They are all too easily disregarded as somewhat frivolous—as an optional extra perhaps. How short-sighted people are to think in that way. We must bear in mind the indispensable and growing contribution that tourism makes to the economy, not to mention the role that it plays in our balance of payments.

There is much that we can do not only to boost the status of tourism but to capitalise on its success. Marketing must be a priority, so it is not surprising that it has been a popular topic in the debate. The British Tourist Authority has £35 million earmarked for it in the next financial year to market the United Kingdom abroad. With that sum, it will undertake promotions through a network of 42 overseas offices. Within its rather limited resources, the BTA has tried to be as effective and innovative as possible, and I pay tribute to the enormous energy that it puts into that effort.

However, I share the concern expressed in the National Heritage Committee's report on tourism, published this week, that a greater return could be achieved if more money were spent on promotion. I note the Committee's recommendation that the Government should increase the sum paid to the BTA by £100 million over the next five years. That would quadruple the current allocation.

There is, rightly, a debate about whether that is the correct figure, but the broad principle ought to be borne in mind. Before the Minister faints with shock at the idea of my asking him and the Government to spend more money when we are trying to cut the public sector borrowing requirement, I shall remind him of the point ably put across by the right hon. Member for Manchester, Gorton (Mr. Kaufman), the Chairman of the Select Committee: we should regard whatever sum is deemed appropriate not as a grant—non-returnable dead money—but as an investment, from which we shall get more back.

I am persuaded that marketing is an important key to our success. There is no point hiding our talents under a bushel. It is worth nothing that, in central London, Regent street, Oxford street and Piccadilly are littered with tourist offices from other countries, door after door. We should recognise that such offices play a key role.

People do not come to this country unless they know the good news; to tell the good news, the tourist industry cannot rely on the bush telegraph. It has to go out and "get 'em in."

I read with some attention the experiences of the Select Committee when it visited the United States—it was struck by the sheer scale of promotion. The state of Virginia alone spends $1 million on overseas promotion, while Massachusetts spends $2 million. That should be compared with the BTA's promotion budget for the whole of the USA of £5 million, which includes about £750,000 for advertising.

The BTA claims that every pound spent on promotion in 1994 generated £14 for the British economy, and the corresponding figure was estimated at £23 for 1995 and £27 for 1996—a handsome return for every pound spent in promoting our country. It follows that larger investments would reap the highest reward and would bring greater revenue to the Treasury, making the original investment worth while. I hope that that is a persuasive argument for an increase in funding.

We have just had a succesful Budget, and the Chancellor has been able to report that the economy is growing continuously and steadily. I hope that, in next year's Budget, he will he able to respond to requests from my right hon. Friend the Secretary of State for National Heritage for more support to boost British tourism.

I wish to comment on the quality of tourism in the United Kingdom. It is encouraging to see more and more overseas visitors in Britain, but we should not take their arrivals for granted. We must ensure that they receive good value for money, especially in terms of accommodation. In my years in political life, I have travelled across the country and stayed in innumerable hotels. I must say that I have had some "Fawlty Towers" experiences.

I shall never forget the first time I attended a Conservative party conference up in Blackpool. I was shown into a little hotel in Coronation street, where we always seem to end up. The price was modest, but I was surprised that, when I was shown to my room, I had to ask, "Where is the bed?" The man showing me round said, "Here," pulled a rope out of the wall, and down it fell. He left and, a few minutes later, my room was plunged into darkness. I thought, "Goodness. A power failure." I dashed out into the corridor and found that the lights were on, and suddenly it struck me—my room was on an electricity meter. I then had the most appalling hunt for the meter, which was in a cupboard, and I then had to find out what coins it took and go and get them. All told, it was a miserable experience. That was Blackpool, but things do not go wrong only there.

The other year, my husband and I attended another Conservative party conference, this time in Bournemouth. I know it sounds ridiculous, but the bathroom door fell off its hinges and across the bed as the manager showed us to our room. We may laugh—I certainly did at the time—but it is absurd. We should not have such hotels.

It is interesting that these things seem to happen at what I call the middle-ranking hotels—those that are neither cheap and cheerful nor luxurious. I have never had a bad experience while staying in bed-and-breakfast hotels, which have always been of the highest quality, whether in towns, in the country or on a farm. They are personally run by the householder and his wife, who provide the best possible service and attention and certainly the most magnificent slap-up British breakfast.

Foreign visitors do not always have such good experiences, however. A British Tourist Authority survey shows that 28 per cent. of visitors to London do not believe that London hotels provide good value. Of overseas visitors who did not stay in London, 36 per cent. felt that their accommodation was poor. Criticisms related

to room size; decor; washing facilities, especially the availability of private bathrooms—amazingly enough, that is still a problem; meal hours, as restaurants often close at 8.30 pm, just as guests arrive, and are inflexible about what they can do for a late traveller; and cost.

The shortage of hotel space in London means that poor hotels are not driven out of business by market forces. Travellers have no choice but to accept second best. There should be a proper registration scheme for accommodation, modelled on that in Northern Ireland, where registration is compulsory and has been since 1948. I cannot understand why it has taken us so long to jump on board. In Northern Ireland, inspections are carried out to ensure minimum standards and a certificate is issued categorising the unit as a hotel, guest house, bed and breakfast and so forth. Indeed, it is an offence to provide accommodation without a certificate, and it has been known for such certificates to be withdrawn following serious complaints.

The Consumers Association is keen on compulsory registration, as is Westminster city council, the BTA chief executive, the British Incoming Tour Operators Association, the British Resorts Association and the Tourism Society. They all want statutory classification, although there is a debate about grading. There should be clear grading so that people know exactly what they are getting, which is important.

Although the Department quails, I gather, at the work and expense involved, it would be short sighted to sit on the fence, hoping that voluntary registration will suffice. That option would have none of the necessary rigour, and would do little to push for improved standards. Hotels that are poor performers would not register voluntarily, so we would still face the difficulty of how to tackle unsatisfactory service.

Labour's new tourism strategy spells new dangers. The industry's biggest resource is its people. We need to take care of them, and not only in terms of training. Personal service must be valued, respected and seen as a worthwhile and dignified career. We must also protect the interests of the work force. I am concerned for them, bearing in mind the fact that they number 1.7 million people. They would be put at great disadvantage if the industry suffered from the insidious workings of the social chapter. The tourism trade would be burdened with damaging new regulations, such as the 48-hour working directive, the parental leave directive and the planned part-time and temporary workers' directive. They would crush the industry and job opportunities rather than build it up. Under new Labour's plans, this prosperous industry would be dragged down because jobs would be put at serious risk by the minimum wage.

I was disappointed when the Opposition spokesman, the right hon. Member for Copeland (Dr. Cunningham), referred to sweatshops and poverty pay. It is all very well to use highly emotive language—that is easy—but what we really have to do is to look at people's lives.

Is it right to push around and socially engineer jobs so that some benefit from an increased wage and others are thrown on the scrap heap, without a job and dependent on unemployment benefit? If we asked any one of the 1.7 million people working in the industry if he would surrender his job so that his friend next door could get a bit more pay, the answer would be no. Nobody would go on the dole voluntarily rather than have the dignity of working and supporting a family.

We must understand that one man's pay rise would be another man's job loss. Moreover, the pressure on businesses would cause them to go bankrupt. Let us not forget that we are dealing with 200,000 small businesses that are vulnerable to pressures. They are not what Labour Members would describe as fat cat enterprises that can absorb an enormous amount of shocks; press them too hard and they would go under.

Even if businesses stayed afloat and paid the increased wages, the costs would be passed on to the tourist, who would resent it and stop coming here. We should seriously consider the effects that the Labour party's proposals could have on the tourism industry and the jobs that it provides.

It is important to encourage people—not just foreigners, but English families—to visit not only London, but our wonderful and beautiful regions. We should adopt the New Zealand saying, "Don't leave home 'til you've seen the country." We should encourage our friends, neighbours and constituents to see some of their own culture and heritage.

Of course, we cannot stop people flitting off to Kos for two weeks, but we can encourage them to see more of this country, even if only for a few short breaks in the year. Everyone has heard of the Londoner who has not been beyond the M25 but has been to Corfu; we should get him to the Cotswolds, to East Anglia, Oxford and Cambridge.

The Minister of State, Department of National Heritage (Mr. Iain Sproat): And Scotland.

Lady Olga Maitland: Of course. Scotland is one of the loveliest places in the United Kingdom, and I speak of it with pride because, like my hon. Friend the Minister, I have a heritage there.

Mr. Robert Banks: Can my hon. Friend advise people travelling up to Scotland to stop off in Yorkshire, which has the most superb countryside that can be imagined, and offers the best entertainment and enjoyment facilities for tourists?

Lady Olga Maitland: It is with the greatest pleasure that I would encourage tourists to visit the lovely Yorkshire dales, to try the Yorkshire pudding, to sample the culture, to visit the pubs and, indeed, to try to understand the language.

We should focus more on the regions. I appreciate that the English tourist board gets much support in its effort to spread the good news across the country, but we need to build new images. We need to get away from the "Hi-de-Hi" television image that suggests that visiting the provinces is second rate. We are making good progress and we should endorse many new initiatives.

We could do more to encourage the development of country cottages and self-catering holidays; the quality of those lets is enormously high, and they provide a useful income, especially if the owners are going on holiday themselves. I have seen what a powerful role holiday lets have played in the East Anglian economy; they give enormous pleasure to the visitors and bring a great deal of income to the area.

I am proud of the achievements of the tourism industry, which have been built on a healthy economy that has had careful Conservative management over many years. It is

[Lady Olga Maitland]

encouraging that we have provided the right infrastructure, the right Budget and the right circumstances for small businesses to flourish. By reducing corporation tax, freezing business rates and raising the VAT threshold, we have set the stage for the most magnificent show on earth. I thank the Minister and the Secretary of State for making it all possible.

1.49 pm

Mr. Tom Pendry (Stalybridge and Hyde): First, I apologise for the absence of my right hon. Friend the Member for Copeland (Dr. Cunningham). I thought that he was at the same meeting as the Secretary of State, but she has returned. I hope that he will come back in due course.

This has been a good debate. We have good debates on Fridays, though they are not the best attended. I am for ever telling the Minister that we generally finish by speaking to a few hon. Members who have drawn the short straw. It would be good to have a debate in Government time during the week. I hope that that message gets through. Many northern, Welsh and Scottish Members would love to be here but cannot re-arrange their diaries.

I can vouch for the attractions of the constituency of the hon. Member for Sutton and Cheam (Lady Olga Maitland) because my sister lives there and I often visit it. The hon. Lady asked why the industry is not taken more seriously. That is a problem but it is not helped by the fact that tourism Ministers come and go, as the Select Committee report noted. Many tourism Ministers sit in the other place. That downgrades tourism in the eyes of many in the industry. I hope that that message, too, gets across.

The hon. Member for Sutton and Cheam goes much further than we do—the Secretary of State did not hear this part of her speech—on standards of accommodation. She wants a statutory grading scheme. We and the National Heritage Select Committee want to give free enterprise a whirl first. She is more strident.

We have had an excellent debate in which many hon. Members have raised matters relating to this most important sector of the economy. Hearing hon. Members talk about the economic, employment and social benefits that tourism brings to their constituencies, it strikes me that the Government have still not got to grips with the industry's potential or produced a meaningful strategy to assist its development. The Budget only confirms that. The Secretary of State's cheek is amazing. She claims to be the champion of the tourist industry. She really must calling stop herself the champion of everything. She is the champion of sport, the champion of tourism and last Wednesday she even said that she was the champion of bingo.

Mrs. Virginia Bottomley *indicated dissent.*

Mr. Pendry: I was at the Business for Sport and Leisure meeting when she said it.

Mrs. Bottomley: The hon. Gentleman presses me too hard. It is only fair to say that my hon. Friend the Member for Harwich (Mr. Sproat) is definitely the captain of Sproats.

Mr. Pendry: The hon. Lady is trying to divert me from the bingo argument. I was speaking to bingo representatives and they told me that she was no champion of theirs for pushing through a second weekly national lottery draw. The Budget has not helped them. She must at least stop calling herself the champion of bingo.

As a former boxing champion, I think that I could give the Secretary of State a few tips. She has got to start winning some rounds with her Cabinet colleagues. I understand that at the Conservative party conference tourism breakfast for which guests were asked to pay £500 to meet her, she spoke of being

"stunned at the professionalism of the British Tourist Authority having visited their offices in Japan and the United States".

She has some way of showing it by cutting its budget.

On top of that, the doubling of air passenger duty has been described by Robert Ayling, the chief executive of British Airways, as an imposition that will

"penalise one of our most successful export industries by adding further to the cost of incoming tourism to Britain at a time when competition in the international market place is becoming ever more intense."

Again, some champion.

Last week the Secretary of State asked me how I had the gall to mention the Labour party's document on tourism and hospitality strategy, "Breaking New Ground". She said that it had sunk without trace. The hon. Member for Blackpool, South (Mr. Hawkins), soon to be somewhere in Sussex or wherever, agreed with her. The thing is that she does not read, and nor does he, the national press or the tourism press, where the document received considerable coverage. Perhaps the Secretary of State did not have a chance to read the endorsements, which my right hon. Friend the Member for Copeland listed.

Far from sinking without trace, the document has been in such demand that we have had requests for more than 2,000 copies, including bulk orders from the Confederation of British Industry, the English tourist board, the Association of District Councils, the British Resorts Association, the British Hospitality Association and the British Incoming Tour Operators Association. The chief executive of the British Hospitality Association, Jeremy Logie, wrote a letter saying:

"As you may know, we have distributed Breaking New Ground to many of our members and we are discussing the contents all round the country at our autumn series of regional meetings.

On the whole, my members are delighted to learn of your very positive attitude to our industry and to learn of your pledge of real commitment and involvement."

Sunk without trace? The Secretary of State really must look again.

The Secretary of State made great mention of Blackpool pleasure beach, which has invited us to hold a regional launch of "Breaking New Ground" in the north-west next week. We have had a similar invitation from the east midlands and there is more to follow. Such a response shows that the industry now recognises that we are the party with a positive agenda for tourism, in contrast to the Government's lacklustre approach.

Let us take accommodation standards. We know that there is a serious problem with the quality and standard of service offered. The Government's own report "Competing with the best"—*[Interruption.]* If Front-Bench Members care to listen, they may learn something. I am quoting their own document. Surely they are proud of it. It says:

"There is clear evidence that too many visitors are disappointed with the value for money they get from some hotels. In a recent survey, 30 per cent. of overseas visitors to London said that their hotel did not meet expectations."

That is more than 3 million a year, and clearly that is not good enough. How many of them will return? How many will report poor opinions to their friends when they go home? Yet what is the Government's answer? A benchmark scheme is certainly better than nothing, but it is not good enough. Visitors to accommodation premises want a comprehensive grading structure which they trust to describe approximately the standard of the accommodation that is on offer, not a confusing array of stars, crowns, stripes and various descriptions. They need a clearly identifiable scheme which demonstrates certain basic standards of service and provision.

If the Government listened to the industry, they would be aware that the Tourism Society recently published the results of a detailed study that it had undertaken with accommodation providers of the standards of hotel provision, called "Tourist Accommodation: Classification and Grading Schemes". The report revealed wide industry support for statutory registration of all accommodation premises and the introduction of an industry-led grading scheme.

During our consultations with the industry, we were persuaded of the merits of such an approach and, because we are a listening party, we reviewed our previous position of outright support for a statutory grading scheme, which is what the hon. Member for Sutton and Cheam wants. That reviewed position is now outlined in "Breaking New Ground". In her heart of hearts, the Secretary of State knows that that is the best approach, but the ideology of her party prevents her, I am sure, from responding to the industry's needs. Now she has perhaps one good last chance to do something positive.

The first report of the National Heritage Select Committee, published this week, comes down very much on our side. I was pleased to hear the Chairman of that Committee, who spoke so eloquently, make that point as well as others. I was pleased to note that that far-reaching report comes much closer to understanding the needs of the industry than anything that the Government have produced. It also recommended an identical approach to our own on certain issues.

Today hon. Members cited certain statistics that are always heard in debates on tourism, for example, whether 1.6 million, 1.7 million or 1.8 million people are employed in the industry. It may sound a bit tedious, but it is worth repeating those statistics, because, as was said earlier, the more we do that, the more people will understand the importance of the tourism industry.

Several hon. Members have referred to legislation that will affect the industry. The Labour party makes no apology whatever for wanting to improve the pay, training and recognition of Britain's tourism and hospitality workers. That is essential if we are to compete with the world's other skilled countries.

When the Secretary of State wrote to me on the day of the launch of her Department's paper, entitled, "People Working in Tourism and Hospitality", she noted:

"The quality of the workforce is a key driver of both customer satisfaction and the competitive success of the tourism industry. The report shows how progressive firms use good management practices to help them retain staff, deliver quality and achieve customer success."

That is an endorsement of our policy. The right hon. Lady did not say, however, that the progressive firms to which she referred also pay good wages and invest in their staff. Peter Moore of Center Parcs, who the Secretary of State rightly praised at a Business in Sport and Leisure conference on Wednesday, was quoted by my right hon. Friend the Member for Copeland to say:

"You can't pay low wages".

The Secretary of State is out of touch because Mr. Moore is quite right. Labour will ensure that we invest in those who work in tourism and hospitality. We will provide them with positive training opportunities by producing individual learning accounts that will encourage people to train. The British Incoming Tour Operators Association, the Hospitality Foundation and many others, according to the tourism papers, have expressed support for our policy.

We make it clear in our document that we will work with the private sector to create a university of the industry to utilise the potential of information technology in education. We will end the poverty pay, low-status, high turnover jobs by introducing a statutory national minimum wage. No one should be worried about that, including the hon. Member for Sutton and Cheam, because the Leader of the Opposition has said clearly that the low pay commission to be established after the election will include representatives from tourism and the hospitality industries. They will help to determine the right level of pay that should be set, and that has satisfied most people in the industry.

I do not expect that the Government's strategy will match Labour's plans to introduce a development of tourism Act. The need for restructuring is clear, and my right hon. Friend the Member for Copeland has already outlined how Labour will make that new Act work for the industry.

Integral to our aims is the need to encourage the British travel agent to sell more domestic holidays, including short breaks. *[Interruption.]* I hope that I can get some attention from those on the Government Front Bench. Currently domestic tourism represents about 15 per cent. of travel agents' turnover. We must work to ensure that the skills they possess in information technology and marketing and in offering a good-value product are more aligned to the domestic industry. I hope that the Secretary of State agrees with that.

Colin Trigger, president of ABTA, has praised Labour's initiative and he wonders why he has not heard anything from the Department of National Heritage. I would welcome the Minister's comment on that.

Some hon. Members have spoken of the importance of sustainable tourism. I hope that the Secretary of State will not say that I am straying into a debate on transport when I say that she knows something of Sustrans, the charity-based project to develop a national cycle network. I accompanied my right hon. Friend the Member for Copeland when he officially opened in his beautiful constituency the impressive C2C cycle network, which links Whitehaven to Newcastle.

I hope that cycling, which has the potential to be big business in terms of tourism, attracts the Secretary of State's attention. Already, it is estimated that 500,000 holidays are primarily for cycling. Cycling has many appeals—it promotes a healthy life style, boosts local tourism and is sustainable and environmentally friendly. Cycling and the cycling network should be at the forefront

[Mr. Pendry]

of our attempts to promote more short-break domestic holidays. The development of the national cycle network will provide the tourism industry with the infrastructure for a UK-wide tourist attraction that will appeal to UK residents of all ages and will attract overseas visitors.

When he replies, will the Minister tell us what talks his Department has had with the Department of Transport? As the right hon. Member for South Thanet (Mr. Aitken) said, it appears that few interdepartmental talks go on these days. Will he tell us what the Government's cycling strategy is? Will he tell us what measures the tourist boards are taking to promote Britain as a cycling destination? What efforts have he or the Secretary of State made to assist that process?

As they should, the Government will propose a tourism strategy for the new year. They are always following our lead and we are pleased that they have done so in this instance. We take the point made by my right hon. Friend the Member for Gorton that it is best to avoid political punch-ups in this respect. I give due credit to the hon. Member for Swindon (Mr. Coombs), who spoke for 33 minutes today. When not straying into the realm of political punch-ups, he is generally supportive of the industry and is well-respected within it.

In the spirit of co-operation, I hope that the Secretary of State will look more closely at our document and see that it was drawn up following a great deal of consultation with representatives of the industry, many of whom have endorsed the end result. When she gets round to drawing up her strategy, I hope that she will address the following points. First, there should be a determined effort to improve hotel standards. Secondly, there should be real investment in people who work in the industry, including protection against poverty pay. Thirdly, there should be a commitment to a new development of tourism Act to ensure that the structures are updated. Fourthly, there should be recognition of the needs of the hospitality industry, including a review of the present licensing laws. Fifthly, local authorities should be required to provide a tourism strategy for their local areas.

The right hon. Lady might want to re-examine "Breaking New Ground". She clearly did not read it properly the first time, because she said it contained no reference to the minimum wage. She will find in it the issues that I have outlined and many positive ideas for the industry, which have widespread industry backing. Sadly, I believe that she will again fail to meet the challenge. The tourism and hospitality industry will know, once and for all, that only a Labour Government will provide new life for tourism in this country.

2.7 pm

The Minister of State, Department of National Heritage (Mr. Iain Sproat): I was interested to hear the right hon. Member for Manchester, Gorton (Mr. Kaufman) say that the late Mr. Costain, who was once a Member of Parliament, had told him that it was a tradition of the House that Friday debates should be relatively uncontroversial. I had not known that. I think that it is a good idea.

Usually, when the hon. Member for Stalybridge and Hyde (Mr. Pendry) and I face each other over the Dispatch Boxes, the debates are fairly good-tempered. I think that, since the last election, we have had seven debates on tourism and several on sport. On balance, today's debate has revealed a great deal of common agreement; but, although it is not the first time that the hon. Gentleman and I have disagreed, the debate has also revealed a significant and central element of disagreement between the two parties.

My hon. Friend the Member for Harrogate (Mr. Banks), who is exceptionally knowledgeable about the tourism industry, pointed out that difference of opinion at the start of the debate. He said, rightly, that the working time directive, minimum wage legislation and the social chapter are all abominated by the tourism industry. Perhaps, here and there in the tourism industry, some people are less worried about it than others.

The Business Services Association was quoted earlier as supporting a national minimum wage, but now the argument is unravelling. As my hon. Friend the Member for Swindon (Mr. Coombs) said, a representative of Gardner Merchant has said that it supports a minimum wage only if that is so low that it will not affect it. I understand that the chief executive of Rentokil Group plc was quoted on the BBC as supporting a national minimum wage, but Rentokil is not even a member of the association.

There is a key point there. The history and traditions of the Labour party, and its association with the trade unions, lead it to support a minimum wage. As my hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) said so well, however well-intentioned that may be, there is only one inevitable result of a minimum wage, and it would especially apply in the tourism industry—jobs would be lost.

Many people in the tourism industry may say, as they are entitled to, that they very much welcome the Labour party's interest—some of us may say new-found interest—in tourism. Yes, they may welcome that interest, but no, they do not believe a word that the Labour party says about it. As long as the Labour party has at the heart of its tourism policy a minimum wage, a social chapter and adherence to working time directives, the tourism industry will know that it would be its ruination, were the Labour party ever to form a Government.

I shall now discuss one non-controversial aspect of the debate. I shall treat hon. Members' contributions in chronological order in so far as that is sensible.

The right hon. Member for Copeland (Dr. Cunningham) mentioned the opportunity for England to host the football World cup in the year 2006. The Government are extremely keen that that should happen. Earlier in the week, my right hon. Friend the Prime Minister and I had a meeting with the Football Association. I shall have another meeting with the Football Association to discuss in detail what the Government can do to ensure that we get the World cup in 2006, as we should. Our record in hosting the Euro' 96 football championships makes it extremely likely that we shall get the World cup, because the Euro' 96 championships were very well organised. Tourism benefited from Euro' 96. In June 1996, receipts from foreign visitors—£1.2 billion in that month—were up 20 per cent. on the previous June. That was in great measure a result of Euro' 96.

Once the lawyers can lick into shape the details of the proposed United Kingdom Sports Council, one of its top priorities will be to bring major sporting events to this country. Everything is being set up for that.

I say to the hon. Member for Greenwich (Mr. Raynsford) that I shall now revert to a marginally more confrontational mode. The right hon. Member for Copeland said that my right hon. Friend the Secretary of State was forced to cut everything as a result of the Budget; he was totally wrong. The reverse is true. My right hon. Friend fought fiercely and successfully in Cabinet. We obtained an increase of £3 million over plan for the Arts Council, an increase of more than £500,000 over plan in provision for the arts pairing scheme, an increase of more than £2 million over plan in provision for English Heritage, an increase of £3 million over plan in provision for museums and galleries—including £5 million for maintenance—and a £2 million scheme for public libraries.

In recognition of the fact that museums and galleries make London one of the worldwide attractions for cultural tourists, my right hon. Friend the Secretary of State protected them, with £3 million more for the arts and more than £2 million more for museums and galleries. We have done what we should have done to protect—

Mr. Pendry: We are talking about tourism.

Mr. Sproat: Well of course that is tourism. I shall come to the wider point in a minute. The right hon. Member for Copeland rightly said that museums and galleries were important to tourism. He then went on to say that we had cut funding. I am merely pointing out that, as so often, the Labour party is comprehensively wrong. We did not cut funding; we increased it.

The right hon. Member for Copeland then attacked the increase in the air tax. Let me ask a simple question: is it the Labour party's intention to scrap the tax—yes or no? The hon. Member for Stalybridge and Hyde does not make a move. He is as still as a mouse. He has no idea.

Mr. Leigh: A very big mouse.

Mr. Sproat: He is a very big mouse, and a very dangerous one, too, as a former boxing champion.

Would Labour scrap the airport tax? On the subject of funding, we have also heard a lot from Opposition Members about the extra £100 million that the National Heritage Select Committee recommended should be added over five years to the amount of money that we give to the British Tourist Authority. My hon. Friend the Member for Sutton and Cheam would like that extra money to be given. The Government will give serious consideration to the proposals, whether they refer to classification and grading, extra money to the BTA or other issues. We did not hear a single mousey squeak about whether the Labour party is pledged to add that £100 million. Will it abolish the tax? Will it provide the extra £100 million? Or is that another of those pledges that are spoken silently out of one side of the mouth by the right hon. Member for Copeland and denied out of the other side of the mouth by the right hon. Member for Dunfermline, East (Mr. Brown)?

It is true that the budget of the British Tourist Authority, which does a wonderful job, has been cut from £35.5 million to £35 million. That is a tiny cut, but it is a cut. We have heard from hon. Members on both sides—rightly—that tourism is the second largest industry in the country and that, by the end of the century, it will be the biggest both in this country and in the world. It seems extraordinary that the Government should be criticised for knocking £500,000 off the budget of an industry worth £37 billion. The hon. Member for Stalybridge and Hyde failed to emphasise that the BTA has rightly had an extra £16 million—not just half a million—from the private sector to join in its promotions and advertising.

Mr. Pendry: I did not intervene earlier because I thought that the Minister would have a catalogue of questions for me. The main point is that we would never have imposed the air passenger tax. After such a good year for tourism last year, because of devaluation and other factors, we would certainly have expected the Secretary of State to fight her corner and ensure that there was no reduction in the budgets for the tourist boards. She did that last year and was boasting that she would do the same this year. That is the point that my right hon. Friend the Member for Copeland (Dr. Cunningham) was making.

Mr. Sproat: I gave way for a minute and a half. That gave the hon. Gentleman plenty of time to say, "We will abolish the airport tax." Did he say that? No. There was plenty of time for him to say, "We will give an extra £100 million to the BTA." Did he say that? No. It was a total waste of time. He was asked a question and he did not even attempt to answer it.

The key point is that we have a giant industry worth £37 billion. It employs 1.8 million people, with another million jobs, we hope, to be created in the industry in the next 10 years.

This year, we have had a record number of foreign visitors—24 million. We have had record earnings from foreign visitors—£12.1 billion. We have got 5 per cent. of the world tourism market. We have gone up in the league; we were down to sixth, but we have gone back up to fifth. We have not slipped, but Labour Members do not understand that. We have gone from sixth up to fifth, and why? The reasons are the economy of this country, the general prosperity, the steadiness, the low inflation and the falling unemployment; all those factors have contributed to an economy in which tourism can flourish.

At the heart of Labour's policy is not only the poisoned pellet of the minimum wage, the social chapter and the working time directive, but plans that, if Labour ever came to government, would wreck our economic stability, our low inflation and our falling unemployment. The tourism industry would be in an infinitely worse state.

Mr. Pendry: The Minister must not mislead the House. I said that we had slipped in the league; of course we have slipped. Our share of the world tourism market has fallen from 6.7 to 5 per cent. We have a £3.5 billion deficit in tourism. The Minister should get his facts clear and should not mislead the House.

Mr. Sproat: The fact is that I have only to quote the words of the right hon. Member for Gorton. He rightly said that the tourism industry is a great success story. There are more visitors, more earnings and a bigger share of the world market, and we are going up in the world league. One cannot ask for much more than that.

My right hon. Friend the Member for South Thanet (Mr. Aitken) made a point about needing competition between the ferries and the tunnel. He is entirely right. He

[Mr. Sproat]

asked whether we could not improve the reception for foreign visitors at Heathrow airport. That is a good and fair point. My noble Friend Lord Inglewood recently went to Heathrow to look at Customs and Excise and immigration procedures. He spoke to Customs officials with a view to helping them in their wish to be even more courteous and friendly by introducing them to the English tourist board's welcome hosts scheme, which is a very good idea. However, we take the point. My noble Friend has done something about it.

My right hon. Friend the Member for South Thanet also made a point about the co-ordination committee. It is absolutely true that the co-ordination committee has not met for five years. Why? The reason is that it was a waste of time. We do not go on with something that is useless; we have a far better way. My right hon. Friend the Secretary of State gets on the telephone and says to her colleagues, "This is what I want you to do", and it happens. From my experience of many and many a weary but successful hour spent in the Deregulation Committee, I know that it does more for tourism and taking burdens off the industry's back than ever the co-ordination committee did. Too often, that committee became a talking shop, and that is why we abandoned it. There is, therefore, a very simple answer to my right hon. Friend's point.

I say again to the right hon. Member for Gorton, because the point needs to be understood, that we are looking extremely closely at his Select Committee's report. We understand that it is a non-political Committee and we understand that it has made some extremely important recommendations about extra funding, about registration and about grading. We shall look at each one of the recommendations and come back to the Committee as soon as we have had a chance to give the recommendations the serious consideration they deserve.

The right hon. Gentleman also referred to a second runway at Manchester airport. Manchester is a wonderful airport and I am glad that the Government pursued their liberalising policies for aviation transport. Let us not forget that those policies were totally opposed by Labour Members. I remember that when I was a Minister with responsibility for aviation, we could not get the Opposition to support the privatisation of British Airways or putting the airports out into the private sector or local authority control. The Opposition were entirely against those policies, yet they now urge us to do even more. Well, because we are generous, we shall do so and I shall draw the right hon. Gentleman's comments to the attention of my right hon. Friend the Secretary of State for Transport.

The right hon. Member for Gorton used an excellent phrase when he said that there is a whole United Kingdom outside London. That is true and important. It is a difficult balance to strike because some 55 per cent. of all tourists who visit Britain come to London. Whether we like it or not, London is the single biggest magnet. My right hon. Friend has put another £1.5 million into the London focus campaign so that foreign tourists to London are made aware that they should visit Yorkshire, Scotland, the south-west, Shakespeare country, Cambridge and so on.

Tourists want to visit London first. They know about Buckingham palace, the Tower of London, the museums, galleries and all the cultural benefits that London has to offer. As I was born in Scotland and I represent a constituency that is a couple of hours away from London, I agree entirely with the importance of encouraging as many visitors as possible to travel around the country.

My hon. Friend the Member for Harrow, East (Mr. Dykes) spoke about the Prince Edward playing fields. I am pleased to inform him that we shall have a meeting on the matter as soon as possible—next week, if he can arrange it. I pay tribute to the persistence with which my hon. Friend has pursued the problem. He also mentioned currency changing booths charging unfair rates of commission. I shall draw that comment to the appropriate authorities.

I was pleased to hear from the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) that the hon. Member for Caithness and Sutherland (Mr. Maclennan), who has had surgery recently, is now making a speedy return to health. I am sure that we all look forward to welcoming him back to the House.

The hon. Member for Roxburgh and Berwickshire also said that our tourism policy was too London centred. I have explained the difficulty of getting tourists to visit such places as the borders of Scotland. I shall draw the hon. Gentleman's request for better signposting to the attention of my right hon. Friend the Secretary of State for Transport. The hon. Gentleman mentioned the opportunities that tourism provides for diversification. He mentioned the town of Hawick where the once-great textile industry is in decline and the potential for museums to commemorate the industry. No doubt his suggestion will be followed up.

My hon. Friend the Member for Gosport (Mr. Viggers) spoke about career opportunities in tourism, travel, hotels, restaurants and so on. My right hon. Friend and I will look at ways in which we can draw the matter to the attention of young people in schools and colleges.

The hon. Member for Heywood and Middleton (Mr. Callaghan) gave us an excellent resumé of the Select Committee report and we shall certainly take into account the points he raised—although I do not necessarily agree with them all—when we consider that report.

My hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) talked about the Mayflower 2000 project. It is a wonderful project and I congratulate Mrs. Pickering, who has been the driving force behind it. I very much hope that the Millennium Commission will realise that it will be a reproduction of the Mayflower, not a replica—it will actually sail and is not just a toy. Perhaps I should declare a constituency interest in the project as the original Mayflower and its skipper came from Harwich.

My hon. Friend the Member for Swindon made an extremely well-informed speech, including the succinct and vital point that, after all the rubbish that we heard about airport taxes doing down the tourist industry, British tourism has just had its best two years ever. Of course nobody likes increased taxes, but my right hon. and learned Friend the Chancellor has to find the best and fairest way of raising revenue. He did it. We have had the airport tax and the best two years in tourism. It is a knock-down argument and it is absurd to pretend that a fiver, and now a tenner, will ruin the British tourist industry.

My hon. Friend said that he had visited Barrow. He made the important point that in the past people visited that part of the United Kingdom to see the Lake district.

My hon. Friend is also extremely keen on Peter Rabbit and there are great campaigns in Japan publicising the Peter Rabbit exhibition in Cumbria, which is extremely popular with the Japanese. Barrow is an added attraction. It is an opportunity for an industrial museum. The hon. Member for Rotherham (Mr. MacShane) talked about the need for a steel museum. There is a marvellous mining museum in Wakefield, and a steel museum would be a very good idea.

My hon. Friend the Member for Swindon mentioned the problems of matching lottery funding. Yes, it is a problem. He will know that the Arts Council and the Sports Council very often lower the matching from 50 per cent. to as low as 10 per cent., but we certainly ought to keep the issue in mind.

My hon. Friend the Member for Gainsborough and Horncastle talked about European competence in tourism. Her Majesty's Government are totally against the idea of there being a European competence in tourism. We published a Green Paper in April last year that offered four options. The first was to scrap the current arrangements, the second to keep the status quo, the third to enhance slightly the status quo and the fourth to establish a competence. We were totally against it then, and we are totally against it now.

We have had a very good debate on the great success of the tourism industry—

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 3rd December, the Speaker shall put forthwith the Questions necessary to dispose of proceedings on the Motion in the name of the Prime Minister relating to public expenditure, including the Question on any amendment thereto which she may have selected, and the said Questions may be decided after the expiry of the time for opposed business.

Ordered,

That, at the sitting on Thursday 5th December, the Motion in the name of Mr. Tony Blair relating to the Social Security (Disability Living Allowance and Claims and Payments) (Amendment) Regulations 1996 may be proceeded with as if Standing Orders Nos. 14B (Proceedings under an Act or on European Community Documents) and 15 (Delegated Legislation (negative procedure) were applicable thereto.—*[Mr. Anthony Coombs.]*

London Pension Fund Authority (Miss Eaton)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Anthony Coombs.]*

2.30 pm

Mr. Nick Raynsford (Greenwich): I am very grateful to have the opportunity of this Adjournment debate to raise a constituency matter. I should at the outset declare an interest. Arising from the settlement of this complicated case, my constituent, to whose case I shall be referring, has made a financial contribution to the Greenwich and Woolwich Labour party. In accordance with the Nolan rules, it is right and proper that I should declare that, although I should make it clear that I acted throughout the case without any expectation of any financial gain, and, indeed, first sought this debate while the case was proceeding.

The experience of every Member of Parliament is that their constituency cases bring them into contact with individuals who suffer injustice when they are let down by the organisations that should be defending their interests. The case that I shall highlight falls into that category. My constituent, Miss Eaton, suffered a serious injustice and was badly let down by all those in authority who should have protected her interests. What is exceptional in her case is the extraordinary length of time that it took for her to gain redress and the inordinate expenditure of public funds that have been squandered in the mishandling of the case over many years.

I have been involved in Miss Eaton's case for about three and a half years, but that is less than a quarter of the total length of time during which my constituent has been seeking justice. Even during the three and a half years in which I have been involved, the volume of correspondence and paperwork has been quite extraordinary—far in excess of that which I have encountered in any other constituency case and, I believe, far in excess of that which any other Member of Parliament is likely to encounter.

The case arose from malicious, untrue and defamatory allegations made about Miss Eaton by a colleague at Avery Hill college in south-east London, where she worked as a lecturer. The outcome, or what might have appeared at the time to be the outcome, was a successful libel action in which my constituent was awarded £12,000 in damages as well as costs against the other lecturer who had wronged her. That should have been the end of the affair. She never benefited from that award because her former colleague resorted to the disreputable but nevertheless effective device of bankruptcy to avoid having to pay the sum or, indeed, the costs awarded by the court. That in itself is of concern, but not what I intend to concentrate on.

Despite winning the libel action, Miss Eaton found herself the subject of far greater wrongs in the following years, during which her career was irretrievably damaged and she was forced into further litigation in order to try to obtain some redress. While the colleague who had libelled her moved on to other employment at another college in the Inner London education authority area, Miss Eaton found herself being progressively penalised and, eventually, frozen out of doing her job. She was excluded from the college that had been the focus of her

[Mr. Nick Raynsford]

working life. The innocent party turned out to be the victim and paid an appalling price in the impact on her life and career.

None of the official bodies responsible for the case over the past 16 years come out of it with any credit. Avery Hill college, the Inner London education authority, the London Residuary Body and, more recently, the London Pension Fund Authority all failed to deal promptly, expeditiously and fairly with Miss Eaton's case. I do not intend to tell the full story because it is long and complicated and we do not have the time in this short Adjournment debate to cover all the details. Suffice it to say that Miss Eaton has faced a herculean task in trying to obtain justice and her task has been made far more difficult by the conduct of the many official bodies with which she has had to deal.

Shortly before it was abolished, the Inner London education authority commissioned an internal inquiry into the case, which concluded:

"in administrative and personal terms the case has been handled disastrously."

It continued:

"Miss Eaton's reputation and career have been fundamentally and irretrievably damaged by ILEA's unsuccessful and misguided handling of the case from 1980-1990."

Because the ILEA was then abolished, it fell to the London Residuary Body to try to resolve the matter. Despite various meetings and further correspondence and litigation, no solution had been achieved by the time the LRB in turn handed over its responsibilities to the London Pension Fund Authority, which took over responsibility for the affair in April 1992. A year later, I became involved when Miss Eaton, frustrated at the continued failure of the responsible authorities to resolve her case, sought my assistance.

I wrote to the London Pension Fund Authority in April 1993 in the following terms.

"In my view the onus clearly lies on LPFA as the successor body to ensure that the very serious wrongs done to my constituent are remedied in full. I appreciate that LPFA is not itself responsible for the long chapter of incompetence and mismanagement which has led to the current position. However a failure to act properly now could well, in my judgment, leave LPFA open to public criticism for failing to remedy what is unquestionably a serious injustice.

While I appreciate that various legal actions are proceeding, I am far from convinced that the courts will provide a proper speedy and satisfactory remedy, let alone a cost effective one. Past history does not suggest that litigation will provide a satisfactory solution from anyone's point of view and there is a serious risk that the matter which has already gone on too long will be further protracted."

Sadly, the warnings that I spelt out in that letter proved to be entirely justified. It has taken more than three years from that time before the case was finally settled, not for a lack of trying, certainly on my part.

In order to try to facilitate a settlement, I offered to convene a meeting between Miss Eaton and representatives of the LPFA. A meeting duly took place in September 1993 and it was the first of three such meetings involving the parties that I convened to try to achieve a negotiated settlement and to avoid further costs and protracted litigation. On each occasion, I pressed the LPFA to offer a reasonable financial settlement and a full public apology to Miss Eaton. It became clear to me as the discussions dragged on throughout 1993, 1994 and 1995 that the major obstacle to a satisfactory resolution of the case was the influence—some would say, malign influence—of the lawyers advising the LPFA, who took a totally unrealistic view of the potential liability of their clients and who clearly advised time and again that their clients should pursue litigation against Miss Eaton, rather than resolve the matter through a negotiated settlement.

I am concerned about that on many grounds, not least because of the impact on my constituent, who had to face the rigours and difficulties of endless court proceedings when she should have been given justice and help by the body concerned. However, all of us must above all be concerned about the cost to the public purse of the protracted and expensive legal processes that continued month after month and year after year.

I shall come back to the issue of the costs in a moment. Suffice it to say that a serious issue involving the public interest arises when lawyers with a direct financial interest in protracted litigation give advice such as that which the LPFA continued to receive throughout the period—that it should continue to litigate, and should not offer Miss Eaton a reasonable settlement.

In September 1995 I wrote to the chairman of the LPFA to express my concern about its failure to act on the lines agreed at the third meeting that I convened between the parties, which had been held in August that year, and which I had hoped would produce a negotiated settlement.

In my letter I said:

"I have no doubt that you will seek to justify your position by reference to the advice by your lawyers who expect to secure a smaller settlement than that already offered. Having said that Miss Eaton's counsel is, I understand, equally emphatic that her claim merits a settlement in excess of the sums paid into court by the LPFA. Putting the matter to the test thorough what could well be a prolonged, difficult and expensive process of litigation—which incidentally will cause even more personal distress to Miss Eaton—hardly seems the most sensible way to proceed, other than from the point of view of the lawyers who, of course, stand to earn further substantial fees from the process."

Nevertheless, a further nine months were to elapse before a settlement was finally agreed. That settlement, the terms of which may not be publicly disclosed, involved the LPFA's making a substantially larger payment than had previously been offered. Indeed, although I have not sought her comment on the subject, I suspect that the final settlement was larger than my constituent would have been willing to accept at an earlier stage, had a settlement been offered on reasonable terms at that time.

All that should give us pause for serious thought, especially about the validity of the advice tendered by the lawyers, who had a clear financial interest in protracted litigation. It should also trouble us that public and quasi-public authorities should have continued to use the excuse of listening to the advice of their lawyers as a reason for refusing to exercise their judgment and reach a settlement.

The total cost of the case to the public purse will probably never be known. Attempts that I made to establish how much was spent by the ILEA and the London Residuary Body drew a blank. The Minister for Local Government, Housing and Urban Regeneration wrote to me in August 1994 to say that the accounts for the relevant period were now held in the Greater London records office, and that even if they were retrieved they

would be of limited use, as they would not show what proportion of staff time and legal advice was spent on the case. I do not regard that as a satisfactory answer.

Concerning the costs incurred by the LPFA, which has been involved for only four and a half of the 16 years during which the case has been handled by a variety of public authorities, the evidence is clearer, but again far from satisfactory. Its chief executive wrote to me on 9 July this year to say:

"as the case has now been settled finally, I am able to say that the cost of legal services and advice to the Authority over the years is not likely to exceed £220,000 in total."

That is a considerable sum but, as will shortly appear, it by no means tells the full story.

I wrote at the same time to the National Audit Office, and in his reply, dated yesterday—possibly prompted by the knowledge that there would be a debate today—Sir John Bourn says:

"we have identified that in defending the actions brought by Miss Eaton, the Authority incurred legal costs of £338,028 inclusive of Value Added Tax."

That is 50 per cent. more than the organisation's chief executive had stated, three months earlier, was the maximum likely cost to the authority.

Even assuming there is a discrepancy concerning VAT—I have not had the chance to check whether there is—there is still a huge discrepancy. Something is clearly wrong when a body such as the LPFA is incurring expenditure on this scale with apparently so little idea of how much it is spending.

There is no question that Miss Eaton's case has been handled abominably by a large number of organisations that have been involved over the years. This has caused her incalculable grief and distress which cannot ever be fully compensated. It also reflects very poorly indeed on the judgment and the administrative capability of several public and quasi-public authorities. Although Miss Eaton eventually did receive a substantial financial settlement, and the fulsome public apology which she richly deserved, we should not conclude that the whole matter can now be closed and forgotten. There are, I believe, very serious issues of public concern raised by this case, and a full inquiry should now be carried out into the conduct of the various authorities and quangos involved and into the cost to the public purse.

The inquiries conducted to date by the National Audit Office have helped to identify some of the financial implications, but cannot be seen as a satisfactory investigation of the whole affair. They have revealed the extraordinary discrepancy in the estimates of the total legal costs incurred by the LPFA, to which I have referred. I hope, therefore, that the Minister will be able to give me an assurance that there will be a full and thorough investigation into this whole sorry episode.

2.45 pm

The Parliamentary Under-Secretary of State for the Environment (Sir Paul Beresford): I am grateful to the hon. Member for Greenwich (Mr. Raynsford) for bringing this case to the attention of the House. I do not very often say that in Adjournment debates, but I do so in this case. No donation was made to my constituency party to encourage me to say it. We have all picked up from the hon. Gentleman's comments that this is a sad, long-running, complicated and difficult case, and there are some awkward questions that have been and will be raised about the various public bodies.

There has been a public apology from the LPFA, which accepts that it is an unhappy case. There is no doubt that Miss Eaton suffered distress and vexation for 16 years—an incredible length of time for such a case. Her circumstances deserve our sympathy, and there is no doubt that this situation went on for far too long. I can understand why the hon. Member for Greenwich wants the Government to identify those responsible for the distress, and wants them to explain why it took so long and cost so much not only financially, but personally. I can understand his feelings, and that he wants to nail the offenders—if that is the correct way to put it. It may be the way in which he would wish to put it.

I do not distance the Government in any way from the personal sympathy that I, and everyone who has heard the case, feel for Miss Eaton. However, as the hon. Member for Greenwich has accepted, the Government do not control directly the decisions of the sponsored bodies. We are responsible for the framework within which these bodies must operate, and we must not forget that Miss Eaton's case against her former employers was settled by the LPFA in June this year. This settlement follows the persistent failure of the previous bodies to settle Miss Eaton's case, either by discussion and agreement or through the courts.

This case was finally brought to a conclusion by the LPFA, a non-departmental public body responsible to the Secretary of State who, in turn, is accountable for the degree of independence that it must and does enjoy. It manages a pension fund worth some £2 billion and, from April 1992, it has administered contingent employer liabilities deriving from the Inner London education authority. It also inherited the mess that may or may not have been made previously in this case. The liabilities are now funded from a levy on the London boroughs which amounts to some £24 million in 1995-96. In addition to its pensioners, the LPFA also has a duty towards London council taxpayers, as well as a general duty of stewardship for the pension funds it administers.

General oversight of the responsibilities is assigned to a board appointed by the Secretary of State. Despite what he said about the legal profession, the hon. Member for Greenwich will understand that the conduct of litigation is a matter for the board and it must receive legal advice. As defendants, the board's actions were determined by whether Miss Eaton accepted an offer of settlement or whether she decided to take the authority to court. I have simplified that description, but the hon. Gentleman will understand. In making its decisions at each stage, the board had to balance its various stewardship duties, as well as its duties to Miss Eaton, and to take account of the advice that it was given by its legal advisers—the board must do that.

Whether the authority's assessment at each stage of the litigation contributed to the delay in reaching a settlement depends on a judgment as to the merits of the case. That could be settled only if the case ultimately went to court. Of course, this case was settled out of court, so no one can do more than second guess.

The decisions taken by the board were taken within the framework set up by the Secretaries of State and,

[Sir Paul Beresford]

therefore, must be on the basis of legal advice. The NAO has considered the case and come up with a similar conclusion. I have also looked back at the case to consider some of the other points that have been made and at some of the predecessor bodies—the Inner London education authority and the London Residuary Body—and to ask questions.

The hon. Member for Greenwich said that it is extremely difficult to get to the bottom of the matter. One has to reflect that the LPFA inherited the case. I suspect, although again it is second guessing, that if it had had the case from the outset, it might have sorted it out sooner. It should have taken less than 16 years.

The LPFA has issued a public apology and made it clear that it undertook a full and intensive review of the documentation surrounding Miss Eaton's complaints. The LPFA was fully aware of the facts of her case dating back to the 1980s and of the damage to her professional reputation, career and status as well as the distress caused to herself and her mother. I recognise—I know that this is a repetition, but it is worth repeating—that no apology or compensation can ever properly make up for all that Miss Eaton has lost, but I do not see what useful purpose would be served to Miss Eaton or anyone else by reopening the case.

I suspect, however, that because the case has been brought to light and because of the efforts and questions of the hon. Member for Greenwich and the reference to the NAO, pressure has been applied. Those responsible will be aware of the considerable pressure.

Mr. Raynsford: I accept much of what the Minister is saying, but one of the key points that I was trying to make was that throughout the process—I have been involved only for the past three and a half years, but I suspect that it has gone on for much longer than that—the public bodies concerned have used the defence of legal advice as an excuse for not exercising a judgment. If authorities can continue to do so and the lawyers who offer the advice have a direct interest in protracted litigation, public funds could be spent on a huge scale. I am not satisfied that that will end. I can see the same problem arising again and again. Does the Minister not share that concern?

Sir Paul Beresford: I do share that concern. I suspect that some people in the medical profession never cure their patients because they are a financial asset, although I am not naming anyone in particular. The essence of what the hon. Gentleman is saying is that one has that suspicion. The difficulty is that because the body concerned is using public funds from the local authority, it has to take legal advice, which it did in this difficult case.

I think that the hon. Gentleman will derive some hope from the fact that the Government are aware of the plight of the individual seeking access to justice. I understand that Miss Eaton has been pursuing a justified plea on the right move in that direction. The hon. Gentleman will be aware that the Government intend to respond to that.

On 31 October, my noble Friend the Lord Chancellor announced his strategy for implementing Lord Woolf's proposals on his review of access to justice. That points the way to securing easier and less costly access to justice for individuals in the future and will provide a sound way forward for the civil justice system into the next century.

The hon. Gentleman has highlighted an extremely difficult case—balancing lawyer opinion and the necessity to have that opinion to protect public funds, apart from anything else.

We have been discussing an extremely distressing and sad, but fortunately most unusual, case. It has reached a conclusion that is long, long overdue after well over a decade—in fact, getting on for two decades. At this stage we must reflect on it, and on the fact that, as Miss Eaton has had an awful time for a very long time, this might be an opportunity to draw a line under it rather than dragging the case on any longer.

Question put and agreed to.

Adjourned accordingly at six minutes to Three o'clock.

House of Commons

Monday 2 December 1996

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

Community Hospitals

1. **Mr. Dafis:** To ask the Secretary of State for Wales what is his policy on the future of community hospitals. [5208]

The Parliamentary Under-Secretary of State for Wales (Mr. Gwilym Jones): I can do no better than refer to the report "Community Hospitals Wales—The Future" which we published on 2 October.

Mr. Dafis: I am grateful to the Minister for his suggestion that the Government attach significant importance to community hospitals. Will he undertake to provide additional funding for Dyfed Powys health authority, with special reference to the needs of mid-Wales as a whole and the Ceredigion and Mid-Wales NHS trust in particular? He should bear it in mind that unless he does, that trust will be placed a terrible position next year; it will have to choose between protecting the quality of the range of services currently available at the district general hospital and protecting the three community hospitals. Would not it be disastrous if the decision to close community hospitals was forced on the trust when we should be emphasising the availability of health services that are close to people in their own community?

Mr. Jones: After yesterday afternoon's experience, I had rather thought that the hon. Gentleman might have changed his focus to concentrate on my concern—trying to ensure adequate sight tests for referees north of the border.

I had the opportunity to discuss this subject with the hon. Gentleman in October, and again in an Adjournment debate. He should know by now that I have made available additional funds in the form of a loan to the Dyfed Powys authority. We confidently expect that those funds will meet the authority's needs. I also remind him of the report to which I referred; it recognises the important role of community hospitals and emphasises that they must have a clear role based on local need. I commend the approach that stresses that, whatever the community hospitals' role should be, it should be locally agreed. The hon. Gentleman is scaremongering about community hospitals; if there are to be changes to the community hospitals in his constituency, they will be as a result of local decisions that I expect to be locally based.

Mr. Rogers: I accept that problems involving hospital facilities and transport exist in mid-Wales and in rural communities throughout Wales, but will the Minister also look at the problems in the coal mining valleys of south Wales? People in the Rhondda face difficult transport problems when attempting to travel to general hospitals, and the area contains some of the highest morbidity rates in the United Kingdom. When will the Minister make money available for the second Rhondda hospital?

Mr. Jones: I think that the hon. Gentleman and I share common ground in wanting to ensure the best locally provided provision of health care, particularly in the Rhondda—we have discussed the subject before. Such issues have to be taken forward carefully as the new hospital at Ynys y Plwm is commissioned, in light of what could, or might, be provided at the Rhondda NHS trust.

Inward Investment

2. **Mr. John Marshall:** To ask the Secretary of State for Wales if he will make a statement about recent projects relating to inward investment in Wales. [5209]

The Secretary of State for Wales (Mr. William Hague): Wales is enjoying an exceptional year for inward investment.

So far in 1996, we have recorded 128 projects, promising 13,600 new jobs and £2.4 billion of investment.

Mr. Marshall: I thank my right hon. Friend for that answer, which shows that we are part of the enterprise centre of Europe owing to the fact that we have sensible industrial relations, low corporate taxes, no minimum wage and an opt-out from the social chapter. Will my right hon. Friend confirm to Finnish industrialists that they are welcome in Wales even if Finnish nurses are not welcome in Hackney?

Mr. Hague: My hon. Friend is quite right. Investment from all over the world, and nurses of any origin, are welcome in Wales. He is right to say that the United Kingdom is now the enterprise centre of Europe. Wales is an important part of that enterprise centre, and it is a particularly attractive place to live and work. In light of that record, it is extraordinary that Opposition Members want to copy the labour market policies of continental Europe, which have left millions of people out of work.

Dr. Howells: The Secretary of State will know that one of the key drivers in attracting inward investment has been the Welsh Development Agency. All of us congratulate the agency on its great work. Is he also aware of the fears throughout south Wales that, because of the money needed to attract jobs to places such as Newport, jobs in some of the key land reclamation schemes in Wales are now on stop? In my constituency, at Coedely, such a scheme has been on stop for well over a year; in the constituency of my hon. Friend the Member for Cynon Valley (Mrs. Clwyd), a scheme at the former phurnacite plant is also on stop; and there are others in Merthyr and

Treharris, for example. Will the Secretary of State ensure that those vital projects—some of which involve contaminated land—will be completed soon?

Mr. Hague: I join the hon. Gentleman in congratulating the agency. I believe that it will have several more pieces of good news about inward investment to announce before the end of the year. The agency's recent record is certainly a cause for congratulation.

As the hon. Gentleman will recall from Question Time a month ago, I have increased the agency's budget in-year by £37 million for the current year. The spending decisions for the financial year 1997-98 will be announced in a couple of weeks. The agency will have to choose between priorities, which often means giving inward investment projects that might not easily recur priority over some other areas of spending. That cannot be avoided.

Mr. Alex Carlile: Does the Secretary of State agree that home-grown industry and commerce in Wales should be allowed to regard themselves as at least equal partners with inward investment projects? Will he say some words of encouragement to the Development Board for Rural Wales, to ensure that it looks as closely at the development and expansion of indigenous businesses, which sometimes feel neglected, as it does at inward investment?

Mr. Hague: I agree that that is an important part of the role of the Development Board for Rural Wales, and of the Welsh Development Agency. In the past 10 years, payments of regional selective assistance to overseas-owned companies have totalled £213 million, and payments to UK-owned companies have totalled £215 million. We have, therefore, given much more assistance to UK-owned companies—including home-grown companies from Wales—than is often recognised. That assistance will continue, as will our small firms training schemes, small firms loan guarantee schemes and the SMART and SPUR—small firms merit award for research and technology and support for products under research—schemes, all of which help small businesses. The importance of encouraging indigenous enterprise is at the heart of the work of the development board and the WDA.

Mr. Ron Davies: May I assure the Secretary of State of our continued support for the inward investment projects that he mentioned earlier? Is he aware, however, of increasing concern among existing and prospective employers about the growing skills shortage in Wales and the failure of the Welsh Office to ensure an adequate response?

The LG investment will put heavy pressure on the skills demanded in south-east Wales, especially in engineering and technology, yet the two university of Wales institutes at Newport and Cardiff are closing courses and making lecturers redundant in precisely those areas of study. Will the Secretary of State now, as a matter of urgency, stop the planned cuts in the education and training budgets and call together the development agency, training and enterprise councils, colleges and local authorities to develop a coherent and long-term strategy so that we can derive the maximum long-term benefit from the inward investment of which he is so proud?

Mr. Hague: Skills are critical in continuing to attract inward investment. That is one of the reasons why I attach such importance to modern apprenticeships, to which I directed additional resources last year. It is also why we are assisting the LG investment by helping to set up a semiconductor training centre in the vicinity of the investment. Much of the package of assistance for LG involves help with training. We have also asked further and higher education institutions to bear in mind the new industries that are coming into Wales when planning their courses over the next few years, so that they will be able to respond to the ever increasing demand for people in the ever growing high technology employment sector. I agree with the hon. Gentleman about the need for those measures; we are taking them.

Aneurin Bevan (Commemoration)

3. **Mr. Murphy:** To ask the Secretary of State for Wales if he will make it his policy to commemorate the 100th anniversary of the birth of Aneurin Bevan. [5210]

The Parliamentary Under-Secretary of State for Wales (Mr. Jonathan Evans): No.

Mr. Murphy: That is surprising from a Minister who was born in Tredegar. He is aware that next year will be the centenary of the birth of Aneurin Bevan, the founder of our national health service and a great Welshman. Does he believe it would be a fitting tribute to Aneurin Bevan to rename the Neville Hall hospital in Abergavenny, which covers the old Ebbw Vale constituency, the Aneurin Bevan hospital, especially as that hospital was built with the pennies of Monmouthshire miners?

Mr. Evans: I am indebted to the former leader of the Labour party, Mr. Michael Foot, who many years ago gave me a biography of Aneurin Bevan, which he had written. The book revealed the deep and personal hostility of Herbert Morrison towards Bevan. It is interesting that, today, his grandson, as a Member of the House, may be behind the new disciplinary code for Labour Members that is to be adopted. It might be an interesting commemoration of the 100th anniversary of the birth of Aneurin Bevan if the hon. Member for Blaenau Gwent (Mr. Smith), who steadfastly follows the principles and policies of Aneurin Bevan, were to find himself deselected, as some believe may happen.

Sir Wyn Roberts: I am sure that the event will not go unnoticed by the media. Does my hon. Friend agree that the best commemorative contribution that the Opposition could make would be to match the pledge given by my right hon. Friend the Prime Minister to increase funding for the NHS year by year? Might their reluctance to do so be associated with the fact that the last savage cuts to be imposed on the NHS were imposed by the last Labour Government?

Mr. Evans: My right hon. Friend is absolutely right. He knows that most of the years that the national health service has been in existence have been years of

Conservative government. The 50th anniversary of the NHS will be commemorated by the Government because we are very proud of our record on the national health service which, as my right hon. Friend says, we have added to with the pledge made by my right hon. Friend the Prime Minister. We are still waiting for the Opposition to match that pledge.

Mr. Rowlands: What a cheap and silly answer the Minister gave my hon. Friend the Member for Torfaen (Mr. Murphy). Would not an equally good way to commemorate the tremendous contribution that Nye Bevan made be to ensure that services in the communities that he represented, including Rhymney, were of the best? In that context, will Ministers read the Caerphilly commissioning team's report on community health services in the community of Rhymney and find how many of them are non-existent or very inadequate? Will not the best way for Ministers to commemorate the anniversary of Nye Bevan be for them to ensure that those services are brought up to the highest possible standards?

Mr. Evans: The hon. Gentleman has come to represent the valleys, whereas I am a child of the valleys. I can see the marked improvement that has taken place in the valleys of south Wales during the past 17 years of Conservative government; the hon. Gentleman should have been able to see it too.

Mr. Wigley: As Aneurin Bevan was an architect of the welfare state, is it not outrageous that Wales should lag behind England in provision for disabled people, especially powered wheelchairs? In view of today's lobby of Parliament by disabled people, if the Welsh Office wants to be different from England in any direction, will it choose to be different by setting up a commission to ensure that disabled people have someone to fight on their behalf when they fight discrimination, and do not continue to miss out badly?

Mr. Evans: I am disappointed that the hon. Gentleman did not take the opportunity to welcome the coming into force today of the Disability Discrimination Act 1995. That is a marked step forward. Moreover, it is one in which my right hon. Friend the Secretary of State played a leading part, as has been recognised on both sides of the House. The matter to which the hon. Gentleman drew attention is under review.

Mr. Llew Smith: Does the Minister accept that another way of commemorating Nye's life would be to ensure that we have a health service that responds to communities such as mine in Blaenau Gwent—Nye's home? It has some of the worst health problems in England and Wales—cancers, respiratory diseases and heart disease. If the Minister agrees, will he investigate the actions of Gwent health authority, which have resulted in a cut in the number of doctors serving communities such as Cwm, near Ebbw Vale?

Mr. Evans: The hon. Gentleman has never wavered in his support for the principles and policies of Aneurin Bevan. I may not agree with those policies, but I readily admit that he has always taken a principled stance on them—by contrast with so many on the Benches beside him. It will be very interesting to see where the new Bevan on those Benches comes from, given what we have learnt about future disciplinary action.

I share the hon. Gentleman's concern to ensure a responsive health service. That is why we have introduced the health reforms that are geared to improving patient care. Perhaps that is also why it was reported in *The Observer* yesterday that the Labour party is now considering changing its policy on fundholding GPs and adopting the policy that we have been implementing in recent years.

Mr. Morgan: May I ask our blonde and blue-eyed—if not exactly Finnish—Secretary of State and his balding brown-eyed junior Minister responsible for health in Wales—

Madam Speaker: Order. Personal remarks like that do nothing to enhance the quality of our debates. Never mind personalities: get on with the policies.

Mr. Morgan: We have passed not just the 50th anniversary of the Bill that set up the NHS; we are also within a year of the centenary of the birth of Aneurin Bevan—and of the founding of the Tredegar Medical Aid Society, whose ideas eventually led to the setting up of the NHS. Do the Secretary of State and his assistant agree that it is one of the ultimate ironies that the south Wales valleys, whose ideas gave rise to the origins of the NHS are, by common agreement, among the areas worst served by the NHS and by our social services? So, by the time the centenary of Nye Bevan comes along, would it not be a good idea to guarantee to the people of the south Wales valleys that their services will be at least equal to the best in the country?

Mr. Evans: That is clearly our objective. On a more personal note, I might add that my grandfather sat on the Tredegar Medical Aid Society committee. He would have been amazed to find, over the 50 years since the establishment of the NHS, that hospital admissions have increased fivefold and that the services that have developed are the envy of the world. As a supporter of the Conservative party, I am proud to know that most of the years of that success have been years of Conservative Governments.

NHS Trusts

4. **Mr. Flynn:** To ask the Secretary of State for Wales what new proposals he has for improving the value for money achieved by Welsh NHS trusts. [5211]

Mr. Gwilym Jones: The question of appropriate value for money will never be ignored by this Government.

Mr. Flynn: What were the Government doing during the long series of calamities involving the South and East Wales Ambulance NHS trust—calamities of waste, mismanagement and financial chaos? The term "Dunkirk spirit" was given a new meaning by the organisation of a trip to Dunkirk to buy cheap alcohol on a day when all the shops were shut in France. Why have the culprits who have been sacked—including some indians, and some chiefs in the shape of executive directors—not included

the non-executive directors, who were appointed for their financial genius and business acumen and who are still in place? Are not they the people who should be blamed?

Mr. Jones: I know that the hon. Gentleman likes to display his green credentials by recycling old news, but he is fearfully out of date. We acted a year ago; we required changes to be made. The chairman and chief executive have gone, the trust has been turned around, and I understand that it is now performing better than expected in its recovery plan.

Welsh Assembly

5. **Mr. Dykes:** To ask the Secretary of State for Wales how many representations he has received on a referendum for a Welsh Assembly; and if he will make a statement. [5212]

Mr. Hague: Three since the beginning of January.

Mr. Dykes: While I fully respect Welsh public opinion because I believe that there is a slight edge in the opinion polls for this proposal, it was rejected by 4:1 originally. In view of the muddle, will my right hon. Friend explain to my untutored mind the policies of the various parties? Is not there every indication that both a referendum and an assembly would be a colossal waste of money?

Mr. Hague: My hon. Friend does not need much tutoring if he has worked that out already. An assembly would be a ridiculous and time-wasting distraction from the real job of continuing to attract new investment and more prosperity into Wales. It must be said that Opposition Members have been confused about this question: they were against such a referendum a few months ago and are now in favour of one. Their colleagues in Scotland were originally against one and were then in favour of one with two questions; they were then in favour of two referendums with one question and have now gone back to the policy before that.

Mr. Ieuan Wyn Jones: Has the Secretary of State noticed the proportion of Conservative Members who do not represent Welsh constituencies who are asking questions this afternoon about constitutional change in Wales? Is it not the height of arrogance for the Secretary of State and the amen chorus behind him to tell us in Wales how we should govern our own country? Is that not a matter for the people of Wales to decide? If he and his colleagues behind him are so confident about their position, he should put it to the test and call a referendum now.

Mr. Hague: The hon. Gentleman should understand that this is a United Kingdom Parliament and my hon. Friends take part in the activities of the United Kingdom Parliament. Indeed, the hon. Gentleman and his hon. Friends often take advantage of their membership of a United Kingdom Parliament. It is hugely in the interests of Wales to be fully part of the United Kingdom. The last time the people of Wales were consulted about that matter in a referendum, they told the hon. Gentleman in no uncertain terms that they wanted to continue to be part of the United Kingdom and not to have a Welsh Assembly. After all,

"the trouble with a pre-legislation referendum is that it creates more questions than it answers."

Those are not my words, but the words of the hon. Member for Caerphilly (Mr. Davies).

Mr. Sweeney: Will my right hon. Friend give his latest estimate of how much a Welsh Assembly would cost the people of Wales? Will he comment on the effect on representation at Westminster if such an assembly were set up?

Mr. Hague: In its report earlier this year, the constitution unit pointed out the possible implications for Wales of setting up an assembly in terms of the loss of extra representation in this House, the possible loss of a seat in the Cabinet, and a possible change to the formula that brings higher public spending per head than in England. All those factors have brought tremendous benefits to Wales in recent decades and they should not be given up for the sake of a roomful of hot air.

Mr. Ron Davies: I noticed with interest that the Secretary of State did not reply to the question about the cost of an assembly. Perhaps he is embarrassed by the figures and the fact that we now know that the top 10 quangos in Wales account for some £54 million a year in unnecessary and bureaucratic administrative costs.

The hon. Member for Harrow, East (Mr. Dykes) asked a pretty silly question. Why should anybody make representations on a referendum to a Government who we already know have set their face clearly against democracy in Wales and who, in any event, have only a few months left in office? Let me make it clear that the next Government will take the earliest opportunity to legislate for a referendum. The real question now is for the present Secretary of State: will he oppose giving that choice of a referendum to the people of Wales? If he is determined to oppose it, is he seriously saying that, as the Member of Parliament representing Richmond in Yorkshire, he will ally himself with the unelected and hereditary peers in the House of Lords to oppose giving the people of Wales a vote on their democratic future?

Mr. Hague: The hon. Gentleman should not presume on the outcome of the next election. The last senior Welsh Labour Member of Parliament to do that in the previous Parliament is now living in Brussels. Any Government who propose to set up a Welsh Assembly should put it to a referendum, but they should do so after legislation has been passed, as was done in 1979, so that people can see the proposals that are being put before them. The hon. Gentleman himself has pointed out the trouble with a pre-legislative referendum. It is a pity that he has not stuck to his guns over that, rather than take orders from the Leader of the Opposition or the hon. Member for Hartlepool (Mr. Mandelson). On the last part of the hon. Gentleman's comments, I am allying myself with the hon. Member for Blaenau Gwent (Mr. Smith)—I am sorry to pick him out for special attention again this afternoon—because he said that, in a referendum, he would campaign for a No vote; I would be right there alongside him.

Government of Wales

6. **Mr. Clifton–Brown:** To ask the Secretary of State for Wales if he will make a statement on his proposals for the government of Wales. [5213]

Mr. Hague: We believe that the interests of Wales are best served by the direct representation provided in Westminster by hon. Members in this House and a Secretary of State in the United Kingdom Cabinet.

Mr. Clifton–Brown: Does my right hon. Friend agree that by taking the Welsh Grand Committee round Wales, he is bringing the government of Wales closer to the people, whereas the Opposition's proposals for a devolved Welsh Parliament in Cardiff would lead to calls for a reduction in the number of Welsh Members of Parliament in this House, for the abolition of the post of Secretary of State for Wales, and for the differential in expenditure on the English and the Welsh people to be reduced?

Mr. Hague: My hon. Friend is right, especially when he points out the difficulties that may arise for expenditure if an assembly were established. That may be one of the reasons why the Opposition cannot match my commitment to increase health service spending in Wales over and above the rate of inflation each year of the next Parliament. Perhaps they have so many other spending plans that they cannot meet that promise, or perhaps they fear that an assembly would not be able to deliver on that promise. It is time that they told us which of those explanations is correct.

Mr. Roy Hughes: Does the Secretary of State understand that the Opposition are no longer prepared to allow Wales to continue to be governed by quangos—those entirely unrepresentative bodies largely filled by Tory placemen? The sooner most of them are swept away, the better. Those that are left should be directly accountable to a Welsh Assembly.

Mr. Hague: As the hon. Gentleman knows, there are clear procedures for appointing people to such bodies. I have recently announced our proposals in line with the Nolan recommendations, so that an independent element is included in the appointment of senior figures. As he also knows, all those bodies are accountable to this House, through me and my fellow Ministers. That is the way in which they should be held accountable. The hon. Gentleman's constituency is one of those that benefit most from all that has been achieved in Wales in the past few years, which I hope he will bear in mind.

Mr. Llwyd: Will the Secretary of State be prepared to meet representatives of local government soon, after he makes his Budget announcement? The 2.6 per cent. increase that has been broached is nothing like enough for local government in view of the statutory duties imposed on it, such as community care. The figure is really slightly more than 1 per cent. more, and will never provide the finance needed to run local government in Wales. Will the Secretary of State please keep an open mind when he examines the subject and meets people to discuss it?

Mr. Hague: That 2.6 per cent. increase represents £64 million of increased expenditure which the Welsh block will finance in local government in the coming year. I will certainly meet representatives of local government, and I am due to meet the Welsh consultative council on local government finance two weeks today, and will be able to hear its views.

Urban Regeneration

8. **Mr. Booth:** To ask the Secretary of State for Wales if he will make a statement about the progress of urban regeneration in the towns and cities of south Wales. [5215]

Mr. Jonathan Evans: A large number of public and private sector partnerships are contributing expertise and resources to assist regeneration in south Wales—with considerable success.

Mr. Booth: Regardless of the somewhat bilious question from the hon. Member for Ynys Môn (Mr. Jones), and as this is the first—and possibly the only—time that I have attended Welsh questions [HON. MEMBERS: "Hear, hear."], may I tell the House that I was a full partner of the city of Swansea to get inward investment in urban regeneration? Will my right hon. Friend tell the House what the Government are doing to publicise the amazing success of our urban regeneration programme? In the case of Cardiff bay, for example, we invested £350 million of Government money to get £500 million of private money. What is my right hon. Friend doing to publicise our success in Wales?

Mr. Evans: I thank my hon. Friend for asking that question because, in doing so, he calls attention to the Government's urban regeneration success. I know of his role in that process as a former chairman of the British Urban Regeneration Association and the close interest that he takes in such matters.

It is astonishing that those Opposition Members who represent the areas that have benefited most from significant investment in urban regeneration—which has played its part in creating new job opportunities in Wales—deride that issue in the House. There have been hundreds of millions of pounds' worth of investment and the latest programme for the valleys, which was launched on 1 April 1993, is also helping to improve the economic future of those areas. Since that time, some 9,000 homes have been renovated and £35 million-worth of land reclamation has been undertaken—but apparently that does not interest Opposition Members.

Mr. Win Griffiths: While every penny spent on urban regeneration partnership agreements is welcome, will the Minister acknowledge that local authorities in Wales will find it harder to participate in urban regeneration programmes this year because, of the money made available through the revenue support grant, once spending on police and community care is stripped away, the increase is only 1.6 per cent.—considerably less than the rate of inflation? Will the Minister find more money to promote further success for urban regeneration?

Mr. Evans: What an extraordinary claim by the hon. Gentleman on behalf of the local authorities. As part of redefining the relationship with local authorities, my right hon. Friend the Secretary of State has arranged for the

strategic development scheme to be taken forward by local government. Therefore, this year local government has the opportunity to play an ever more central role in taking forward urban regeneration—I rather hoped that the hon. Gentleman would welcome that fact.

Mynydd Mawr Hospital

9. **Mr. Denzil Davies:** To ask the Secretary of State for Wales what representations he has received about the future development of Mynydd Mawr hospital and the funding of such development. [5216]

Mr. Gwilym Jones: Letters have been received from the right hon. Gentleman; from Mr. Andrew Hayes, the prospective Conservative parliamentary candidate for Llanelli; Dyfed Powys health authority; and the Llanelli and Dinefwr national health service trust.

Mr. Davies: In view of that answer, I think that the Minister will appreciate the united support for a campaign to provide extra funds for the development of Mynydd Mawr hospital. Is he aware that the hon. Member for Clwyd, North-West (Mr. Richards) promised that approximately £3 million would be spent on the hospital's future development, but the Welsh Office seems to have reneged on that promise and is breaking faith with all the campaigners?

Mr. Jones: I am pleased that the right hon. Gentleman echoes the views of Mr. Andrew Hayes, the Conservative parliamentary candidate for his constituency. However, there is no question of reneging upon any promises.

Mr. Morgan: Who is he?

Mr. Jones: For the hon. Gentleman's benefit, his name is Mr. Andrew Hayes.

As the right hon. Gentleman knows, Llanelli and Dinefwr NHS trust made the change by introducing at a late date a new redevelopment variation for the Prince Philip hospital. That was a substantial change and it was necessary to re-examine the matter in terms of a new business case. That is what has occurred—there was no change by the Government.

Motoring Costs

10. **Mr. Richards:** To ask the Secretary of State for Wales if he will make a statement on the costs of motoring in rural areas. [5217]

Mr. Jonathan Evans: The rural White Paper, "A Working Countryside for Wales", published in March this year, represented a wide-ranging review of the Government's policies that affect rural Wales, including transport. The cost of motoring in rural areas is, of course, one of the factors considered when attempting to strike the right balance between increasing mobility, encouraging economic development and protecting the environment.

Mr. Richards: Is my hon. Friend aware that, while the recent increase in petrol tax was not universally welcomed, the Liberal Democrats propose a carbon tax that would increase the price of a gallon of petrol by 20p? In the light of the new Lib-Lab pact, does that not mean a new threat to the rural way of life by the new brothers opposite?

Mr. Evans: My hon. Friend is aware that, from 1993, my right hon. and learned Friend the Chancellor of the Exchequer has made it clear that it is part of the Government's fuel duty strategy to arrange for there to be a 5 per cent. a year, on average, real terms increase in the price of fuel. That is a contribution to the balance to which I referred.

My hon. Friend is right to say that such duties fall disproportionately on those in rural areas. I am satisfied that, at this point, the level of fuel duty is not acting as a disincentive to new investment. I am pleased to note today that the Development Board for Rural Wales has announced about 200 new jobs in rural Wales at plants within my constituency and that of the hon. and learned Member for Montgomery (Mr. Carlile). It is a balance that we must always get right. A carbon tax, which would drive up fuel duties substantially, would, in my view, strongly distort that balance against those in rural areas.

Welsh Assembly

11. **Mr. Robert G. Hughes:** To ask the Secretary of State for Wales how many representations he has received on tax–raising powers for a Welsh Assembly; and if he will make a statement. [5218]

Mr. Hague: None.

Mr. Hughes: Has my right hon. Friend considered the words of the hon. Member for Caerphilly (Mr. Davies), who says that a Welsh Assembly would not initially need tax-raising powers? Might that be a recognition that Wales would be enormously disadvantaged by losing a Cabinet Minister to argue its case at the Cabinet table? Indeed, it would be losing a UK Parliament representing the whole of the United Kingdom, which is therefore happy to allocate UK taxes to the people of Wales. In other words, a Welsh Assembly could be a financial disaster for Wales, forcing it to raise its own money within Wales. Is there a recognition by the hon. Member for Caerphilly that what he is suggesting would be disastrous for every taxpayer in Wales?

Mr. Hague: My hon. Friend is right. The words of the hon. Member for Caerphilly (Mr. Davies) have been shrouded in mystery, but I think that he has lifted some of the veil with his speculations this afternoon. A Welsh Assembly could certainly be disastrous financially for the governing of Wales. A tax-raising assembly would also be disastrous financially because it would be a major disincentive to further economic investment and increased prosperity in Wales. It is time for Opposition Members to clarify what they mean by not initially having tax-raising powers, by explaining whether they mean that it would have them after five years, 10 years or after another referendum. Would they have a Welsh version of the tartan tax? Why do they not propose having a referendum straight away so that the people of Wales can rule out an assembly?

Mr. Hain: In respect of finance for a Welsh Assembly, will the Secretary of State explain why his predecessor

estimated a cost of the assembly that was three times the figure that he is putting forward? Did both right hon. Gentlemen employ the same group of teenage scribblers to estimate a figure, or did the current Secretary of State merely close his eye and pick a figure? In either instance, the cost that the right hon. Gentleman is putting forward, just as much as that of his predecessor, the right hon. Member for Wokingham (Mr. Redwood), is incredible.

Mr. Hague: It is hardly incredible because it is closely in line, after allowing for inflation, with the figures used by the Labour Government to cost their proposed assembly in the late 1970s. The figures that I have produced are for costing a different thing when set against the costing produced by my predecessor. I was solely concerned with costing the bureaucracy, the civil servants required and the space required to set up such an assembly. The basic cost of setting up such an assembly came to £52 million in the first year. Opposition Members have not been able to explain where they would get that money.

Inward Investment

12. **Lady Olga Maitland:** To ask the Secretary of State for Wales what recent representations he has received from the business community in relation to inward investment. [5219]

Mr. Hague: The business community in Wales is delighted with the record-breaking success we have enjoyed this year.

Lady Olga Maitland: Will my right hon. Friend confirm that overseas investment in Wales has amounted to 75,000 jobs? Does he agree that those jobs, which have brought undoubted revival to Wales, will be at risk as a result of the burdens that will be introduced by over-regulation through the Welsh Assembly and, if a Labour Government ever came into being, by signing up to the social chapter and the minimum wage? Is that not a cruel trick on the people of Wales?

Mr. Hague: My hon. Friend is right. Seventy-five thousand people in Wales now work for overseas-owned companies, and, as was announced recently, many thousands more jobs are already in the pipeline. That has been instrumental in bringing unemployment in Wales—last month's figures show that it is down—below 100,000 for the first time in many years. We wish to continue that record, but it could not continue if this country were to sign up to a minimum wage, the social chapter and every other job-destroying measure advocated by the Labour party.

Mr. Donald Anderson: When the Secretary of State and his colleagues give vent to negative and carping criticism of the European Union, will they stop and consider that one of the major reasons why industrialists come to this country is that we are a launching pad for the European Union? The Secretary of State and his colleagues should stop and consider the damage that is done to Wales by their criticisms *[Interruption.]*

Mr. Hague: I have no doubt the hon. Member for Bolsover (Mr. Skinner) will have heard the hon. Gentleman's remarks, since he is sitting so close to him. The Government are fully committed to making a resounding success of our membership of Europe. It is a factor in bringing new jobs and new investment into this country. Access to a huge market and to the prospering market that we have in the United Kingdom certainly helps to bring inward investors in. There is no doubt about that whatever.

ATTORNEY–GENERAL

Extradition

30. **Mr. Booth:** To ask the Attorney–General if he will make a statement about the current work of his office in applications for extradition. [5199]

The Attorney–General (Sir Nicholas Lyell): Extradition is primarily a matter for the Home Office, but the Crown Prosecution Service is currently assisting in the implementation of extradition proceedings in respect of some 380 cases involving a substantial number of the 120 countries with which we have extradition arrangements.

Mr. Booth: In recalling to the House that the Government were instrumental in reforming the 1870 and 1967 legislation on extradition, may I ask my right hon. and learned Friend to assure the House that extradition law is important as a priority in his work as Attorney-General?

The Attorney–General: Yes, I can certainly give my hon. Friend that assurance, in relation to the great diversity of extradition cases, both inward and outward, seeking to bring people back to this country and assisting other countries to obtain extradition in proper cases, and in relation to cases in respect of the Republic of Ireland.

Mr. John Morris: Like the Attorney-General, the Opposition are anxious that our extradition arrangements with Ireland work properly. Can he give an assurance that there is full co-operation between his office and that of his counterpart in Ireland, and that in individual cases we meet the requirement of the Irish courts?

The Attorney–General: I can indeed give the right hon. and learned Gentleman that assurance. He is well aware of the sensitivities in that difficult area, but I am able to assure him that there is a constructive working relationship between those for whom I am responsible and their counterparts in the Republic of Ireland.

Laws on Privacy

31. **Mr. Dykes:** To ask the Attorney–General if he will discuss the legal aspects of possible future changes to the laws on privacy with the Secretary of State for National Heritage. [5200]

The Solicitor–General (Sir Derek Spencer): The collective Government position was set out in their response to the report of the National Heritage Select Committee on privacy and media intrusion, published on 17 July 1995.

Mr. Dykes: I thank my hon. and learned Friend for that answer. Will the Government look at this continuously,

bearing in mind the sad hopelessness of the Press Complaints Commission? In view of the sensible suggestions made by—among others—Mrs. Norma Major in September about illegitimate intrusions into children's privacy and the family privacy of people in public life, should we not look again at the strict laws that exist in France and other countries to see whether we can possibly draft appropriate future legislation?

The Solicitor–General: I am obliged to my hon. Friend, but he should not write off the Press Complaints Commission quite so speedily. We believe that, since the appointment of Lord Wakeham, we have the best chance in years for effective self-regulation. The commission has a lay majority and is independent of the industry. If we are to go the way of legislation, we need law that is clear, intelligible and enforceable, and, as our paper makes clear, we are not persuaded that we have been able to find such criminal offences. There was no unanimity that a civil tort should be introduced.

Mr. Winnick: The Press Complaints Commission is a wash-out, and no one takes it seriously. Is it not of interest that the late President of France had a private relationship, out of which a child was born, but not until his dying days—when he clearly wanted it to be known—was that made public in the newspapers? It may be argued that public figures should be subject to press intrusion, but there is no justification for the private lives of individuals who are not involved in public life and are not engaged in criminality to be investigated by, and exposed in, the press, causing them embarrassment. They are not politicians, so why should they be subjected to such intrusion?

The Solicitor–General: The duties of the Law Officers are many and various, but we are not responsible for what goes on in France, nor for French law. The law in each country reflects its culture and domestic attitudes. A number of criminal cases each year are launched on the back of investigative journalism. Investigative journalism plays an important part in disclosing wrongdoing and hypocrisy. Before we start to lay down the law, we should ensure that we do not do more harm than good.

Sir Patrick Cormack: Does my hon. and learned Friend realise that many people in the House and outside will find his answer bordering on the complacent? They thought that the White Paper response to a serious situation last year was wholly inadequate. Will he promise to think again, and even to convene a meeting of hon. Members who are concerned about this matter?

The Solicitor–General: I am well aware of my hon. Friend's interest in this matter and of the Bill that he introduced, which exemplified the difficulties. With the greatest respect, I say that it was a disproportionate response to a particular problem. I will see to it that his comments are passed on to the Secretary of State for National Heritage, who is responsible for policy in this area.

Departmental Accountability

32. **Mr. Flynn:** To ask the Attorney–General what new plans he has to improve the financial accountability of his Department to Parliament. [5201]

The Attorney–General: The Treasury Solicitor's Department, which became an executive agency in April, has produced its first business plan for the year 1996-97 and will publish an annual report and accounts, in common with the Government property lawyers. The Crown Prosecution Service and the Serious Fraud Office already produce statutory reports.

Mr. Flynn: Why did the bill for hospitality and promotion in the Attorney-General's Department and in the agencies increase this year by 10 per cent.?

The Attorney–General: I shall have to ask the hon. Gentleman to table a specific written question on a matter of that detail. If he does so, I will answer him.

Sir Ivan Lawrence: Does my right hon. and learned Friend agree that, in his Department, as in all others, it is red tape that clogs speedy processes and makes financial accountability to the House so difficult? Will he congratulate Derbyshire police on having shown how they can process a juvenile shoplifter in under three and a quarter hours, when other far less efficient police forces are unable to do so in under three days?

The Attorney–General: My hon. and learned Friend raises an important point. To be fair to the other police forces, Derbyshire police showed that there had been a misunderstanding the previous Saturday when a journalist wandered into a police station in London, and was under the impression that it required 41 forms to cause a guilty juvenile shoplifter to be brought to court. That turned out to be wholly fictitious. The 41 forms were the total number of forms that could be used in that police station for any reason. To deal with a guilty plea of that nature requires five forms for an adult and an extra form for a juvenile. That point was helpfully brought out by my hon. and learned Friend and by the Derbyshire police.

Mr. Alex Carlile: Does the Attorney-General agree that the proper financial accountability of his Department will depend in part upon it being shown that the Crown Prosecution Service is able to provide good value for money? How can that be provided while swingeing cuts continue to be made in the number of lawyers who are employed by the CPS so that it is not able to deal with all the cases that come before it with due dispatch?

The Attorney–General: Uncharacteristically, the hon. and learned Gentleman is wide of the mark on the facts. He will realise, if he examines the matter, that there are currently more than 2,000 Crown prosecutors, which is double the number that there were when the CPS was established, and that that figure is not far short of the maximum. While the current budgets are demanding, they are also realistic and I am confident, given the work load that is coming forward for the CPS, that it has the resources to do the job.

Departmental Staff

33. **Mr. Harry Greenway:** To ask the Attorney–General how many people were employed in his Department in each of the past three years; and at what cost in current prices. [5202]

The Solicitor-General: Total staff in the four departments for which the Attorney-General is

responsible were 7,117 in the year 1995-96, at a cost of £184 million. In the previous two years the number of staff was 7,346 and 7,322 and costs at current prices were £179 million and £184 million respectively.

Mr. Greenway: Will my hon. and learned Friend confirm that that seems to represent an improvement in productivity? Did any of his officials play any part in granting legal aid to the two young men of 19 to take their former schools to court with a view to suing them for damages for their lack of achievement? Should not the officials have looked at whether those young men worked hard at school and whether there is any explanation in that respect for their lack of achievement, or has my hon. and learned Friend no responsibility at all?

The Solicitor–General: I can confidently acquit my officials of being involved in any such exercise. The allocation of legal aid is a matter for which the Lord Chancellor, not the Law Officers, has ministerial responsibility. All departments for which the Attorney-General is responsible show increased output, and that applies particularly to the Crown Prosecution Service, which we regularly visit at branch level. More lawyers at branch level are putting in more court appearances than ever before.

Mr. Skinner: It is not surprising that, in the year that Asil Nadir was due to go before the court, the 7,000 people in the Department were incapable of keeping him in Britain. He was able to get out on a flight to Cyprus and has never been brought back. Is that not connected to the fact that this same Asil Nadir gave £440,000 of somebody else's money to the Tory party? The party will not disclose those funds, but as they were fraudulently obtained, we would expect the Attorney-General's Department and his 7,000 staff to see to it that Tory central office handed that money back to the shareholders and the customers.

The Solicitor–General: The hon. Gentleman's question is shot through with error—unsurprisingly and as usual. The department responsible for the prosecution of Mr. Nadir was the Serious Fraud Office, which has a total complement of 170 out of the 7,000 plus staff in the Attorney-General's departments. What is more, Mr. Nadir was able to leave the country because he had been granted bail by the court, notwithstanding objections by the SFO and by counsel briefed on its behalf.

Racial Harassment

36. **Mr. John Marshall:** To ask the Attorney–General what representations he has recently received about prosecutions for racial harassment. [5205]

The Attorney–General: I frequently receive representations concerning the enforcement of the law relating to incitement to racial hatred. During 1996, to date, the Law Officers have received 10 applications for consent to prosecute for such offences. Nine have been granted, and one is under consideration.

Mr. Marshall: My right hon. and learned Friend will be well aware of the campaign of hatred and intimidation waged by Hizb-ut-Tahrir on university campuses, which culminated in its, fortunately unsuccessful, attempt to close down the Jewish Society in Manchester. There is a feeling of surprise that that campaign has not yet resulted in one prosecution. Would my right hon. and learned Friend be willing to meet a deputation from the Union of Jewish Students to explain the position?

The Attorney–General: I am not sure that my hon. Friend is entirely right on his last point, because there was a prosecution related to HUT or to a very similar group of activists. However, I remind my hon. Friend that that prosecution was stopped on certain grounds by the trial judge. My hon. Friend may have noticed that the Committee of Vice-Chancellors and Principals has established a working group to consider what advice can be given to universities faced with groups that incite racial, religious or political hatred. If that assists the police in bringing cases to the Crown Prosecution Service, I assure him that those cases will be most carefully considered.

Meningitis Outbreak (Cardiff)

3.30 pm

Mr. Jon Owen Jones (Cardiff, Central) (*by private notice*): To ask the Secretary of State for Wales to make a statement on the meningitis outbreak at the University of Wales, Cardiff.

The Secretary of State for Wales (Mr. William Hague): An outbreak of meningococcal infection has occurred among students at the University of Wales college of Cardiff, in which there has been a total of six cases, with two deaths.

The first case occurred on 14 October, when a student normally resident at university hall became ill at home. Her close social contacts, both at her own home and at the university hall, were traced and given antibiotics. That is the recognised course of action in an isolated or sporadic case—which this was thought, and may still prove, to have been. That student has now made a complete recovery.

Over one month later, between 16 and 20 November, two further cases occurred, one of which affected a student normally resident at university hall. Both those students are still recovering in hospital. Again, antibiotics were administered to close contacts.

Three further cases arose between 27 and 29 November. Two of those affected died within hours of exhibiting symptoms. By late morning on 29 November, clinical and public health physicians decided that there was evidence to suggest that all the cases were linked and were probably all group C organism cases, although complete diagnostic information was not by then available from the laboratory. An outbreak control team of experts was established by the health authority.

The same day, antibiotics were offered to all residents of the hall, and the students were told that a vaccination programme would commence. Advice to students includes avoidance of close physical contact. They are being advised to stay on campus, where expert medical surveillance is available. A help line and counselling service is being manned by the Meningitis Trust. A hotline has also been set up for general practitioners treating students, to obtain clinical information and advice.

Yesterday, 550 students were vaccinated, and the total will rise to 900 by the end of today. Vaccination is also on offer to any guests who may have stayed overnight at the hall since 16 November.

A special ward has been opened at the University hospital of Wales for observation of residents of university hall. Several students have been admitted overnight, although only one has symptoms suggestive of meningitis, which is possibly of the viral type, and therefore not linked to the other cases.

I am confident that the health and university authorities have instituted all possible means of preventing further spread of the infection. My chief medical officer has discussed the position with the outbreak control team and has visited university hall to assess the situation. Contrary to some press reports, she said that the atmosphere at the hall—although, understandably, tense and sober—does not demonstrate any panic. The students are behaving very responsibly.

Detailed information about the epidemic will be available only when the results of all tests are known and the epidemiological studies are completed. This may take several weeks. For that reason, I intend to await the report from the health authority on the outbreak before deciding whether to undertake any further inquiry.

Finally, the House will wish to join me in sending deep sympathy to the relatives and friends of the students who have died of this very serious infection. The health authority and the university authorities have collaborated very well in co-ordinating their action, and we are grateful to all those who have worked so hard over the weekend, including the staff at the University Hospital of Wales NHS trust, the Public Health Laboratory Service and the Meningitis Trust, for their help and support.

Mr. Jones: First, I associate myself with the Secretary of State's latter remarks and offer my commiserations to the families who have lost their young and gifted children, and to those families who are understandably anxious at this time. I thank the Secretary of State for his statement; I also thank the Secretary of State for Health for joining him in the Chamber.

What assurances can the Secretary of State give that there is now adequate communication between the health authorities and those students who are no longer in the hostel, or indeed in Cardiff, but who have gone home? I understand that between 140 and perhaps even half of the students who were in the hall of residence concerned have gone home. I imagine that it is important to communicate with them and their families to ensure that they receive vaccinations or other medical treatment.

Will the Secretary of State instigate an inquiry into the earlier incident of meningitis which occurred, I believe, on 14 October? If it was not an associated incident, it is an enormous coincidence that there have been two separate outbreaks of meningitis in the same hall of residence within a month. If it was an associated incident, perhaps the guidelines for dealing with meningitis need to be re-examined.

I understand that meningitis is perceived to be a disease of close family connections, and students living in a hall of residence are in many ways living in a large, close and extended family. It may well be that we need to reconsider the way in which we deal with cases involving many people who are living in close proximity to each other, and that we need to act more quickly in instigating preventive treatment.

Mr. Hague: I thank the hon. Gentleman for his comments. I assure him that full communication is taking place with the students. They have been advised not to hold parties; all their GPs have been notified; a special ward has been opened at the University hospital, as I said a few moments ago; and the health of all residents of the hall is being carefully vetted every day.

Students who have gone home are being advised to return to Cardiff for vaccination and health surveillance, but arrangements are being made for those who are unable to return, or who do not wish to return, to be vaccinated in their home area. However, the hon. Gentleman will see from the figures I gave earlier that it must now be the case that the vast majority of students will have been vaccinated by the end of the day. I hope that any who have gone home and not been vaccinated will contact the student health service in Cardiff to make the necessary arrangements.

The hon. Gentleman asked about the earlier incident. Most cases of this infection are sporadic, or one-off, incidents. The case on 14 October was treated as such, and the recognised preventive action was taken—the tracing of all close contacts in the home and at university hall, and the administration of antibiotics. The advice that I have received suggests that it is still unlikely that there would be any connection between the two incidents. The long interval between them would seem to suggest that the two were not related—the normal incubation period for the disease is approximately a week.

Clearly it will be important to look at the report to be compiled by the health authority on the basis of all the evidence. If anything in the report suggested that the guidelines for dealing with that infection should be changed, my right hon. Friend the Secretary of State for Health and I would consider taking action.

Sir Wyn Roberts (Conwy): May I too extend my deepest sympathy to the parents of those students who have died? Is my right hon. Friend aware that there have been two cases of meningitis among students at York? Will he look into any possible connection between the students at the different institutions? Will he also bear in mind the difficulty of eradicating the disease and its recurrent nature? There can be considerable differences of time between one case and the next. Will he give me an assurance that, if the disease spreads outside the university in Cardiff, he will offer injections and vaccinations to other vulnerable groups in the Cardiff area?

Mr. Hague: I have heard about the cases in York. I have seen no evidence that they are linked, although anyone who may be affected will be asked by doctors where they have been and with whom they have been in close contact in the previous days or weeks. If there were any connection, I hope that it would be discovered. My right hon. Friend is correct to point out the seriousness of the disease and the difficulty of eradicating it, particularly as it comes in at least four different forms. However, it is important to stress that infection is normally transmitted only through close bodily contact.

Medical authorities shy away from administering antibiotics to very large numbers of people in response to each individual case, because the unnecessary giving of antibiotic prophylaxis is more likely to create antibiotic resistance. The medical authorities have to strike the right balance. Clearly, it has been judged necessary to administer the antibiotics in university hall in this case. If there are further outbreaks elsewhere, each will be judged on its merits.

Mr. Alex Carlile (Montgomery): In echoing the sympathy that has already been expressed by several hon. Members, may I remind the Secretary of State that there are many anxious parents of Cardiff students, particularly throughout Wales, from where many students at the university come? Will he take steps to ensure that information about how to avoid the spread of this form of meningitis is made available to communities throughout Wales, particularly through general practitioners' surgeries, so that parents can pick up leaflets and discuss this worrying issue with their children?

Mr. Hague: Yes, I recognise that many people will be anxious. I hope that they have received and have heard again today my advice about students returning to Cardiff for vaccination and surveillance. A number of leaflets on meningitis have been produced, including one called "What is Meningitis?" and another called "Knowing about Meningitis and Septicaemia", both of which are available from the Welsh Office and from health authorities. They should also be available from GPs. In response to the recent outbreak, posters and leaflets on meningitis will be provided to all universities and sixth-form colleges in Wales this week.

Mr. Rod Richards (Clwyd, North–West): My right hon. Friend has acknowledged that many students have now left Cardiff and gone home. He has outlined the measures that have been taken and are being taken to contact those students. Will he tell the House what mechanisms are being put in place to ensure that those students' local health authorities are aware that students from Cardiff have moved into their area of responsibility?

Mr. Hague: As I have made clear in answer to earlier questions, the vast majority of students will have been vaccinated by the end of today. I believe that many have been returning over the past 24 or 36 hours. The proportion of students who have not been vaccinated should be extremely small. I hope that they will return or will be vaccinated in their home areas—I have made it clear that that option is available. The GPs of all the students have been notified. That is one important channel of communication. I believe that all the necessary means of communication have been used, but I will certainly confirm that every possible means of communicating with those students has been used.

Mr. Dafydd Wigley (Caernarfon): I have a direct interest in this matter, in that two of my children are at Cardiff university and constituents of mine have children in the university hall there.

Will the Secretary of State look into whether there should have been more rapid movement over vaccinations? The original programme was for Monday, but it was pulled forward to Sunday. Should it not have been possible, and was it not necessary, to carry out the programme on Friday, given that there had been three cases in the preceding five weeks? Also, is the right hon. Gentleman aware that seven new cases are suspected today? Can he say whether all those are from the same university hall and not from elsewhere?

Is the right hon. Gentleman also aware that chemists in Cardiff have run out of the antibiotics and are desperately looking for further supplies? In view of all those factors, is there not a need for an in-depth investigation into what has happened?

Mr. Hague: The hon. Gentleman has asked a number of questions. Several cases have been under surveillance in hospital since last night, but they are not all meningitis. Only one is suspected meningitis, and, as I explained, it is a viral form, which is different from the cases that I have been discussing in my statement, so it may be an unconnected case.

As to whether there should be a greater inquiry, as I have made clear, I will await the outcome of the health authority's report, which has to be based on all the medical evidence, not all of which is immediately

[Mr. Hague]

available—much of it has to be analysed in laboratories. That report will be forthcoming in a few weeks, and we will then be able to find out whether any further inquiry is needed.

As to whether the vaccination programme was carried out early enough, once a link is established between cases, the most critical thing is to administer the antibiotics quickly to the population who may be affected. That has been done. It has meant the use of a very large quantity of drugs. Of course, we will ensure that the necessary drugs are available to the students, but the programme of administering antibiotics and vaccinating has been carried out extremely quickly by the authorities, as we would expect. From what I have seen, I have no cause to criticise them.

Mr. Alan W. Williams (Carmarthen): How effective is the vaccination, and for what period does it provide protection? I understand that there was another case of meningitis in that hostel a year ago. Surely there must be a link between these cases. Will the right hon. Gentleman's investigation pursue in detail what that link is?

Mr. Hague: The vaccination is effective in dealing with this type of meningitis—group C, which is what the six cases are believed to be. Vaccination is not effective against group B meningitis. The hon. Gentleman must be careful when talking about different meningitis cases, because the disease has different characteristics depending on the form that it takes. There are four types of meningitis—A, B, C and Y.

Vaccination and antibiotics are effective against this form, if they are administered early enough. They are effective for sufficiently long to deal with the incubation period of the disease, although I am not sure exactly how long doctors would advise that such a vaccination would last. I can let the hon. Gentleman know about that. He should bear in mind the fact that there are normally 2,000 cases of meningitis in the UK in any given year; so it is difficult to draw connections between cases, and there are more cases than he might have suspected.

Mr. Paul Flynn (Newport, West): Has the Secretary of State seen the answer that I received on 19 November from his colleague at the Department of Health to a request about whether any link has been established between the over-use of antibiotics and the incidence of meningitis? In that answer, the Minister said that recent research had shown a possible link between the high use of a particular form of antibiotic in Gloucester and an outbreak of meningitis there.

Given that certain strains of tuberculosis are resistant to antibiotics and that the hospital bug disease—methicillin-resistant staphylococcus aureus or MRSA—is also possibly caused by the over-use of antibiotics—MRSA cases in Wales have increased from 400 last year to 2,000—can we not be wise before the event? We should recognise that we vastly over-prescribe and over-use antibiotics, and that they are creating new virulent, incurable forms of ancient diseases.

Mr. Hague: The answer from my colleague at the Department of Health to which the hon. Gentleman referred spoke of a possible link, but by no means a proven one at this stage. The balance of medical opinion is very much in favour of administering antibiotics in the eventuality that we are now dealing with. That is why they have been administered to many hundreds of students.

As I said in an earlier reply, health authorities are generally extremely careful not to respond to sporadic incidences of meningitis by mass prescribing of antibiotics, because those drugs may, over time, create antibiotic resistance. We are very much aware of that problem. The hon. Gentleman has referred to a possible link in some cases, but at this stage I do not think that it is possible to draw general conclusions from that.

Mr. Rhodri Morgan (Cardiff, West): First, on behalf of the Opposition, may I endorse the Secretary of State's messages of condolence and sympathy to the entire student body at the University of Wales in Cardiff, and above all to the family and friends of the students who have died? I also offer our support to the medical teams that are engaged in combating this virulent and inherently unpredictable disease.

Now that the Secretary of State has confirmed that there was a meningitis case at the same hall of residence five weeks ago—happily, that student has recovered—will he comment on the widely expressed concern that, if a programme of administering antibiotics and vaccination had been carried out then as has been carried out now, the latest outbreak, which has had unfortunately fatal consequences, might not have occurred?

Are there adequate guidelines on how to contain an outbreak of meningococcal meningitis when it occurs at a hall of residence? Such guidelines already exist for outbreaks within families, when people are isolated, given vaccinations and treated with antibiotics.

Is it significant that the outbreak has occurred at the tower block at the university hall of residence at Pen-y-lan, and that none of the cases has come from the self-catering block in the same complex? The tower block may have some significance because of its communal eating facilities and communal toilet and shower facilities, which thereby permitted a greater spread of the germs through coughing, sneezing and so forth.

Would the right hon. Gentleman therefore confirm that perhaps more could have been done to persuade students more promptly, particularly those resident in the tower block at Pen-y-lan, to remain in Cardiff over the weekend to receive antibiotics and vaccinations, and be subject to medical surveillance? That would prevent any contagion from spreading to other parts of the country by students who are unknowingly incubating the disease while visiting family and friends.

Following the tragic death of the law student on Thursday, why did the university authorities take the trouble to e-mail the full-time law tutors to warn them, but did not e-mail the postgraduate law tutors who had the same amount of contact with that student?

Given that the five students so far confirmed as suffering from the disease are said not to be in the same social circle, does the Secretary of State agree that we urgently need to solve the mystery of how the bug spreads? Will the right hon. Gentleman therefore give the House two guarantees?

First, will the right hon. Gentleman take responsibility for pulling together the combined expertise of the Bro Taf health authority, the University Hospital of Wales trust, the Glan Hafren trust of Newport, which treated the other student five weeks ago, the Meningitis Trust, the university medical authorities and the Public Health Laboratory Service, in order to isolate the origin of the outbreak and combat it? Secondly, if new guidelines are to be set on how to handle meningitis in communal living quarters, such as university halls of residence, they should be introduced and acted on without delay.

Mr. Hague: I am grateful to the hon. Gentleman for his opening remarks: the House is united in sending its condolences to the relatives and friends of those affected.

The hon. Gentleman asked again about the first case on 14 October. It is important to understand that that student became ill at home, and all the normal courses of action were followed—antibiotics were administered to the family and others who might have been in close contact with the student, including those at university hall. Subject to what is found later, the balance of evidence suggests that, owing to the incubation period, that case is unlikely to be connected, but we do not know that, and have to retain an open mind. The third case involved someone who did not live in university hall.

It was last Friday before the medical people involved formed the view that there was a link between cases. Information was quickly given to students following that analysis and before any definitive confirmation had been obtained. Information was given out at least twice, and bulletin boards were set up in the university last Friday afternoon. From what I have seen so far, I do not want to criticise the authorities for the action they took to inform people.

The hon. Gentleman asked whether the incident would have implications for guidelines we give in future. It may do—we seek all the time to improve our knowledge of the disease and the means of dealing with it. The report that eventually emerges from the health authority may give rise to new guidelines, or to our having to consider new guidelines.

Dealing with the incident will remain the responsibility of the health authority. I can guarantee to the hon. Gentleman that my chief medical officer is, and will remain, in close touch with everyone involved, and I and my colleagues in government will be anxious to see the evidence of the case as it emerges.

Points of Order

3.57 pm

Mr. George Robertson (Hamilton): On a point of order, Mr. Deputy Speaker. I want to ask for your advice and guidance on an apparent contradiction between what the Secretary of State for Scotland said in his statement to the House last Thursday and subsequent information that has come to light.

Last Thursday, the Secretary of State made a statement about the grave outbreak of the bacteria E. coli 0157 in Lanarkshire, which has left five people dead, a dozen seriously ill and more than 100 hospitalised. The statement took place six days after the outbreak, and a number of hon. Members were concerned to find out from the Minister why it had taken five long days for the authorities to publish the list of outlets supplied with the infected product. That delay could have led to more people buying and consuming produce that contained the bacteria, and there is anger in the area at the denial of information.

On Thursday, I asked a specific question of the Secretary of State for Scotland. I asked:

"Was the Scottish Office behind the decision to withhold information about outlets, as the Minister's statement seemed to suggest that the Department was involved all along?"

The Secretary of State specifically responded to that question by saying:

"The hon. Gentleman asked whether the Scottish Office was behind the decision. No, it was not. Indeed, I was informed yesterday evening that there was some concern about making the information available, and I suggested that it should be published if possible."

The Minister then continued in a fairly offensive and patronising way to deal with my hon. Friend the Member for Monklands, East (Mrs. Liddell). He said:

"The Scottish Office became involved—as it was required to be—only when it became apparent that the outbreak might not be confined locally, which was well after the weekend."—[*Official Report*, 28 November 1996; Vol. 286, c. 465, 467, 470.]

On Friday, I came across a letter issued by the Scottish Office Agriculture, Environment and Fisheries Department on Wednesday 27 November, headed "Food Hazard Warning". Contrary to what the House had been told on Thursday—that the Scottish Office was not involved—the letter sent out the day before said:

"A list of known outlets for these products (outside the North Lanarkshire area) is attached. This list is Confidential and should not be distributed further."

Mr. Deputy Speaker, you can see the clear contrast between the absolute and categoric assurance given to the House by the Secretary of State on Thursday and the letter on the subject from his own Department dated the day before.

The right hon. Gentleman wrote me a letter today, in which he says:

"The local authorities in north Lanarkshire were responsible for deciding whether to withhold or release the list of premises and neither I nor my officials directed this decision."

That does not get round the point that the right hon. Gentleman is still dodging the fact that his officials, for whom he is responsible to the House, were involved and consulted from day one of the outbreak, and that the confidentiality letter from which I have just quoted and the instruction contained in it came specifically from the Scottish Office.

[Mr. George Robertson]

The right hon. Gentleman claims in his letter that I have accused him of misleading the House. I am aware of how serious an accusation that would be, and I have specifically not made that accusation. I have come to seek your help and advice, Mr. Deputy Speaker, to ascertain what we can do when somebody of the status and standing of the Secretary of State for Scotland simply will not give us a complete version of the truth.

The people in Lanarkshire, who are deeply worried and concerned about a public health disaster, the like of which has not been seen for many years, cannot get on with their lives until they know the truth. If we are to get behind this playing with words and dodging of responsibility, we have to know who was behind a difficult but high-risk decision.

The Secretary of State has offered a statement to the Scottish Grand Committee in Hamilton next Monday—seven days from now, when people are still falling ill as a result of E. coli 0157. Mr. Deputy Speaker, can the Secretary of State be brought to the House to answer for contradictions that suggest that we were not given the whole picture?

Mr. Deputy Speaker (Mr. Michael Morris): The hon. Gentleman seeks advice from the Chair on a matter that is not really for the Chair. It is a point of argument and debate that the hon. Gentleman should pursue in the various ways open to him, of which he is especially well aware.

Dr. Jeremy Bray (Motherwell, South): Further to that point of order, Mr. Deputy Speaker.

Mr. Alex Salmond (Banff and Buchan): Further to that point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. There can be nothing further, unless it is a new aspect.

Mr. Salmond: On a new aspect of last Thursday's statement, Mr. Deputy Speaker. Much of the statement concerned the appointment of Professor Hugh Pennington of Aberdeen university to head the inquiry team—an appointment that has been widely welcomed because of the professor's expertise. However, it has since emerged that, on Thursday, the Secretary of State did not tell us that a research project into E. coli 0157 by Professor Pennington was turned down by the Government as recently as this summer.

Is it not relevant to order, Mr. Deputy Speaker, that the Secretary of State has been less than fully forthcoming to the House in respect of those questions of appointments and research? Does not a Minister have an obligation to give us full disclosure, however embarrassing that might be for the Government?

Mr. Deputy Speaker: I have to give the hon. Gentleman the same answer as I gave the hon. Member for Hamilton (Mr. Robertson).

Dr. Bray: On a further aspect, Mr. Deputy Speaker.

Mr. Deputy Speaker: I shall take one further aspect, but it must be a new one.

Dr. Bray: It is a new one, and also one of current clinical importance.

On Thursday, the day that the Secretary of State made his statement, the health board made it clear that all the cases that had been confirmed were traceable to the principal outlets named the previous Monday. On new cases confirmed since last Thursday, the health board has made no statement about what were the possible sources of infection, so information is still not being given systematically as to what the routes of infection have been. Surely the Secretary of State can be asked to account for that.

Mr. Deputy Speaker: What the Secretary of State is asked to account for is entirely up to the Secretary of State. It is certainly not a matter for the Chair.

Mrs. Llin Golding (Newcastle-under-Lyme): On a point of order, Mr. Deputy Speaker. I rise to seek your advice and guidance. In this morning's post, I received this franked House of Commons envelope, which appeared to be addressed to "Mr. Don Golding". I am used to having my sex mixed up because of my Christian name—and my Christian name mixed up as well—but not usually by hon. Members.

I was therefore amazed, on opening the envelope, to discover that it was from the hon. Member for Ealing, North (Mr. Greenway). I did not give the hon. Gentleman notice that I was going to raise this point of order. It was an invitation from himself and his wife to the Ealing, North Conservative association annual Christmas party. Delving into the envelope further, I discovered a Christmas card as well.

I was formerly a constituent of the hon. Gentleman, but I am afraid that I am no longer. Mr. Deputy Speaker, I seek your guidance on the use of headed House of Commons paper for a beanfeast for the Ealing, North Conservative association, delivery of Christmas cards and the use of House of Commons envelopes.

Mr. Harry Greenway (Ealing, North): Further to that point of order, Mr. Deputy Speaker. I am sad to say that, although the hon. Lady formerly lived in my constituency and I might well have addressed to her a Christmas invitation and a Christmas card at one time, I certainly did not on this occasion. As far as I know, I paid for all that is in the envelope, but I will check with the Serjeant at Arms, and if I have not done so, I will.

Mr. Deputy Speaker: I am grateful to the hon. Gentleman. I ask the hon. Lady to submit such evidence as she has—all of it—to the Serjeant at Arms.

The Minister of State, Scottish Office (Lord James Douglas-Hamilton): On a point of order, Mr. Deputy Speaker. I wish to point out that my right hon. Friend the Secretary of State for Scotland has written to the hon. Member for Hamilton (Mr. Robertson), strongly refuting the implication of his allegations. He certainly did not mislead the House.

My right hon. Friend visited Monklands general hospital this morning to congratulate the staff on the efficient and sympathetic way that they have handled the crisis, and he has offered the hon. Member for Hamilton and hon. Members from Scotland a further statement on the E. coli outbreak at the Scottish Grand Committee in Hamilton next Monday. There should then be an

opportunity for hon. Members from Scotland to discuss that matter fully. He has been in Monklands general hospital this morning, and he has promised that extra resources will be available to defray the additional expenses arising from the handling of the incident.

Several hon. Members: On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. We shall have no more points of order on that Scottish matter.

Mr. Dafydd Wigley (Caernarfon): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Is it on a separate issue, nothing to do with Scotland?

Mr. Wigley: It is on a different issue, not to do with Scotland, although this principle arises in Scotland far too often.

It is to do with Wales and Welsh questions. Yet again today, of the first 12 questions called to the Secretary of State for Wales, who is answerable only once a month through this Chamber for his wide-ranging responsibilities, six were from English Tory Members of Parliament from English constituencies.

The point that I want to raise with you, Mr. Deputy Speaker, is this. Tory Members of Parliament are not only muscling in on the restricted time we have to question the Secretary of State, but dictating the agenda. Their questions were restricted to two areas only—the future government of Wales and inward investment and regeneration. By virtue of the fact that their questions were called, other important questions, such as those on the working week directive, and on bovine spongiform encephalopathy, which is vital to our—

Mr. Deputy Speaker: Order. I think I have got the gist of the complaint. I have to say to the hon. Gentleman, first, that I understand, having listened to Question Time, that all the Plaid Cymru Members were called.

Mr. Wigley: That is not the point.

Mr. Deputy Speaker: Secondly, it seems to me that the key issue is, did Opposition Members table sufficient questions in the first place? As only 15 Opposition Members tabled questions, it would have been very difficult for anyone to call any more.

Mr. Wigley *rose—*

Mr. Deputy Speaker: Order.

Mr. Wigley: I am sorry, but you have not addressed the question that I put to you.

Mr. Deputy Speaker: Order. I call Mr. Harry Barnes.

Mr. Wigley *rose—*

Mr. Deputy Speaker: Order. I called Mr. Harry Barnes.

Mr. Wigley: I have a right to be answered on the point about the agenda being set by the Government.

Mr. Deputy Speaker: Order. I must ask the hon. Gentleman to resume his seat.

Mr. Wigley: This has to do with whether the people of Wales are getting answers to their questions—

Mr. Deputy Speaker: Order. I have one last warning for the hon. Gentleman—he must resume his seat now. Thank you. Mr. Harry Barnes.

Mr. Harry Barnes (North–East Derbyshire): On a point of order, Mr. Deputy Speaker. When able-bodied people attend a lobby of this House, they can organise meetings in the Grand Committee Room. Today, a lobby of disabled people has assembled in Westminster Hall; they want to use the same procedures and hold a meeting in the Grand Committee Room. There is, however, room there for only 12 people in wheelchairs.

When I last looked, 21 people were still queuing, and all the wheelchair places had been taken. Could not loudspeakers and microphones be installed in Westminster Hall to allow hon. Members to address those who have turned up, holding green cards, to hear them? Such a move seems particularly important today, when the Disability Discrimination Act 1995—inadequate as it is—comes into operation.

I appeal to you, Mr. Deputy Speaker, to see that action is taken so that disabled people can be addressed by their Members of Parliament.

Mr. Deputy Speaker: I recognise the seriousness of the hon. Gentleman's point—

Mr. Brian Wilson (Cunninghame, North) *rose—*

Mr. Deputy Speaker: Order. It is not customary to get up in the middle of an answer to another hon. Member.

I recognise, as I say, the seriousness of the hon. Gentleman's point of order. I shall make sure that it is brought to the attention of Madam Speaker.

I hope that the point of order from the hon. Member for Cunninghame, North (Mr. Wilson) has nothing to do with any subject raised so far.

Mr. Wilson: That depends—

Mr. Deputy Speaker: Order. I seek an assurance that the point of order is not one on which I have ruled so far.

Mr. Wilson: It is a separate point of order.

Mr. Deputy Speaker: By definition it is a separate point of order, since a different hon. Member is raising it. I wish to make it clear that I will not take further points of order on the issue raised by the hon. Member for Hamilton. If, however, it is an entirely separate point of order, I shall be most happy to listen to the hon. Gentleman.

Mr. Wilson: You will have to be the judge of that—

Mr. Deputy Speaker: Order. The Clerk will now proceed to read the Orders of the Day.

Mr. Wilson: On a point of order, Mr. Deputy Speaker—

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [26 November].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.—[*Mr. Kenneth Clarke.*]

Question again proposed.

Budget Resolutions and Economic Situation

[*Relevant document: European Community Document No. 9002/96, concerning the Council Recommendation to the United Kingdom with a view to bringing an end to the situation of an excessive government deficit in the United Kingdom, prepared in accordance with Article 104c(7) of the Treaty establishing the European Community.*]

4.12 pm

The Secretary of State for Health (Mr. Stephen Dorrell): I welcome the fact that I am debating this afternoon with the right hon. Member for Derby, South (Mrs. Beckett). It is quite like old times: she was the first of the three shadow Health Secretaries whom I have faced in my time as Secretary of State for Health. I shall spend some of my speech dealing with issues for which she is now responsible, but before moving on to them, it is worth reflecting on the fact that the Opposition plan to spend the whole Budget debate without putting in the shadow Health Secretary to speak on an issue at the very foundation of the financing of the health service—the decisions taken by the Chancellor of the Exchequer on health service funding.

I think it extraordinary that the Labour party should not see fit to field the shadow Health Secretary in the course of the Budget debate. Perhaps that is being done to protect him from the need to produce answers to questions about Labour's intentions—if it ever took office—with respect to financing the health service. This debate would have been an ideal moment for the shadow Health Secretary to answer the questions that he has thus far avoided—

Mrs. Margaret Beckett (Derby, South) *rose—*

Mr. Dorrell: The right hon. Lady seems keen to answer them, so I give way to her with anticipation.

Mrs. Beckett: As we debated the health service only last week in Opposition time, we find it extraordinary that the Government have not chosen to debate the creation of wealth on which funding for the health service and everything else depends.

Mr. Dorrell: The right hon. Lady need not worry about that, because I am coming to the financing of the health service, industry and the economic base. She should have been here last week if she thinks that the shadow Health Secretary answered the questions on the financing of the health service during that debate.

I shall begin with the Budget announcements that my right hon. and learned Friend the Chancellor made on the national health service. Last week's Budget shows clearly the Government's commitment to the NHS. In the context of a public spending round in which the Government faced difficult choices and decisions, they identified three priorities for public expenditure: education; law enforcement; and the national health service.

The biggest growth in this year's Budget—*[Interruption.]* I am pleased to welcome the hon. Member for Islington, South and Finsbury (Mr. Smith). I was bemoaning the fact that his party had not given him the opportunity to answer the questions that he promised to answer about Labour's plans for financing the health service.

The Government plan to spend £1.6 billion extra on patient services in the next financial year. That is a 2.9 per cent. real terms increase in resources available for patient care—£930 million of real growth available to the NHS. It is £930 million extra for patient care, over and above the amount necessary to compensate for inflation. That substantial growth allowed me to make several announcements last week, targeting new money at the priorities facing the NHS. First, £100 million will be spent on developing primary care.

Mr. Simon Hughes (Southwark and Bermondsey): As the Secretary of State knows, I welcome the new money. Before we get on to the details, however, will he clarify the basis of the calculation? First, will he confirm that it is based on a 2 per cent. inflation rate and that inflation is currently at 2.7 per cent? Secondly, will he confirm that it excludes any extra NHS inflation, whereas for every year of his Administration there has been extra inflation in the NHS—it is currently about 1 per cent.—which has not been included? Thirdly, will he confirm that, according to his figures, after last week's Budget, the health service budget will increase by 0.9 per cent. in real terms, although if we take account of NHS inflation and the higher inflation rate, it will increase by considerably less?

Mr. Dorrell: I do not acknowledge the last figures that the hon. Gentleman quoted, but it is true to say that the gross domestic product deflator underlying the real terms calculation is 2 per cent. Independent of all that, however, is the fact that £1.6 billion extra will be made available for patient services in the next financial year. If the hon. Gentleman wants to feed in different inflation indicators and assumptions, that is up to him.

A cash increase of £1.6 billion in the funds for patient care will be made available next year compared with this year, which is why I can allocate £100 million of development money to the primary care sector. That will allow us to continue to build on our record, which has

seen a transformation of primary care in the national health service during the past 17 years. The Government have set out clearly our plans for the future of primary care, particularly general practice and general medical services within primary care.

There are three legs to our plans: we shall continue to develop GP fundholding; we shall introduce more flexible contracting on a pilot basis through the Bill that is currently in another place; and we shall provide £100 million of extra cash from the Budget announced by my right hon. and learned Friend last week.

Mr. Kevin Hughes (Doncaster, North): When the Secretary of State goes through that long list, will he tell us about the extra charges that he will impose on sick people, particularly the extra 15p on prescription charges? Since the Government came into office in 1979, prescriptions have risen by about 1,000 per cent. in real terms.

Mr. Dorrell: Prescription charges have gone up by exactly the rate of inflation. I assume that, had I used the calculation of the hon. Member for Southwark and Bermondsey (Mr. Hughes), they would have gone up rather more.

The Government's way forward for primary care is a three-legged stool: GP fundholding; more flexible contracts on a pilot basis; and extra cash from this year's Budget. We need to hear what Labour's alternative would be. The hon. Member for Islington, South and Finsbury has been telling the press for some days that he is to make a major speech tomorrow on the future of GP fundholding under the Labour party. He cannot contain his excitement and wants to share the good news well ahead of the speech. By the end of last week, he was already briefing journalists. In the *Daily Express* I read:

"Tony Blair has ordered a new U-turn over Labour's health policy. He has vetoed plans"—

[Interruption.] The right hon. Member for Derby, South should hear this, as she was so keen on the abolition of fundholding. We are led to believe that her leader

"has vetoed plans to scrap the Government's fundholding scheme . . . Next Tuesday Shadow Health Secretary Chris Smith will announce that a Blair government would allow family doctors to carry on buying care for their patients."

Mr. Simon Hughes: There is a surprise.

Mr. Dorrell: We have not yet heard the detail. We shall study the speech of the hon. Member for Islington, South and Finsbury with great care tomorrow. We want to know whether GPs who currently have the right to decide, on behalf of their patients, where those patients' interests lie in the national health service will retain that right to decide. That is the first test for the hon. Gentleman.

The second test for the hon. Gentleman is whether he would close the list to every new GP coming forward, so that under his proposals new GPs with new ideas would be prevented from trying them out for the benefit of their patients.

Those are the tests that the hon. Gentleman's proposals must pass: who decides, and is the list open? If he fails on either question, he is abolishing fundholding. The right hon. Member for Derby, South will like that, but the almost 60 per cent. of GPs in Britain who have opted for fundholding because they think that it offers the best scope for their patients will not like it.

That is the first leg of the Government's health policy, reinforced by the decisions that my right hon. and learned Friend the Chancellor announced in the Budget. The second leg is a £100 million increase in the resources targeted at two particular pressures in the hospital service. I was pleased to announce a programme whereby £24 million would be targeted at improving the provision of intensive care and high dependency beds in our hospitals, and £76 million would be targeted at easing bed blocking so that people are not kept in hospital unnecessarily.

Those two projects respond to known pressures, and the health service can start developing those proposals in the current year, as the Government have announced an extra £20 million this year to allow those programmes to get under way immediately. We have asked health authorities to submit bids targeted at those specific objectives by 23 December.

The third specific targeted increase that I announced last week was an extra £50 million for mental health. One of the first things that I did when I became Secretary of State for Health was to launch an audit of our mental health plans. The audit was led by my hon. Friend the Minister for Health and was designed to ensure that every health authority is aware of the need to deliver a full spectrum of care for those who are mentally ill. We allocated £90 million of growth money in the current year to the achievement of that objective. Next year's budget allows me to allocate a further £50 million, together with the further increase in the mental illness specific grant to local authorities. That reflects the importance that the Government attach to the development of mental health.

Finally, of the targeted funds, £64 million is allocated to expand our commitment to training the doctors and nurses of the future, to ensure that we have the qualified and professional staff the health service needs.

Those are the central priorities to which I allocated specific money last week. In addition to that, the average purchasing power of health authorities in England will rise next year by 2.4 per cent. in real terms—a minimum increase in any health authority of 1.4 per cent. in real terms. All that is made possible by the Government's commitment to real extra cash for the national health service.

That represents the 19th successive real terms increase in health service budgets since 1979. There has been an average increase of 3 per cent. above the rate of inflation in every one of the 18 years that the Government have been in office, and it will continue into the first year of the next Parliament. Health service funding has increased by three quarters in real terms since 1979 and by 30 per cent. since 1992.

The challenge facing the hon. Member for Islington, South and Finsbury is that the Government will not stop there. My right hon. Friend the Prime Minister has made it clear that there will be real terms increases year on year under the next Conservative Government and throughout the next Parliament. It is set out in the Red Book: that is the Government's commitment and that is what we will deliver. By the end of the next Parliament, Conservative Governments will have delivered nearly a quarter of a

[Mr. Dorrell]

century of real terms uninterrupted growth. That is our commitment and Opposition Front-Bench Members have so far refused to match it.

Mr. Thomas McAvoy (Glasgow, Rutherglen): It is easy for the Secretary of State to make Red Book promises when he knows full well that he will not be in a position to honour them. Returning to the Secretary of State's claims about the state of the national health service, if it is so good, why has Mr. James Johnson of the British Medical Association consultants committee voiced his fear that the NHS hospital service will collapse this winter?

Mr. Dorrell: I do not base my case purely on the Red Book—although I shall examine the contrast between our commitments and those of the Opposition. I base my case on 17 years of delivered growth plus our commitment to ensure that it continues. I am happy to give way to the hon. Member for Darlington (Mr. Milburn) to allow him to quiz me on the figures in the Red Book, which underline clearly the Government's continuing commitment to real terms growth, year by year. I am also pleased to give the hon. Gentleman the opportunity to refer to other issues.

Mr. Alan Milburn (Darlington): Will the Secretary of State explain why page 124 of the Red Book shows that health spending will be frozen between 1998-99 and the turn of the century?

Mr. Dorrell: I will indeed. The note to that table makes it clear that the figures are subject to rounding. I refer the hon. Gentleman to the cash allocation in year 3, which is provided on page 123. If he gets out his calculator, he will find that £35.89 billion is a 2.1 per cent. increase on £35.15 billion. In other words, there is a real terms increase in year 3—precisely as the Government have stated. Would the hon. Gentleman care to return to the Dispatch Box to argue the point? If he does not, I shall assume that he agrees with me.

Mr. Milburn: I am happy to do so. The press release issued by the Department of Health to coincide with the Budget statement—we are debating the same figures—showed that there would be minimal growth in the year of the general election, but that there would be a fall in the year after the general election.

Mr. Dorrell: The hon. Gentleman has shifted his ground and he is wrong on both counts. Opposition Front Benchers have sought to use two arguments. I have the press release and it shows at table 3 that the Department of Health budget will decrease in year 2—not in year 3, as the hon. Gentleman claimed; I had always assumed that he could read. The note makes it precisely clear that it will fall in year 2 because the Department of Health budget in year 1 includes a grant to local authorities that will not be paid in year 2 because the money will be provided direct to the Department of the Environment. Would the hon. Gentleman care to return to the Dispatch Box? I should like to hear his views.

Mr. Chris Smith (Islington, South and Finsbury): Would the Secretary of State care to read out the figures for the Department of the Environment, which show a cut in precisely the same year? Therefore, there is a cut in the figures of both the Department of Health and the Department of the Environment.

Mr. Dorrell: If the hon. Gentleman is interested in substantiating the facts of the issue rather than playing party points, perhaps he will table a question to my right hon. Friend the Secretary of State for the Environment to ask him what provision is made in year 2 of his public expenditure survey settlement for the transfer of community care responsibilities. Let him table that question. If he does so, he will find that my right hon. Friend's budget has been increased in year 2 by £325 million. That is the fact. Would the hon. Gentleman—*[Interruption.]* There is a confab taking place on the Opposition Front Bench. I am happy to talk while the occupants of the Opposition Front Bench sort out their next question.

Mr. Nigel Spearing (Newham, South) *rose—*

Mr. Dorrell: I shall give way to the hon. Gentleman, who is being loyal to his Front-Bench colleagues. We shall have a private discussion while they sort out what the answer is.

Mr. Spearing: If there is to be an increase in resources this year and in future, will the Secretary of State explain to the people of east London why East London and The City health authority—this was shown on a BBC programme last Thursday—is having to cut its budget for next year by £18 million? How has that happened when the right hon. Gentleman provides the money?

Mr. Dorrell: That authority secured an increase of £8.9 million over and above inflation in the settlement that I announced last week. That is an increase of 2.5 per cent. in real terms. The authority also has bids for other funds, which are currently being considered. As I said when I made the allocations, they are initial allocations. East London and The City health authority benefits from other allocations as well.

Now, have those on the Opposition Front Bench sorted out what the answer is? The reality is that the Government are committed to real terms growth in health expenditure. The Opposition have made two attempts to demonstrate that that is not true and both have been demonstrated to be wrongly based. They should—*[Interruption.]* It is no good sitting on the Opposition Front Bench and pointing at the Red Book. Let them come to the Dispatch Box to advance the argument. But the argument has been demolished. If the hon. Member for Islington, South and Finsbury wishes to return to the Dispatch Box, I shall happily give way. Let him come back and advance the argument. Is he trying to make an argument?

Mrs. Beckett: The Secretary of State is wasting time deliberately. It is not true that he has made his case. His case is false, and he knows it. The Red Book shows that the budget of the Department of Health is cut. It shows also that the budget of the Department of the Environment is cut. Probably the best that the right hon. Gentleman can do is to claim that councils will have to increase rates

even more in future to pay for this funding. Let us stop this nonsense. The Red Book proves that the Secretary of State is misleading the House, or trying to.

Mr. Dorrell: The right hon. Lady is too much of an optimist. We are certainly not stopping this argument, which demonstrates the difference between the parties on the national health service. The Conservative party is committed to real terms growth in the NHS budget. The Labour party refuses to give the commitment. Let Opposition Members come to the Dispatch Box. I shall give way again. If any of them—perhaps the shadow Chief Secretary or the Opposition Whip—would like to give the commitment that a Labour Government, if elected, would give a real terms increase to health expenditure, I shall give way. It is a simple question. The right hon. Lady is a former deputy leader of the Labour party, and pro tem leader of the party. Let her use her authority. Let her commit the Labour party to the real terms growth of the NHS if the Labour party were ever elected.

The fact is that Opposition Members cannot and will not give that pledge. The hon. Member for Islington, South and Finsbury is all the time full of soft words and empty rhetoric and reassurances. He was at it again in his interview with *Pulse* this week. A journalist from *Pulse* wrote:

"On cost Mr Smith would not be too specific."

He can say that again. The interview continued:

"he argued that Labour had no need to counter the Conservatives pledge to increase NHS spending year-on-year."

Presumably he means by that that Labour is complacent on the health service. We know now what Labour's position is on health expenditure. As the hon. Gentleman said to *Pulse*:

"I'll fight my corner for NHS funding".

That is what the NHS is expected to accept from the hon. Gentleman. That is just like his ability to deliver his right hon. Friend the Member for Dunfermline, East (Mr. Brown) when he last went into a Labour economic commission, when he was unable to get any of his proposals through. If the hon. Gentleman cannot deliver the right hon. Member for Dunfermline, East, he has small chance against the International Monetary Fund, which would be the real negotiating party once the Labour party was in power. Although the hon. Gentleman likes to go round saying that he will fight his corner, and, "Don't worry, it will be all right under us," we know from its private paperwork that the Labour party, including the hon. Gentleman, does not believe that that is an adequate answer. We know that the hon. Member for York (Mr. Bayley) told the Fabian Society:

"Labour's health policy will not look credible at the general election if we do not commit ourselves to matching the rate of growth delivered by the Conservatives in recent years."

He is right. [HON. MEMBERS: "Where is he?"] Indeed. Where is he?

It is not only the hon. Member for York. I have some minutes that may interest the House. These are the minutes of the parliamentary Labour party health committee meeting, held on 29 October 1996. The hon. Member for Morley and Leeds, South (Mr. Gunnell) was there. He was talking to Labour Back Benchers about Labour's health policy. He said that the Government are talking about additional money for the health service. He is quite right. We are. He said that Labour had to make an effective response. He made it absolutely clear that he does not believe that Labour has an effective response to the Government's additional pledge. *[Interruption.]* Let me read another bit of the minutes, which the hon. Member for Leeds, West (Mr. Battle) might recognise if he had been at the meeting. I am not sure that he was, but I can tell him. *[Interruption.]* No, he was not, so I shall tell him what transpired.

The hon. Member for Morley and Leeds, South recognised that there were problems in the health service that could not be met through the "Pledge"—the word has a capital P, so important is the pledge on health service funding in the mind of the secretary of the committee, the hon. Member for Morley and Leeds, South—that the Labour party had made.

The hon. Member for Islington, South and Finsbury is known to be unhappy with the position in which the hon. Member for Edinburgh, Central (Mr. Darling), the shadow Chief Secretary, and the right hon. Member for Dunfermline, East, the shadow Chancellor, have put him. He is shifting slightly and offering a little friendly advice to the right hon. Member for Derby, South. The right hon. Lady will not have a better position than the hon. Gentleman, because they cannot get the shadow Chancellor to agree to match the Prime Minister's pledge to real terms growth in NHS funding. *[Interruption.]*

If, during my speech, the hon. Gentleman's mind turns and he concludes that he can pledge real terms growth in NHS funding under a Labour Government, I shall give way to him, but he knows that he cannot do that.

The hon. Gentleman also faces a more immediate challenge of his own making. It is not just his failure to deliver the shadow Chancellor on real terms growth. The hon. Gentleman has twice—on 12 October and 4 November—committed himself to making a specific response once the Government's Budget figures were published. On 12 October, when asked about Labour's plans for health service funding, he said:

"What I am going to do is wait until we see the actual figures . . . At that time we will make a very specific response about what we will do."

That was not just a slip of the tongue. On 4 November—I was in the studio on that occasion—he said again:

"As soon as we see precisely what they are going to do, then of course we can make a precise response."

We told the House and the hon. Gentleman six days ago precisely what we shall do. We are waiting.

Mr. Spearing: We are talking about precision in the next financial year. The Secretary of State says that more resources will be available, but in view of the fact that the accumulated deficit is at least £125 million—it could be as much as £200 million—is it possible that the budget may not be greater? The Chancellor may provide more money, but because of the deficit, actual delivery may be the same or even less. Is not that the precise nature of the problem?

Mr. Dorrell: The hon. Gentleman tabled a question about the expected deficit of health authorities at the end of this financial year. He was given the figure of just over £100 million, but he now doubles that to £200 million. An increase in the national health service's budget next year of £1.6 billion may go some way towards covering a deficit of £100 million.

[Mr. Dorrell]

Labour's health policy remains a vacuum—an empty space that is incapable of sustaining intelligent life. Nye Bevan must be turning in his grave. The true scandal is that not only the Labour party's health policy is in disarray, but the whole of the economic base on which, as the right hon. Member for Derby, South rightly said, its capacity to deliver rising living standards and improving public services will depend. The Labour party cannot agree either about its health policy or about almost anything else.

The taxation of utilities is in the right hon. Lady's current sphere of activity. That tax was first proposed four years ago. We are told that it will be the cornerstone of a Brown Budget, if such a thing ever comes into existence. It was a subject of some interest in this week's *New Statesman*, which devotes two pages to the tax that dare not speak its name. They are headed:

"Labour's first-term fiscal policy is largely dependent on the windfall tax. So why can't the party's leaders agree on what form it will take?"

The article asks some pretty basic questions, to which we look forward to hearing answers from the right hon. Lady, if she can speak on behalf of the shadow Treasury team.

The first and most basic question about any tax is who will pay it. There seems to be considerable uncertainty about that. In July, in the "Road to the Manifesto", we were told to expect

"a one-off windfall levy on the excess profits of the privatised utilities".

By the time the Leader of the Opposition talked to the Labour party conference, that had changed. It was now a tax on monopoly utilities. Will it be a tax on all privatised utilities, or on the monopoly utilities?

Mrs. Beckett: Wait and see.

Mr. Dorrell: The right hon. Lady tells us to wait and see. We cannot go into an election on the basis that we have to wait and see about the cornerstone of a Brown Budget. Does the right hon. Lady expect the British people to put up with that? We must wait and see about the cornerstone of the first Brown Budget. In an earlier interview with *New Statesman*, the right hon. Member for Dunfermline, East said that that tax would be the basis on which he would rebuild the welfare state—and we are asked to wait and see.

Mrs. Beckett: I gently remind the Secretary of State that the Budget requires us to wait and see, because it depends on closing tax loopholes that last year the Chancellor said did not exist.

Mr. Dorrell: The right hon. Lady avoids the issue. In a few months' time, she will ask the British people to vote for a party whose first Budget will be built on a cornerstone about which she invites them to wait and see. There is uncertainty about whether the tax applies to monopoly utilities.

Mr. Kevin Hughes: Will the right hon. Gentleman give way?

Mr. Dorrell: No, I will develop my argument.

Mr. Hughes: It is about the windfall tax.

Mr. Dorrell: I am on the windfall tax, too.

Does the windfall tax apply to monopoly utilities or to any privatised utility? On 16 November, the right hon. Lady's scope was broader. She said:

"We don't rule out any of the privatised companies."

She does not even limit it to the utilities. Does she include British Airways? Will British Airways be subject to Labour's utilities tax? What about Rolls-Royce? What about the Rover Group—will Labour go to BMW and say, "You're very welcome to invest in the west midlands, and we shall impose a windfall tax"? Is that what the right hon. Lady has in mind? I shall be happy to give way to her if she can clarify that point. This is turning into an opportunity for her to clarify Labour's tax policy.

Will the windfall tax apply to privatised utilities, as the policy document says, to monopoly privatised utilities, as the leader of the Labour party and Mr. Alastair Campbell say, or to any privatised company, as the right hon. Lady says? Which is it to be? We are entitled to know. More particularly, the people charged with running those companies are entitled to know.

Mr. Kevin Hughes: Will the Secretary of State confirm that when the Government imposed a windfall tax on banks in 1981, no one knew which banks were involved and how much the tax would be until they had made their decision and published it? What is the difference between the Labour party's proposal and what the Government did in 1981? The answer is that there is no difference.

Mr. Dorrell: With respect to the hon. Gentleman, the difference is well understood by the banks and by the potential subjects of the undisclosed taxing ambition of Labour Front-Bench Members. The difference is that the windfall tax on banks applied to a discrete group of five banks, which knew from the day that it was announced that it applied to them. The windfall tax that the Labour party is threatening is an indistinct tax. Every time the right hon. Lady answers questions about it, she throws the net, and therefore the threat, wider.

As *New Statesman* makes clear, we do not know how the tax will be levied. Will it be on pre-tax profits, after-tax profits or, as some people say, on market capitalisation on turnover? What will it be used for? We are told that the deputy leader of the Labour party

"has been campaigning inside the shadow cabinet for his view that some regional utilities should be given concessions on the tax in return for expanding their training and job-creation plans. . . Other shadow cabinet members"—

we should know whether the right hon. Lady and the hon. Member for Islington, South and Finsbury are among them—

"have simply sought to re-assure local companies . . . that the tax is not intended to hurt them."

The right hon. Lady may go round Derby saying that it does not apply to the electricity and gas companies that serve her constituents. Does it apply to Derby, but not to Islington? Which shadow Cabinet members have given their local interests an exemption from that tax? We need to know.

Most of all, we need to know how much the shadow Chancellor anticipates that that tax will raise. In 1994, he put a figure on it: he said £3 billion. Now he says that it is £5 billion, and he does not contradict people who say that it could be £10 billion. We do not know whether it is a one-off tax or a tax that will be imposed year after year.

There is only one certainty about the Labour party's plans for a windfall tax: the certainty that the consumers will end up paying. As John Kay said in his description of the British tax system:

"There is no such thing as a tax on firms: the effective incidence of all taxes is ultimately on individuals."

The amount of money that Labour Front-Bench Members want for their spending ambitions must come from higher prices, lower investment or lower returns to savers. People want to know whom the Labour party is targeting. It has an ambition to spend, and it proposes an indistinct tax, the scope and incidence of which is unclear. Most important, it is unclear who would end up paying the tax.

The right hon. Member for Dunfermline, East is embarrassed by the fact that what he thought was a nice little earner has now rebounded on him. It is not the fat cats who will pay; it is the pensioners, the wage earners and the families of Britain who will pay Labour's taxes, as they always do.

Not a week goes by when the Labour Front Bench does not make another pledge to increase Government borrowing. The shadow Chancellor says that he will increase it by cutting VAT on fuel bills, which is a cool £500 million. Then he says that he will increase public borrowing by cutting the starting rate of tax to 10p, which is a cool £8 billion. This weekend, we were asked to believe that the Labour party has suddenly taken an interest in the middle classes and will raise the threshold for upper-rate tax to £30,000. My right hon. and hon. Friends will be pleased to hear that that would cost £1.4 billion. Those spending pledges should be coupled with the £30 billion that the Labour party is already committed to spending, which my right hon. Friend the Chief Secretary has itemised. Labour's Front-Bench spokesmen are committed to £40 billion of extra borrowing and there is not a penny for the growth of NHS patient care. Labour has no intention at all of cutting tax. It is utterly incapable of the spending discipline that is a necessary precondition for that.

As the weeks go by, the choice becomes ever clearer. New Labour offers an old and familiar cocktail. Spending would rise as it has risen in the town halls. Borrowing would rise and, belatedly, tax would rise. But that is not all, because as borrowing rose, inflationary pressures would rise and we would be back into that familiar cycle. Most damaging of all, Labour would impose extra costs on British business through the minimum wage and the social chapter—importing everything that is wrong in many of the European economies. The Government offer measures that are decisively different.

Over the past 18 years, this country has been translated from being a lame duck in Europe to a role model. Since 1982, only Japan among the G7 countries has had larger growth in income per head than Britain. Both the Organisation for Economic Co-operation and Development and the IMF expect Britain to be the fastest growing economy this year and next. The United Kingdom has a higher proportion of its working-age population in work than any major European country. Unemployment in Britain is lower than in any major European country and is falling while it is rising elsewhere.

That is the record of success on which the Government are determined to build, and it makes possible the decisions in the Budget. There was £875 million for education; £450 million for law enforcement; and £1.6 billion for patient care.

Mr. Jacques Arnold (Gravesham): My constituents would not want my right hon. Friend to finish his speech before they, through me, expressed their gratitude for his decision last week to confirm the private finance initiative proposal for a new district general hospital at Darenth Park. That was in the teeth of opposition by the Labour party and is one of my right hon. Friend's commitments.

Mr. Dorrell: I am grateful to my hon. Friend. I recognise the importance of that project to his constituents and to people in neighbouring constituencies. It is one of many hospital projects that are being eased by the introduction of the private finance initiative.

Improvements in public services have been made possible because of the economic success that has been created by the Government. More important, that economic success has also allowed the improvement of living standards for average families in Britain. Since 1992, a family on average earnings has become better off by £20 a week or £1,100 a year in today's terms. Since 1979, the same family has become £100 a week or £5,000 a year better off in today's terms.

The reaction to the Budget shows that Labour has learnt nothing. It remains unwilling to control spending or to raise tax. In short, it is unwilling to face the responsibilities of office. By contrast, my right hon. and learned Friend the Chancellor presented a Budget that is not for five months but for five years. It builds on success and I commend it to the House.

4.53 pm

Mrs. Margaret Beckett (Derby, South): The Government have chosen this last full day of the debate—tomorrow being the day for summarising the process—to highlight in particular their claim that the health service is safe in their hands. However, they have not made time, and despite his promises the Secretary of State did not make time, to examine the issue on which their claim not just for the health service but for education and their whole programme depends—what the Budget tells us about Britain's capacity for wealth creation and whether we are making the investment that is required to equip Britain for future success.

I presume that the Government chose to focus on health today because they think that their promises on health are the nearest things to good news in the Budget. They hope to persuade the public that they can be trusted on health, and the implicit message to be conveyed is that they can also be trusted on tax and on the economy. Nobody, apart from Conservative Members, and not all of them, believes that the health service is safe in the Government's hands, and the good and simple reason for that is that we, the British people, are all users of the health service and we see it falling apart in the Government's hands.

Anyone who has so completely forgotten the deceit of the previous pre-election Budget and is again minded to give the Government the benefit of the doubt and believe their promises on health care should look at the Red Book, because it blows the gaff. The Government have set yet

[Mrs. Margaret Beckett]

another record—the fastest broken promise in history. The Chancellor's claim to be delivering what the Prime Minister promised at the Tory party conference—a real terms increase in health spending year on year—was shown to be false by the figures in his own Red Book, which was published the same day. They show that, when the election is safely over, the Government plan a real terms cut in health capital spending and, at best, a standstill in current spending. The Secretary of State for Health spent an enormous amount of time pretending—

Mr. Dorrell: Will the right hon. Lady give way?

Mrs. Beckett: I shall give way in a moment if the Secretary of State still wishes to intervene.

The Secretary of State spent a great deal of time pretending that the Red Book shows an increase in real terms spending on health year on year. It does not show that. He said that the cash tables showed some sort of increase, but he knows that those cash tables and judgments on them depend on judgments about the GDP deflator. He also knows that the real terms tables in the Red Book do not show a real terms increase in health spending year on year. There is no point in the Secretary of State shaking his head. Repeating the same thing does not make it true.

Mr. Dorrell: Merely continuing to assert statements that I have demonstrated to be untrue does not advance the argument. The right hon. Lady just made a different statement, again untrue, by saying that the capital budget for years 2 and 3 did not show growth. The capital budget for year 2 shows 1.7 per cent. real terms growth and the one for year 3 shows 5.1 per cent. growth in real terms. The right hon. Lady is wrong about that, too.

Mrs. Beckett: That is on top of a cut of a third in the previous year. The Secretary of State has wasted his time. No one except those around him believes what he said about the real terms increase in health spending, because that is not what the Chancellor promised or showed in his Red Book. The Secretary of State said that he based his claim not just on the Red Book, but it is not at all based on the Red Book. When we challenged his claims on the matter, he referred us to the Department of the Environment budget. He was not prepared to answer the point himself but told us to refer to the Secretary of State for the Environment if we doubted his explanation on the freeze in spending. As I understand it, the Department of the Environment budget also shows a real terms cut.

The top and bottom of the matter is that the Red Book does not show a commitment of the kind that the Secretary of State claims to demonstrate. He said that, even if we did not believe him because of what is shown in the Red Book, we should believe him because of the Government's overall record on health spending. He spoke about 3 per cent. a year in hushed tones, as if that were a record that no other Government had achieved. It is, of course, less good than the record of the last Labour Government. *[Interruption.]* No, it is not exactly the same. There is no doubt that our record showed a commitment to an increase in health service spending of the kind that the Secretary of State claims solely for the Government.

Mr. Tim Smith (Beaconsfield): Will the right hon. Lady give way?

Mrs. Beckett: I have dealt with the matter and do not want to spend much time on it. *[Interruption.]* I am not the least bit frightened of the hon. Gentleman and I am happy to give way.

Mr. Smith: Why is Labour apparently unwilling to match the Government's commitment to increase spending on the health service in real terms?

Mrs. Beckett: As the Government have not made such a commitment, the issue falls—*[Interruption.]* No; the Prime Minister has made such a commitment, but the Chancellor has dishonoured it in the Budget. That is a simple fact.

The Government claim that their capital spending cuts will be made up for by the private finance initiative. But we know that they have not raised the money—£165 million—that, last year, they claimed that they would raise through the PFI, and they have been forced to admit that the estimate was some £100 million too high. Last year, they promised that, under the PFI, there would be a new hospital every month this year. Far from 12 new hospitals materialising under the PFI—perhaps the hon. Member for Gravesham (Mr. Arnold) should not hold his breath for his—only one has been agreed, and it has been suggested that the full deal has not been settled even for that one. My hon. Friend the shadow Secretary of State for Health likens the current progress of that project to claiming that one has bought a house when one has not even arranged a mortgage. Does the hon. Member for Gravesham wish to put in a further pitch for his hospital to the next Government?

Mr. Jacques Arnold: The right hon. Lady may be interested to know that I do not need to put in a further pitch to the next Government—a Conservative Government, in their fifth term—or even to a Government including her. Will she remind the House that the hon. Member for Peckham (Ms Harman), when speaking on health matters for the Labour party, opposed the PFI and specifically scoffed at the Darenth Park project, which she claimed—drawing on so-called "leaked" documents—was in a "list B" of PFI projects? That project is now not only well ahead of any "list A" projects, but—thanks to the intervention of my right hon. Friend the Secretary of State—it has already been agreed. Is the right hon. Lady honestly able to say that that hospital in my constituency would have been possible without the PFI?

Mrs. Beckett: That was a very long intervention, presumably to disguise the fact that the hospital in the hon. Gentleman's constituency has not materialised, and—judging from the Government's overall PFI record—there is very little likelihood that it ever will. I remind the hon. Gentleman that, one year ago, the Government promised that there would be 12 new hospitals now, whereas, so far, we do not have even one.

Given the total failure of the Government's promise last year on the PFI and hospitals, how can we possibly believe what they have said this year? It all gives a new spin to the Chancellor's dismissal of all the broken promises on tax. He said:

"No one should take too seriously off-the-cuff remarks made on a wet Wednesday evening in Dudley, in the heat of a general election campaign",

which was a refreshingly candid admission that we should never trust what the Tories say about tax, the economy or health.

We should also not take too seriously anything that the Prime Minister says to get a cheer at the Tory party conference. Ultimately, the blunt truth is that the Government cannot be trusted with the health service, because their ultimate goal is to privatise it. Although the Secretary of State claims not to share what everyone knows is the aim of many in his party, only recently one of the Government's own advisers spelled out with crystal clarity the view that everyone should be forced to take out private health insurance, which would be in addition to the higher tax and national insurance contributions that the Government are already charging—in flat contradiction to all their promises. Time and again, they repeat their promises, and not only on wet Wednesdays at any location, but at the Dispatch Box and at every general election press conference.

Mr. Simon Hughes: I am as sceptical of the PFI as the right hon. Lady, but her criticism is entirely flawed unless she and her colleagues will give a commitment—we are within months of a general election—not only to revenue funding of the health service but to capital funding, which she says should not come from the private sector. Four months before the general election, why has no such commitment been made on either matter? What are the minimum amounts that the Labour party would provide for revenue funding, for capital funding, or for both?

Mrs. Beckett: I am sorry to have to fall out with the hon. Gentleman, but it is typical of the Liberal party's irresponsibility for it to think that we should do what the Government would prefer us to do—pluck figures out of the air, on the assumption that we can believe the basic case made by the Government in their Budget. We are not prepared to do that now, as we have not been prepared to do it previously in this Parliament. I shall, however, return to the hon. Gentleman's point later in my speech.

The basic message of this Budget package and of this debate is, "Thanks to our wise Government, our problems have all been overcome. We have economic success that is unprecedented in Britain's post-war history, and unparalleled in Europe"—the Secretary of State said that we are a "role model" in Europe—"which only a change of Government or a change of course can place in jeopardy." They said precisely the same thing from the Dispatch Box in the pre-election Budget of 1992, and, unfortunately, the British people gave them the benefit of the doubt.

Mr. Dorrell *indicated assent.*

Mrs. Beckett: The Secretary of State says that that message was true; that is very interesting.

There was, however, no change of Government, and there was no change of course. The Government were given the same mandate that they seek today—a mandate to deliver on their promises. "Vote Tory today," said the Prime Minister on election day, "and the recovery continues tomorrow." They promised a three-card trick—lower taxes, higher public spending and cuts in public borrowing—and here it is all over again.

The Government claimed then that—because of their skilful and prudent economic management, even with tax cuts and improvements in public services—the public sector borrowing requirement would be down to £6 billion by this year, 1996. But even after tax increases, which so far have brought in an extra £17 billion, this year the PSBR is nearer to £27 billion—four and a half times what they predicted before the election.

The Chancellor said in the Budget debate:

"We need more of this Government's determination to get government borrowing down."—[*Official Report*, 26 November 1996; Vol. 286, c. 154.]

There has been £17 billion in extra tax, but there is still a PSBR of £27 billion.

Despite the Government's explicit and repeated promises—the Secretary of State made promises on health today—that there would be no increase in value added tax, no widening of the scope of VAT, no increase in national insurance contributions and no new taxes and charges, they did the lot. However much we may accuse them of deceit—which we do—no one can say that they were not thorough. They even took the one action that no one had predicted: to increase income tax by freezing or cutting allowances. I suppose that we may imagine the Chancellor saying, "May as well be hanged for a sheep as for a lamb."

Today, adding insult to injury—which the Government have made something of an art form—they claim not only that people are better off today than at the most recent general election, but that that is the Government's doing. I heard the Chief Secretary make that claim in last Wednesday's debate. He said:

"the average family will be about £20 a week better off next year than at the time of the last general election."—[*Official Report*, 27 November 1996; Vol. 286, c. 384.]

The Secretary of State for Health made the same claim today, and he explicitly stated that it is the Government's achievement.

Mr. Patrick Nicholls (Teignbridge): This is a horrible speech.

Mrs. Beckett: Yes, I agree that that was a horrible speech.

I should like to share with the House the experience of a friend who works for a small local builder—*[Interruption.]* The hon. Member for Teignbridge (Mr. Nicholls) will be interested in this comparison.

Mr. Nicholls: Will the right hon. Lady give way?

Mrs. Beckett: Not now; I am about to tell this story.

It was a large local builder, but a few more years of the Government's "unprecedented economic record" made it a small local builder. Recently, the friend found some old wage slips. He is currently working exactly the same hours as he was then. Because of the conditions in the building trade, he is working at exactly the same hourly rate, but he takes home £4 a week less. That is the

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Government's doing, and that is the impact of their tax increases on disposable income. But there is more—more VAT; more new taxes and charges, such as those on insurance; and higher council tax—to pay out of that reduced income.

The Government cannot be trusted on tax or on health care because, as they proved in 1992, they cannot be trusted on the economy.

Mr. John Townend (Bridlington): Does the right hon. Lady agree that businesses want certainty? I have read that this "windfall tax" may not apply only to privatised industries. Will she tell us how that tax will be defined and which companies will have to pay, or will she give a categoric undertaking that it will apply only to privatised industries?

Mrs. Beckett: The Government have already provided a whole day for a debate on the windfall tax; if they want to provide another one, no doubt they will do so. I do not have the slightest intention of trying to prejudge any Budget that my right hon. Friend the shadow Chancellor may bring to the House; I am discussing the Budget that the current Chancellor presented last week and, indeed, the Budget on which the hon. Gentleman and all this other shower fought the previous election.

As I was saying, in 1992 the Conservatives proved, in their election address and the way in which it was falsified, that they cannot be trusted on the economy. But, of course, that was not the first time. In fact, it was the third time, and the Government are trying with this year's Budget to make it the fourth.

In 1983, the Government cut taxes a month before the election and cut spending a month after. In 1987, they cut taxes before the election and the spending that they promised never materialised. In 1992, of course, they promised to cut taxes and to cut the tax burden but reneged on that promise more comprehensively and more thoroughly than any Government in British history. Just as they told half-truths, if not downright untruths, on tax, so almost everything they said about the economy then, like everything they say about the economy today, is either half-true or untrue. They never look at both sides of the coin or of the balance sheet and never present the whole picture of where Britain actually stands.

The Government boast that exports have risen—the Chief Secretary did so again on Wednesday—but the Chancellor's Red Book shows just how poor their performance has been. Yes, exports are up—for example, in September by an excellent 2.4 per cent., taking us to a record of £14.2 billion—but imports are up even more, by a not so excellent 4.6 per cent. As a result, Britain has a deficit on the nation's current account, a deficit that has persisted for 10 years of the Government's economic stewardship. The Chancellor said, with his usual cheerful complacency, that that account was almost in balance—but we are supposed to be, as he claimed in the Budget speech, five years into a recovery, and we still have a deficit.

Our deficit on international trade is even worse and has endured for 13 years. As the Red Book acknowledges:

"The deficit on trade on non-oil goods widened a little last year. . . The overall deficit is forecast to widen a little in 1997"—

that is presumably a little further. In fact, the non-oil deficit is forecast to be a massive £18 billion in 1997.

Although manufacturing provides two thirds of our export earnings, the Government are always happy to highlight our surplus in services, without which, of course, the current account would be nowhere near balance. Unfortunately, that, too, is forecast to fall in 1996 from its level in 1995. As a consequence, the near balance that the Chancellor mentioned on the current account is itself set to deteriorate in 1997 and to deteriorate still further in 1998.

Even in the one area of some good news—the balance of payments current account—the forecast of improvement in 1996 will not be sustained. It will get worse in 1997 and worse still, according to the Red Book, in 1988. "Widen a little" is the euphemism—the forecast is that it will almost double from £2¼ billion in 1996 to £4¼ billion in 1997.

These are all alarming figures. To put them in the context of the Government's many claims to be doing better than others in Europe—to be, as the Secretary of State claimed, a role model—let me remind the House of another Government claim in which there is some substance but much misdirection. *[Interruption.]* Substance in the improvement, misdirection in the actual achievement.

In 1991, 1992, 1993 and 1994, Britain had the worst trade deficit of the EU Twelve but—I must be fair—there has been some improvement. Last year, we had only the second worst deficit of the EU Twelve—so much for the best prospects for a generation.

The Chief Secretary to the Treasury (Mr. William Waldegrave): As the right hon. Lady is talking about trade, and I am sure that she wants to be fair, will she confirm that the 1980s were the first decade in many decades—the first since the war, I think, although I am not certain about that—in which Britain held its share of world trade and that that record was matched by no Labour Government?

Mrs. Beckett: I have not had a chance to scrutinise the figures that the Chief Secretary gave in the recent debate, but I shall certainly do so. He is arguing that we have stood still while others have continued to improve. What he says does not alter the facts—we had the worst trade deficit of the EU Twelve and last year we had only the second worst deficit.

The problem is that our manufacturing base is small. Output is flat—there has been no increase in the past 12 months. In November last year the Chancellor was, as ever, optimistic. He said:

"Manufacturing investment"—

it is certainly the seedcorn of growth—

"is forecast to increase by over 10 per cent. both this year and in 1996".

In fact, it rose in 1995 by a far more modest 5 per cent. Even in the Red Book the Chancellor is forced to admit that manufacturing investment

"fell from the fourth quarter of 1995 to the second quarter of 1996."

It did not increase by 10 per cent. last year as the Chancellor predicted it would. We do not yet have the full figures for this year; but, far from the forecast rise of another 10 per cent., on the most recent figures, it fell by

14 per cent. in the last quarter compared to the same quarter a year ago. In fact, manufacturing investment is still, in real terms, below the level it reached in 1979 and probably below replacement levels.

The Government ignore the alarming figures, preferring to boast of high levels of inward investment which can be welcome, although it is wise to remember that not all inward investment creates new plant and employment in this country. A United States utility buying a British utility also counts as inward investment. The Government boast of a greater growth in productivity than in the countries with which we compete—again, we welcome that greater productivity—but they rarely mention that we still have a long way to go to catch up.

It is on the basis of such half-truths that the Government rest the claim that Britain is the enterprise centre of Europe and all the rubbish about Britain being a role model—if only we were fit to be a role model. The whole picture—the whole record of 17 years—shows that Britain is not even in the top three in Europe for growth, investment or even job creation. It is not even in the top half of the league tables.

The Government so dislike having these facts, and they are facts, spelled out to the British people that, as happens with any criticism of their record, they accuse those of us who dare to point them out—the Secretary of State did so a moment ago, sotto voce—of running Britain down. But it is this Government, with their lamentable record of failure, who are running Britain down. Our argument is as different from running Britain down as it is simple to understand. We argue simply that Britain can do better than this.

The Government say that the future belongs to those who prepare for it. Investment is the key to equipping Britain to meet the challenges of the future. That is not only our view but that of the Confederation of British Industry, the Engineering Employers Federation, the Institute of Directors, the British chambers of commerce and the Trades Union Congress, all of which called on the Chancellor in this Budget, as they have in successive Budgets, to protect and, as a priority, to enhance investment in education and training and in the transport infrastructure and to work to make a success of the private finance initiative, but not to use it as an excuse for further cuts in the Government's own capital programmes. All that advice has fallen on deaf ears.

In fact, this Budget is characteristic of much in the Government's general approach. They do not listen but continue to put the short-term interests of their party above the long-term interests of the country. Nowhere is that more evident than in their approach to the Europe Union—an approach, incidentally, which itself threatens the inward investment of which they boast. Inward investors tell me of their worry that decisions on Europe taken by the Conservative party are damaging Britain's interests there and that if we left Europe, they would leave us.

Mr. Andrew Rowe (Mid–Kent) *rose—*

Mrs. Beckett: I am happy to give way to the hon. Gentleman, who I think is pro-European.

Mr. Rowe: I was wondering whether we are edging towards an implied outline of the windfall tax. It is clear from what the right hon. Lady is saying that, provided companies promise that they will continue their investment, they will not be subject to a windfall tax. Her argument is that no damage to investment should be caused by any taxes.

Mrs. Beckett: That was a good try, but I am sorry, I was not edging towards anything. I am not identifying the windfall tax, nor am I discussing it. As the hon. Gentleman may have noticed, I am discussing this year's Budget, which is the subject of the debate, and the Government's lamentable record.

At the Conservative party conference, the Prime Minister declared that Britain had to take part in talks about the handling of moves towards economic and monetary union and that our national interest required a British presence in those negotiations and discussions. I agree. However, that is just as true about an issue on which the Prime Minister does not make the same point—the social chapter. There is a genuine discussion to be had about the social chapter, but it is not the discussion that we are having in Britain, or the discussion that the Conservative party seeks to foster, which is more like Grimm's fairy tales to frighten the children.

There is as little truth in what the Government say about the social chapter as in what they say about tax. Only two issues are covered by the social chapter today: a directive on unpaid parental leave, which was voluntarily agreed by employers and trade unions across Europe, and a directive on works councils, which applies only to large companies that operate in several member states. Although we are not in the social chapter, 99 British companies, from Vauxhall to Guinness—which would have to set up a works council if we were in it—have set one up anyway. We are affected by what is decided under the social chapter, but we have no say in it.

The social chapter excludes industrial relations, despite the Prime Minister's claim to the contrary. It excludes discussion of pay, including the issue of a national minimum wage. It includes a condition that everything that might in future be discussed must be examined with special care for its impact on small and medium-sized businesses. That is all the opposite of what the Government are telling businesses.

Mr. Dorrell *rose—*

Mrs. Beckett: If the Secretary of State will forgive me, I want to finish this passage. It may answer the question that I suspect is in his mind.

Although no one has ever proposed using the social chapter or any other mechanism to import the social security system of another member state—it is hard to imagine that anyone ever would, because each country has a different system, relating to its different history and social and industrial traditions—Britain retains a veto. My right hon. Friend the Leader of the Opposition has made it plain that Labour would exercise that veto in the extremely unlikely event of such a proposal being made.

Mr. Dorrell: The right hon. Lady's next paragraph did not cover my point. She said that the social chapter contained only two directives at the moment. It is true that the powers contained in the social chapter have been used so far to pass only two new pieces of legislation, but the

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key point is that the social chapter is an empowering provision, setting out the rules for approving new regulations by qualified majority vote. That is why Labour Front Benchers are wrong to imply that Britain would have a choice on which regulations to adopt if we signed the social chapter. Will the right hon. Lady confirm that the social chapter sets out provisions that can be approved by qualified majority voting? Is that right or wrong?

Mrs. Beckett: I am happy to confirm that the reason why the social chapter contains a provision for change by qualified majority voting is that the Government accepted that in negotiations. It is not the result of any action by the Labour party or a Labour Government.

Mr. Dorrell: It was nothing to do with the Labour party.

Mrs. Beckett: The Secretary of State is entirely right. This Government gave up the veto and brought in the procedures for qualified majority voting.

Mr. Dorrell *rose—*

Mrs. Beckett: I am answering the Secretary of State's point.

It is also true that the social chapter is one area to which qualified majority voting applies. However, the social chapter currently contains nothing but those two directives. Of course further proposals could be brought in under it in future, but in the meantime, as a result of the Government's opt-out, Britain has no say in any further proposals that might come forward. We are affect by the social chapter, but we do not have a voice.

Mr. Dorrell: I am pleased that the right hon. Lady has confirmed the key point. The social chapter allows the introduction of new legislation by qualified majority voting. Why does the Leader of the Opposition appear not to know that when he implies that we can pick and choose?

Mrs. Beckett: This is the deal that the right hon. Gentleman's Government did. They decided to agree to qualified majority voting and brought in the Maastricht treaty. It was not the Labour party. My right hon. Friend the Leader of the Opposition has never said that he does not recognise and accept—

Mr. Dorrell: Oh, he has.

Mrs. Beckett: I heard the speech to which the Secretary of State is mistakenly referring. My right hon. Friend did not make the statements that the Secretary of State suggests. My right hon. Friend has always made our position on the social chapter crystal clear, including making a commitment—which, if I recall correctly, the Prime Minister has not made—that he would veto any proposal to change our social security system through the mechanism of the social chapter.

On the social chapter, the minimum wage and the farcical mess over the 48-hour directive—described untruthfully yet again by the Government as preventing people from doing overtime, when it does no such thing—the revealing feature is that the Government's policy is for Britain to aim low, to be the cheapest and to undercut the worst. In contrast, we want Britain to be the best.

We believe that our only future lies in supplying goods and services of high quality, not of low quality. We must use the skills, talent and potential of our people to the full. That is why we want to develop and build on programmes such as technology foresight and enhance the work of business links—proposed in our most recent manifesto, not that of the Conservative party—which promote the use of new technology and give the best advice for marketing, for design and for the development of export potential.

We regret the Government's failure to reform competition policy for the good of all or to strengthen regulation of the utilities, as we would do, so that their duty to the consumer is secure. In their legislative programme and in the Budget, the Government have ceased to govern to secure Britain's interests, seeking only to hang on to power until the last gasp in the hope of securing their own interests.

In his response to the Budget, my right hon. Friend the Leader of the Opposition referred to the Prime Minister's interview in Los Angeles a year after the last election, in which he revealingly admitted that, despite all the claims of recovery made during the campaign, he had expected a catastrophic drop in popularity within a year. The Prime Minister said, with his customary modesty, that he had been remarkably prescient. I say that that is because he knew that he and his party had been remarkably dishonest.

The 1992 pre-election Budget was designed to obscure the true state of Britain's economy after 13 years of Tory rule. This one is designed to obscure the failure and fraudulence of that one. The intention is to try to persuade the British people to forget the Government's record and again to place their faith in the Government's promises.

For the Government to be awarded a fifth term of office would be a vote of confidence unprecedented in British political history. It is for the people to decide whether they have earned such a vote of confidence.

Mr. Tim Smith: They did last time.

Mrs. Beckett: When the people come to make that judgment—

Mr. Smith: And the time before.

Mrs. Beckett: They must weigh in the scales not just the promises—

Mr. Smith: And the time before that.

Mrs. Beckett:—but the risks of a fifth Tory term. I do not know why the hon. Member for Beaconsfield (Mr. Smith) is shouting so much. He was in the Chamber when we debated the 1992 Budget. Every promise that he and his right hon. and hon. Friends made on that day has proved false. Has he gone back to apologise to his electorate for those false promises?

Mr. Smith: I was pointing out that, before every election—1992, 1987 and 1983—we have heard the same

threats and promises about a Labour Government. No Labour Government have been elected, and no Labour Government will be elected this time.

Mrs. Beckett: Is the hon. Gentleman saying that he told lies to the British people at three successive general elections and got away with it, so he hopes that he will again? That seems to be the purport of what he is saying. The Government promised tax cuts and public spending increases in 1983 and they did not deliver them. They did the same in 1987 and did not deliver them. In 1992, they promised massive—massive—cuts in taxation.

Mr. Dorrell: Blame the people.

Mrs. Beckett: Blame the people? I blame the Government. How dare the Secretary of State say that. The Government told the people a pack of lies and they now blame the people for believing them.

Mr. Dorrell: The right hon. Lady is saying that the people got it wrong. Until Labour Members understand that it was not the people who got it wrong but Labour, they will stay on the Opposition Benches.

Mrs. Beckett: The Secretary of State is admitting that Labour told the truth at the last election and he regards that as a mistake. We have never blamed the British people. The British people have every right to expect that any political party coming before them at election time will place before them promises and pledges that have some credibility.

The Secretary of State clearly has no shame. The British people were entitled to believe that there must be some truth in what the Government told them. The people had that belief and placed their confidence in the Government. They were betrayed on every promise and pledge. It would be an unprecedented vote of confidence if the Government were returned—

Mr. Nicholls: The right hon. Lady has already said that.

Mrs. Beckett: Yes, I have and it remains true—just as I have already said on many occasions, and am happy to repeat, that the hon. Gentleman and the Conservative party placed a false prospectus before the British people at the last election. Does the hon. Gentleman want to confirm that?

Mr. Nicholls: It would also be an unprecedented vote of confidence in the British people if the right hon. Lady would clarify what she said about the utility tax on 16 November. She said then:

"We do not rule out any of the privatised companies. You cannot rule out any section of the privatised companies."

Will she tell us which companies will be covered by that tax?

Mrs. Beckett: As I was saying, the British people—[HON. MEMBERS: "Answer him."] I am not going to bother with the hon. Gentleman. He is not worth it.

At the next general election, the British people will have to weigh up not only the Government's promises and record but the risks of a fifth Tory term. If the Government were re-elected, they would believe, with some justice and as they have made it plain that they almost believe already, that they had carte blanche—a licence to do precisely as they pleased.

Apart from the Government's initial record, given what we know of their pledges to abolish inheritance tax and capital gains tax, if they were re-elected it would mean the end of the welfare state that my generation has taken for granted. People would be reliant solely on their personal employment and earnings record to enable them to insure against unemployment and ill health, to educate their children or to provide an income in retirement. All that at a time when there is no such thing as a safe job or a secure profession.

Of course, we shall be told that all this is scaremongering or even, as the Government said in a special campaign guide at the last general election, "disgraceful scaremongering". That was said of our prediction that, given the state of the economy, if re-elected the Tories would raise or spread value added tax or national insurance contributions, or invent new taxes and charges. We were telling the truth then and we are telling the truth now.

I referred to the Prime Minister's interview in the *Los Angeles Times*, in which he also said:

"We have been here for 15 years,—there is no one else to blame for anything that has gone wrong."

The Government make claims for success unprecedented in Britain and unparalleled in Europe, yet they have had opportunities unprecedented in Britain and unparalleled in Europe. From the North sea alone, they have had revenues equivalent in today's money of £22 million every day for 16 years. Privatisation—selling the nation's silver, Harold Macmillan called it—has brought in revenues equivalent to £13 million every day for 16 years. From those two sources alone, the Government have had the equivalent in today's money of £35 million every day of the week for a solid 16 years.

Britain should be the enterprise centre of Europe. The fact that we are not and, that we are outsold by our competitors, and the state of our transport infrastructure, hospitals, houses and schools, must all lie at the door of this Government, with their unprecedented record and their unparalleled opportunities.

Britain could not afford the deceit practised on the British people at the last general election, still less can it afford to offer the Government the chance to betray our people again.

5.33 pm

Mr. Michael Alison (Selby): In the last sections of her speech, the right hon. Member for Derby, South (Mrs. Beckett) made a great deal of promise, pledge and fulfilment in successive elections. I hope that she recognises the real measure of internal contradiction in the Labour party's approach to the national health service, which was what my right hon. Friend the Secretary of State for Health emphasised most. The right hon. Lady and the Labour party are probably right to say that health is the overriding concern of most electors at a general election, but she combines that proposition with the view that only the Labour party can be trusted to deliver on the national health service.

That was the twin proposition put forward in 1979. In that general election, the electorate gave the Conservative party the benefit of the doubt, so the Labour party

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repeated the proposition in 1983—that health was the issue that people cared most about at a general election and that, guess what, only the Labour party could be trusted to deliver on health care. By that time, however, we had had a Parliament run by the Conservatives, so the proposition was rejected. After a Parliament of health care under Conservatism, the Conservative party was massively returned in 1983.

The Labour party did the same again in 1987—it had become almost a Freudian tic. By this time, the argument was wearing thin. In 1987, there was a massive return for the Conservative party on the basis that health was the most important topic, but people were beginning to think that the Conservative party could be trusted on health. By 1992, the Labour party was getting desperate. It was still convinced that health care was the most important issue in politics, but could hardly go on saying that only the Labour party could be trusted to deliver on it, so it produced a lot of hare-brained, sad cases of things that had gone wrong in hospital or in surgery. We remember the case of the child whose operation on her ear had gone sadly wrong. That is what Labour turned to in an effort to show that the Conservative party could not be trusted to run the national health service. The result in that election was the biggest popular vote for a political party in post-war history.

So, the thesis has run a bit thin. It is rather like trying to persuade people, after a headline about a bad aircraft crash, that it is not safe to fly. One cannot persuade people that it is not safe to fly and one cannot now persuade people that the national health service is not safe in the hands of the Conservative party. That is undemonstrable after four elections and there is to be a fifth election in which that manifest and self-evident truth is to be demonstrated yet again.

My right hon. Friend the Secretary of State vividly demonstrated the case—in the figures that he gave for the next tranche of investment in health care—that the public believe that the national health service is safe in the Conservative party's hands. They have no reason to believe that the same argument applies as applied in 1979 when this circus started.

Ms Jean Corston (Bristol, East): The right hon. Gentleman says that the national health service is safe in the Government's hands. What does he have to say to my constituents, who find that only two dentists in my constituency now provide national health treatment, while all the others provide some sort of insurance plan? Is that the sort of success that he is trumpeting?

Mr. Alison: The hon. Lady will find that in any period in which the Conservative party has been in power since 1979 she or her colleagues could have pointed out some deficiency or defect in the national health service that we would all have liked to have put right. To return to the flying analogy, occasionally something goes wrong, but one cannot persuade people that it is not safe to fly and by producing that sort of individual example, one cannot persuade people that the national health service is not massively efficient and effective. It is appreciated by between 80 per cent. and 90 per cent. of all those who go into a surgery or hospital. They know that it is an admirable service and that has been demonstrated in four successive elections.

Without testing the patience of my colleagues too far, I should like to dwell on one particular aspect of the Budget that is not directly related to health care, although that comes into it. I want to press the Government to push open even further a door that I am extremely glad to say they have opened ajar. The topic I refer to is the married couple's allowance. That allowance is manifestly a recognition in our taxation system that the married state is uniquely significant and calls for some unique efforts and features to support it.

I believe that that special recognition is well founded because marriage is after all society's established and recognised customary framework for providing a stable, enduring and committed environment for raising children. Recent research has confirmed that children whose parents separate are more likely to have problems relating to education, health and behaviour than those in families where the parents stay together. There is also evidence that children in lone-parent families do less well educationally. In response to the claim that cohabitation can deliver the claimed special advantages of marriage just as effectively, research as well as common sense show that a good deal more is involved in the commitment of marriage than in cohabitation. Marriage involves public vows of lifelong commitment and entails a legal change in the status of the partners.

Evidence from the British household panel study shows that married couples are far more likely to stay together than cohabiting ones, even when children are part of the latter relationship. The further perceived advantages of marriage include public expenditure, when a child or children are brought up within, for example, a single-earner family, where mum stays at home to look after the children—judged in a context in which support for lone parents, without the normal family environment, cost about £10 billion last year. The Chancellor had to find that money.

Another spin-off from marriage is extended family care, especially of elderly relatives, parents or some other dependant. Marriage also seems to improve a couple's health.

Against that background, it is not surprising that some powerful voices have spoken up in favour of marriage. Cardinal Hume has said:

"A comprehensive family policy is needed to ensure that a range of Government policies, including . . . the tax and benefit system gives better help and proper recognition to parents who wish to look after their own children at home."

The Leader of the Opposition said recently:

"it should be the job of any government to strengthen and nurture families, and to include in the assessment of any policies the impact they will have upon the family."

My right hon. Friend the Prime Minister has said:

"The Government believe that married couples should receive recognition through the tax system."

John Habgood, who used to be a constituent of mine and who lately retired as Archbishop of York, has said:

"If we are to signal the importance of marriage, especially as a stable environment to raise children, society needs to recognise this through the tax system."

Last but not least I am happy to say that my right hon. and learned Friend the Chancellor of the Exchequer said in his Budget speech:

"The tax system does recognise marriage, contrary to popular belief."—[*Official Report*, 26 November 1996; Vol. 286, c. 171.]

This year's Budget gave expression to that, and I want to pay tribute to my right hon. and learned Friend not only for uttering those words about marriage but for putting his money, modestly, where his mouth is. He has further improved the married couple's allowance for the second year running and it has risen from £1,790 to £1,840 for the tax year 1997-98, although its value is, sadly, restricted to 15 per cent. only of that new figure.

It would certainly be churlish, indeed impolitic, not to recognise the significance of the trend that my right hon. and learned Friend has now clearly established to pay more than lip service to the married couple's allowance and to begin its revalorisation—or to continue it as he did last year. I hope that my right hon. and learned Friend and the Economic Secretary, who is listening to the debate in his absence, recognise what a long distance they have to travel to make the married couple's allowance something of significance and weight in our taxation system.

The married couple's allowance had been frozen for five years since it was introduced in 1990 at £1,720. It has now gone up to £1,840. The £1,720 was given in 1990 at the taxpayers' marginal rate, then either 25 per cent. or 40 per cent. From then until 1995 the amount of the married couple's allowance remained unchanged and the rate at which it was given was reduced, first to 20 per cent. and then to 15 per cent., its current level, even though other tax allowances were increased in real terms and the 20 per cent. lower rate band was introduced. As a result there was a marked switch in the tax burden—continuing a trend that has gone on for between 20 and 30 years under the administration of all parties—away from single people without children on to married couples with or without children. Married couples were paying more than £2 billion a year more in tax, an average of £3.30 a week each, than they would have been paying if those earlier changes since 1990 to which I have referred had not been introduced. There has been a decisive shift in the burden of taxation from single people on to the shoulders of married couples.

I should like to cite an example supplied by Mr. Charles Colchester, chief executive of the charity CARE—Christian Action Research and Education. Let us consider a couple, who this year, under the new regime introduced by the Chancellor, are earning £15,000 a year. A cohabiting couple without children will benefit by £288 in total. Meanwhile a married couple, where one partner stays at home to look after the children or an elderly or dependent relative, will benefit by just £150. Similarly, a lone parent will also benefit by just £150.

It is sad to note that despite the revalorisation of the married couple's allowance which my right hon. and learned Friend has tackled in the past two years, one is still better off as a cohabiting couple under our present arrangements than one is as a married couple, especially where there is a single earner and the other partner looks after the children at home.

I hope very much that my right hon. and learned Friend and the Economic Secretary will focus on that anomalous undermining, almost betrayal, of the approbation and support that everybody gives to marriage. Somehow that support is not properly validated and endorsed by the tax figures.

This year my right hon. and learned Friend has once again reduced the basic rate of income tax—from 24 to 23 per cent. Perhaps next year he will seek to reduce it from 23 to 22 per cent., on track for the 20 per cent. rate. If he is tempted next year to reduce the basic rate to 22 per cent., he should remember that if the married couple's allowance was raised to £2,000—instead of the £1,840 to which it has been raised this year—it would be worth significantly more to a married couple. It would be worth much more to a married couple—a single-earning unit—with or without children at home than a reduction in the basic rate by another 1p in the pound.

I hope that my hon. Friend the Economic Secretary to the Treasury will convey to my right hon. and learned Friend the Chancellor the desirability and necessity of extending yet further the help that we seek to give to married couples. It is one of the options that my right hon. and learned Friend should consider next year alongside a further reduction in the standard rate. The married couple's allowance delivers more help and support where it is most needed than any other instrument that we can devise within the limits and constraints of this year's, and probably next year's, Budget.

5.50 pm

Mr. Clive Betts (Sheffield, Attercliffe): I want to deal with two major aspects of the Budget. I shall first consider the Government's claim to have found a miracle cure for the ills of the British economy. I believe that the economic recovery is based on shifting sand—far from being a miracle cure, the recovery of the past few years has not been even marginally satisfactory. Secondly, I wish to show that the Budget simply repeats the broken election promises that have littered the Government's record during the past five years.

The recovery that we are now seeing in this country is very fragile. The Government's forecast shows that it is based wholly on growth in consumer expenditure, not on a fundamental improvement in the economy's long-term prospects. I still have some manufacturing and engineering industries left in my constituency—

Mr. McAvoy: You are lucky.

Mr. Betts: As my hon. Friend says, I am lucky. In many parts of the country, the manufacturing sector was largely wiped out in the 1980s. Manufacturing output in this country is slightly less than 2 per cent. higher than it was in 1990—before the recession. That is not a recovery.

Even worse, and even more alarmingly, manufacturing investment has fallen by 14 per cent. in the past year. Far from a recovery led by investment—the base for long-term continual improvement that we should have—the current growth in consumer expenditure could quickly lead to overheating in the economy and the Government having to take measures to deal with it.

All of us with manufacturing industries in our constituencies that should be encouraged to develop are worried about the fragile nature of any consumer boom that the Government may be stoking up. The fragility of the economy also worries consumers, who want higher living standards, but not if they are based on an increasing trade gap as we suck in imports because we cannot produce the goods at home.

[Mr. Betts]

A couple of years ago, firms in my constituency pointed out that, as exporters, their markets were growing—many of them have done relatively well, which is to be welcomed. But the problem was that the growth in exports was based almost wholly on the fact that the Government's economic policy, on which they set so much store at the last general election, collapsed within a few months, when there was a massive devaluation of sterling. That was why our exporters started to do relatively well.

It is also a matter of great concern that, as the pound starts to rise—only a few days ago in the House, the Chancellor was talking up the value of the pound—it will make life much more difficult for our exporters in the months ahead. There is almost certain to be a rise in interest rates to reflect the concerns of the market, both about increasing consumer expenditure and about the unsustainability of that rise. An interest rate rise will have an effect on home owners and a long-term impact on our exporters. The improvements that exporters have seen in the past few years may prove to be short-term and unsustainable.

Mr. Alan Duncan (Rutland and Melton): If a high exchange rate is detrimental to our exports, why has Germany been such a successful exporting country over the past 40 years?

Mr. Betts: That depends on which way round it occurs. The deutschmark has been strong because Germany has had a successful economy. If the hon. Gentleman were to consider the issue that way round, he would answer his own question.

Conservative Members like frequently to refer to Britain as the enterprise centre of Europe, but none of them can seriously doubt that Germany's economy is fundamentally much stronger than this country's. It is simply not good enough for Conservative Members to talk about this country being the enterprise centre of Europe, as though saying it makes it true. It is not true. One only has to consider Britain's place in the international skills table—it dropped to 42nd in 1996—or in the world prosperity league—it has dropped to 18th—to show the true position that it has attained under this Government.

We do not simply have to be concerned about the Budget, its impact and the fact that it does nothing to deal with the problems of manufacturing investment. It has had a bad effect on investment in the public sector.

At the last election, the Government promised to make Britain the best housed country in Europe. That is a sick joke for those in this country who live in appalling housing conditions—the 1.5 million people who live in unfit homes, and the homeless families who visit their local authorities every day to ask for housing. Germany has a bigger gross domestic product per head than this country, but we spend less than half of what Germany does on housing. Despite the fact that, since the last general election, the Government have cut by half the public expenditure on capital investment in housing, the Budget included a further cut of more than £500 million.

We know that the Government do not like local authorities or local authority housing. If they were honest, they would presumably say in their next election manifesto that they intend to get rid of local authority housing. They used to believe in the provision of housing through housing associations, but even that seems to have gone by the board. The housing association movement will suffer most from the reduction in housing capital expenditure contained in the Budget.

Next year, housing associations will be allowed to start fewer than 30,000 new homes. In the same week as the Budget was announced, the Secretary of State for the Environment came to the House with new projections showing how many new homes needed to be built in this country. He broadly accepted the recommendations of the Select Committee on the Environment, which said that this country needed about 250,000 new homes each year, of which 100,000 should be in the social rented sector.

There will therefore be a gap of more than 70,000 between the Select Committee's projections of what is needed in the social rented sector and what the Government are prepared to allow. The Government are not making available the necessary funds for housing associations to build new homes.

That is why it is right that the Opposition have made a commitment to release the set-aside capital receipts from the sale of council houses that total about £5 billion. Those receipts are with local authorities, and they are willing to spend them. The Government gave that commitment when they introduced the right-to-buy legislation in 1980. The present Deputy Prime Minister gave a clear commitment that those funds would be made available for local authorities to spend. A future Labour Government will honour that commitment.

Mr. Duncan: Is the hon. Gentleman happy to say that it is Labour party policy immediately to add that £5 billion to the public sector borrowing requirement as a result of releasing those council house receipts?

Mr. Betts: The hon. Gentleman should be aware of accounting conventions, which are the same as those that existed when his right hon. and hon. Friends in government promised to do exactly that with the capital receipts when the right-to-buy legislation was introduced—they promised to allow local authorities to spend them.

Only three years ago, the then Chancellor had a moratorium on the freezing of capital receipts, and allowed local authorities to spend them for a period of 18 months. We have clearly stated that those receipts will be released on a phased basis, so that the construction industry can cope with the increased demand. They will be released, in terms of current accounting conventions, to deal with this country's housing problems, which he and the Government he supports have done nothing to tackle.

Mr. Duncan *rose—*

Mr. Betts: I shall not give way again to the hon. Gentleman—I have done so twice already.

The other issue relating to public investment is the private finance initiative, which is now merely a device. The Government originally introduced it as a means of adding to public investment, but it is now simply a substitution for investment programmes that were

previously in the Red Book and have now been taken out. A cut of £2 billion was made in a previous Budget, and that has been continued in this Budget.

Mr. Graham Riddick (Colne Valley): Will the hon. Gentleman explain why, when he was leader of Sheffield council, he decided to spend millions of pounds on the world student games rather than on building new houses, as he is now saying he wants to do?

Mr. Betts: It is interesting that the hon. Gentleman asks that question. In fact, the money was spent not on the world student games, but on infrastructure and investment for new leisure facilities. One million people each year use Sheffield's international swimming pool as a public service. The arena is a major attraction and forms part of the economic regeneration of the Don valley area of Sheffield.

At the same time as we were doing that, Sheffield city council entered into an arrangement with Nationwide building society and various banks and housing associations to create a housing partnership scheme which built more than 2,000 new homes in Sheffield. After we signed that deal, the Government specifically brought in regulations to stop other councils doing the same thing, because we in Sheffield were so successful at building new homes by those methods. I hope that that answers the hon. Gentleman's point.

The PFI is now a substitution—but not an effective substitution—for the cuts in public investment that the Government have previously planned. Go and talk to anyone in the private sector—or, indeed, the public sector—and they will talk about the bureaucracy and delays; the one hospital instead of the 12 that should have been delivered; and the fact that the Government have been unable to deal with the transfer of risk problems on so many schemes. In fact, there is a real problem in the health service related to the transfer and privatisation of clinical responsibilities.

If the Government ever get their plans off the ground, they will be establishing a massive problem of deferred expenditure, with no proper monitoring system—especially in the Department of Health—for accounting for future expenditure commitments. Financing is more costly—at least 2 per cent. more than direct public borrowing. The Treasury accepted, in a note to the Select Committee on the Treasury earlier this year, that there is no difference, in macro-economic terms, between borrowing through the PFI and borrowing directly through the public sector.

Finally, the public finances as presented by the Chancellor are in an appalling state. The Chancellor now says that his aim is to get the public sector borrowing requirement balanced by 2000-01; but every year the Chancellor makes that promise, he moves on by another year the date by which it is to be achieved. Achievement of the target gets no closer as each Budget comes and goes.

The PSBR forecast this year is £26 billion. At the time of the last election, the forecast for this year was £6 billion. That £26 billion figure is £4 billion more than the Chancellor forecast in last year's Budget. Even the forecasts we have contain three elements that are not necessarily sustainable. First, there is the PFI forecast, which has enabled the Chancellor to cut forecasts for direct public investment. Is that sustainable, or will we simply not have certain public services if the PFI fails to get off the ground?

Secondly, we have the Government's commitment to deal with tax loopholes, but there is no direct comparison between the money that the Government say they will spend and the money that they say they will save. That calls to mind the "Alice in Wonderland" joke that the Chancellor threw back at my right hon. Friend the Member for Dunfermline, East (Mr. Brown) only a few months ago. The Government are assuming £12 billion in saved revenues over three years, but nobody is quite sure how that will be done.

Finally, we have the sleight of hand in respect of unemployment forecasts for benefits. This is the first time ever that a Government have produced unemployment forecasts—if only hidden ones—so that they can project a reduction in benefit payment costs. That has never been done before: the convention has always been that the Government have based forecasts on unemployment as it stands, not on future reductions that they believe will happen. Such assumptions have never before been made when making forecasts for public finances. That demonstrates the precarious nature of the public finances that the Government are leaving for their successor to deal with.

I have one further issue to deal with—broken promises on taxes and education. Whether the Government promised at the last election to reduce tax year by year, over the lifetime of a Parliament, or overall, or whether they promised to reduce direct taxation, does not really matter, because they have broken all four of those promises, and have done nothing to redeem them in this Budget.

My right hon. Friend the Member for Sedgefield (Mr. Blair) said immediately that, over the lifetime of this Parliament, the average family will have paid more than £2,000 in additional taxation. The increase is clear in terms of the percentage of gross domestic product that is paid in taxation: at the last election, that was 34.25 per cent., but at the next election it will be 36.25 per cent.—an increase of 2 per cent. of GDP.

All that the Government can say in their own defence is that we should be making comparisons with the tax year 1991-92, instead of 1992-93. The Government should face the fact that the last election took place in the tax year 1992-93. That is when they went to the public and made their promises, so it is against the base of that tax year that they should be judged.

On Saturday, *The Guardian* published an independent analysis of the tax implications of the Budget produced by Coopers and Lybrand—I doubt that the company is a paid-up member of the Labour party. Every salary group—whether single people, married couples or couples with children—paid more tax under this Government. They would all pay more tax in the next tax year than they had paid in the tax year in which the last general election was held. *[Interruption.]* One or two Conservative Members are muttering, but few people are now willing to challenge the assertion that the Government have broken their promises on taxation, and that people will be paying more in tax at the time of next general election than they were at the last election.

Let us now turn to education. The pretence that there is more money for education in the Budget is a confidence trick played on schools, parents and pupils. The

[Mr. Betts]

Government's statement that standard spending assessments have risen by 3.4 per cent. or £591 million does not produce any new money for education. The SSA system is simply a means of distributing grant among local authorities. In terms of what local authorities can spend in total, the reality is that the spending limits of English counties with education responsibility will, on average, rise by a maximum of 2.2 per cent., and those of the metropolitan districts by 1.8 per cent.

My own authority, Sheffield, will have its capping level increased by only 1 per cent. If the authority decided to spend 3.4 per cent. more on education, it would have to cut all other services—including services to the elderly, libraries and refuse collection—by between 4 and 5 per cent. in real terms. An increase of 3.4 per cent. is roughly what schools need to stand still, all other things being equal, because of rising pupil numbers. That is not a possibility for Sheffield and most other authorities.

The Government therefore have not produced new money. They have told local authorities that they can go ahead and spend more on schools, but they have not mentioned that the price will be cuts in all other services, including social services.

In addition, the Government have held down grant allocations to local authorities to an average of 1.5 per cent. Given that the average capping level rise is only 2 per cent, to provide increases of 3.4 per cent. in education, authorities will have to make cuts in other services. Authorities will also have to impose council tax increases of 6 per cent. to compensate for the inadequate increase in total Government grant.

The Budget headlines are a trick of mirrors or sleight of hand to try to make people believe that there is more money for education, but that those wicked local authorities—of which the Tories now control so few—are preventing the money from getting through to schools.

During Prime Minister's Question Time recently, the hon. Member for Sheffield, Hallam (Sir I. Patnick) claimed that Sheffield, as an authority, was somehow holding back far more than other authorities in terms of central services for education. He got the figures wrong: he quoted a figure of £350 per child for administration in Sheffield's education service, and that is totally untrue.

The £350 figure includes expenditure on items such as supply teaching, psychiatric and welfare services and other important services. The primary head teachers in Sheffield have said that they would rather the local authority provides those services, because the schools get a better deal that way. The actual cost per child of administration in Sheffield is £39. It is £1 above the average—nothing like what the hon. Member for Hallam said, and nothing like the difference that could allow more resources to be released into schools if only the local authority wished.

There is little in the Budget for the unemployed. The Government promised to reduce and eventually abolish capital gains tax and inheritance tax. That will benefit a few richer people. On the other hand, the unemployed and the poor suffer cuts in the training and enterprise council budget and in benefit entitlements.

The Budget does nothing to tackle the economy's underlying failings. It does nothing to repair, or even effectively disguise, the broken promises on tax, housing and education, for which the Government are responsible. The electorate will hold the Government accountable for those economic failures and broken promises as soon as they are prepared to put their record to the test of a general election.

6.9 pm

Mr. John Greenway (Ryedale): In the past couple of hours, questions about honesty have been bandied about. If there is any justified criticism of the Government whom I have supported for the past five or six years, and continue to support, it is that we have sometimes made conflicting promises, but at the previous general election we promised to keep up the value of old-age pensions and child benefit, and we have done so. That is a proud record, which we should sing more than we do.

No doubt, during the next general election campaign, the argument that took place during the previous general election campaign will be repeated. Anyone taking a dispassionate view of the arguments as to which party is most likely to spend and tax more, would conclude that it is the Labour party.

I find it difficult to stomach hearing speech after speech—as we do from Labour Members week after week in the House—about the level of taxation when everyone knows that, had Labour won the previous general election, taxation would have increased dramatically and we should not have had the economic recovery of the past five years.

The Budget was good because it was like last year's Budget, which was also a good Budget. It had the right key priorities and struck a balance.

What should be the Government's first priority? The last time that I spoke on these matters in the House, just before the previous Budget, I said that Conservative voters, especially, want the Government to do the right thing by our hospitals, the police and our schools. The Government did so and have done so again. As the hon. Member for Sheffield, Attercliffe (Mr. Betts) said, some of the cost of that must be met by council tax payers, but I believe that parents and local communities want schools to be properly resourced and I am sure that they are willing to pay for that as long as local authorities are prudent and sensible in their expenditure plans.

What should be the Government's second priority? The Budget has further reduced public spending as a percentage of gross domestic product. That percentage has not come down as fast as I know that my hon. Friend the Economic Secretary to the Treasury and her colleagues in the Treasury would have liked, and nor has the public sector borrowing requirement, but a Government must take decisions that ensure that front-line services continue to be properly funded while creating a tax structure that encourages enterprise and produces economic results, and we have done so. Things are on a much better footing than I suspect some people, even Labour Members, thought likely a year or two ago.

What should be the Government's third priority? Another reason why I welcome the Budget is that the Government have introduced further changes in the income tax regime, not only to meet obligations on tax allowances and thresholds and to match inflation but to bring nearer a 20p basic tax rate. The most significant statistic about tax—one that we should bring to the public's attention much more forcibly than we do—is that now about a quarter of all taxpayers pay tax at only

20 per cent. That is especially important for families and households on relatively low incomes, especially those working in the rural economy. In the context of tax promises, I shall be proud to draw to the attention of voters in my constituency the fact that more of them now pay tax at only 20p in the pound. We must continue that process.

Time has shown last year's Budget to be a success. A year from now, we shall look back and see that last week the Chancellor introduced a sensible package to meet all those priorities. We may look forward to a continuing improvement in our economic performance, but we should not lose sight of some comparisons.

Our position relative to Germany has been mentioned. Germany is a strong economy, but at the moment the indicators are moving in the wrong direction, as they are for many other countries on the continent. Last week, the French Government caved in to union power. It may be a bit of a pun to say that many other people will jump on the bandwagon, but many more people in industries in France will seek a retirement age of 55 and pay increases of up to 12 per cent. They will see, as we can see, a deterioration in the economy of that great country.

The comparison between what is happening in this country and what is happening in other member states of the European Union enables the Government to say with conviction that not only are we doing well, but we are doing so against a background in which others are not doing anything like as well as they were. Their economies are moving in the wrong direction in terms of unemployment, output and so on.

I shall briefly discuss some specific changes that were introduced in the Budget and one or two matters that should have been mentioned.

The decision to freeze the uniform business rate for many small businesses is excellent news. We need to establish quickly who will be eligible. The announcement does not enable us to ascertain which businesses in our constituencies will benefit from that welcome decision. I want to be in a position to do so as soon as possible because, in the past four or five years, despite the Government's best efforts in introducing the UBR to protect businesses from local authority spending, many smaller businesses—in the service sector especially—have had to pay a business rate that has increased as a proportion of their costs.

We need a longer-term solution than the freeze that the Chancellor announced last week. That announcement is welcome recognition that there is a problem, especially for small service sector industries, and I want us to take an increasing number of those businesses out of the business rate altogether, or to introduce it in a way that links what they pay to their turnover and profitability instead of to the value of their property. In many rural villages, where property values are again increasing, business rate valuations have no relevance to the ability to pay of the small business.

As for excise duties, the drinks trade has lobbied long and hard about the problems caused by cross-channel shopping. The duty on Scotch whisky has again been reduced, I note, and no doubt the industry welcomes that, but we in the north are concerned about the beer industry. Freezing beer duty is certainly a welcome step, but I believe that the Government must adopt a broader perspective. Freezing duty so as to make it less attractive to pop over to Calais with a van and bring back huge consignments of beer is one thing, but there is still no resolution to the proposed merger of Bass and Carlsberg Tetley. If that does not go ahead, the brewing industry in the north of England will face serious structural difficulties.

I shall deal now with the duty on fuel for transport. Although the proposals to help the road transport industry become more environmentally friendly are welcome and imaginative, they remain medium to long-term proposals. Their effects will not be felt immediately, and it will take quite some time for many small haulage contractors to take advantage of them. In the meantime, their costs are set to rise again—costs which they cannot always pass on to the customers whose goods they move around the country.

The increased price of fuel poses a real problem for businesses in rural areas. It is my privilege to represent thousands of square miles of north Yorkshire, where we cannot move goods around in any way except by road. You, Madam Deputy Speaker, will know from your experience of the west country that if duty on road transport fuel continues to rise, in the long run our rural economies, where long distances are involved, are bound to suffer.

On behalf of my hill farmers, I should like to thank the Government for the increase in the hill livestock compensatory allowances for beef cattle. Doubtless we shall have other opportunities to discuss that; but the increase has been extremely well received and was certainly necessary.

I want to mention two disappointing aspects of the Budget as well. The first is that the Chancellor felt unable further to reduce betting tax or pool betting duty. I declare my interest as president of York City football club and as chairman of the all-party racing committee. The football club is very worried about the falling revenues received by the Football Trust and by the Foundation for Sport and the Arts, owing to the significant reduction in pools income and hence the money available to the pools companies. In spite of everyone's best efforts, including efforts by the Government, to bring about an increase in the levy paid to the horse racing industry to promote and sustain the sport, that levy is declining because betting shop turnover is declining and betting shops are closing. About 900 of them have closed in the past year.

If this continues, the law of diminishing returns will apply. I know that Treasury Ministers recognise the problem. The difficulties are, of course, being experienced because of the lottery's success. Now there is to be a midweek draw as well, which will only make matters worse. All this has left the rest of the betting industry and the parts of the sporting world which depend on income from the pools or from the horse racing levy with the feeling that the lottery is being greedy by introducing a second draw. That may or may not be true, but it is clear that we need to sit down and take a careful look at betting tax, the pools betting duty and tax on the lottery. I hope that in the months ahead we shall have a chance to do that with Treasury Ministers. The Treasury has a clear interest in the continuing profitability of horse racing. The yield from the horse racing betting tax in the past 12 months was about £365 million. Taxes and VAT on the racing industry bring the Exchequer considerable revenue.

[Mr. John Greenway]

My second disappointment was caused by the Chancellor's decision to increase insurance premium tax to 4 per cent. Here I declare a real interest, having worked in the insurance industry for 25 years and holding, as I do, many insurance industry interests. The decision was greeted with mixed feelings. There was disappointment with the increase, but there was also relief that the industry's worst expectation—that the tax might rise to 6 per cent.—was not realised. It seems that our representations to Ministers were not wholly wasted.

The 17.5 per cent. rate for essential warranties and some travel insurance will create additional complications. I do not want to outline how to resolve them this evening—except to say that when IPT was first introduced, the industry found Customs and Excise and Treasury officials extremely co-operative and helpful in finding ways of implementing the intentions practically and sensibly. We should like to make representations this time once the position is somewhat clearer.

The problem arises because it seems that if people buy a policy through one channel, they will be taxed at 4 per cent. but if they buy one through another channel, they will pay tax at 17.5 per cent. That is a recipe for further abuse and chaos, so it needs reconsidering. I can understand why the Chancellor wanted to stop people evading a charge of 17.5 per cent. VAT on purchases by distributing the price paid as between the warranty price and the price for the goods themselves. Such methods are of course helpful to those who sell the goods, but I am not entirely sure that what is proposed will act to prevent only that—there could be other consequences.

There is some truth in the Chancellor's point that there is no real evidence to show that the 2.5 per cent. rate has had an adverse effect on the purchasing of insurance by the public—at any rate on what we call the personal lines: house contents, cars and so on. The fact is, though, that the tax was imposed at a time when rates have been extremely competitive in any case. Now I see no chance of absorbing the extra 1.5 per cent., which will pose a serious difficulty for big corporate risk insurance and for trade and credit insurance. The increase will have some impact on insurance purchasing habits.

Here again we need to sit down with the Treasury and work out a way forward. Had I been Chancellor—fat chance of that—I am not sure whether I would have described this increase as a temptation I could not resist, but it would be wrong of any Treasury Ministers, in this Government or the next—please God we shall have the same team—to think that they could tweak up the tax another 1 or 2 per cent. every year or so, regarding the insurance industry as a milch cow for raising a few hundred million pounds whenever the Budget sums looked a bit tight. I hope that that second temptation to which the Chancellor succumbed will be the last one for insurance premium tax.

6.29 pm

Mr. Simon Hughes (Southwark and Bermondsey): A hundred years ago, the Health Visitors Association was created. Its headquarters is in Southwark street, just over the bridge in my constituency. It is competent at observing and reporting on the state of public health, particularly in urban Britain. Before any Government introduce a Budget and establish their priorities, they must consider which social ills need to be cured, which social needs need to be met, and how much the balance between tax and spend can achieve that.

The director of the Health Visitors Association has observed that social conditions in Britain are now returning to those of the previous century. She said:

"It is a tragedy that as we now approach the end of the 20th century, the many improvements in health and welfare are being undermined by the effects of desperate poverty on a national scale."

My constituency reflects that growing divide in Britain. We have affluent second and third homes along the river and rundown council and other estates elsewhere, with many people in poor-quality private accommodation. Some people have done very well—some of Thatcher's children have done very nicely, thank you—but, with a few exceptions, the gap between the rich and the poor has widened and social equity has therefore been reduced.

Budgets must be judged not just by how they bring about the basis for general economic recovery, but by how fairly they distribute the profits and benefits of that recovery for the community as a whole, and how much everybody stands to gain. A good test of that is whether we can adequately fund one of the great equalisers in our society—the national health service—and put it on a secure and firm footing for future generations.

I do not intend this to be a canter-round-the-course debate about the health service, because we have adequate opportunity to do that, but there can be no disputing the fact that the health service is patchy. Every week, the King's Fund, an objective reporter on health matters, publishes *Health News*, in which it reviews the week's health news. Ten days ago, it reported stories that had appeared in the space of a week with headlines as varied as these: "Hospital calls halt for operations not paid for by fundholders"—that was the famous Norfolk and Norwich hospital, which we heard about in last week's Budget statement; "Fears over pill safety lead to 3,000 more abortions"; "Parents sue after baby's death in 'dirty ward'"; "Air pollution soars above danger levels"; "Hospital drug error may have damaged baby's brain"; "Aids virus on the increase in cities"; and "Hospitals warn of worst funds crisis for years".

Towards the end of that section of the publication, there is a report by the annual British social attitudes survey, which came out a few days ago. As the right hon. Member for Selby (Mr. Alison) implied in his speech, it showed that most of the public would be prepared to pay higher taxes to improve the NHS.

Mr. Nicholls: Will the hon. Gentleman give way?

Mr. Hughes: I shall give way just once.

Mr. Nicholls: The hon. Gentleman may recall spending part of his summer holiday coming down to my constituency—without doing me the usual courtesy of telling me that he was coming—and terrifying people in Dawlish by saying that their hospital—*[Interruption.]* The hon. Gentleman thinks that this is funny, but he terrified frail and vulnerable people in Dawlish by telling them that the private finance initiative would never deliver their hospital. Had he picked up the telephone or written to me, I could have told him that a decision—probably favourable—was expected by October or November. That

happened in the end, so the hon. Gentleman should get rid of his smirking veneer of sincerity towards frail and vulnerable people within the national health service and take this opportunity to apologise to some of my people for the gross deception that he practised upon them.

Mr. Hughes: First, I am sure that they are not the hon. Gentleman's people any more than they are anybody else's. Secondly, I informed myself on the basis of information from the Department of Health, which I regard as more reliable than the hon. Gentleman. Thirdly, it was "the hon. Gentleman's people", including the chair of the Friends of the Hospital—

Mr. Nicholas Budgen (Wolverhampton, South–West): Chairman.

Mr. Hughes: As it happens, it was a man. The chair of the Friends of the Hospital expressed concern that, like so many PFI projects, that project had been continuously delayed.

Mr. Duncan: It was not delayed.

Mr. Hughes: It had been delayed. The hon. Member for Teignbridge (Mr. Nicholls) knew no more about it when it was to be announced than anybody else.

Mr. Nicholls *rose—*

Mr. Hughes: I shall not give way again. The hon. Gentleman knows that I was given my information by the Department of Health—*[Interruption.]*

Mr. Gerald Bermingham (St. Helens, South): On a point of order, Madam Deputy Speaker. The word "dishonest" was just used by the hon. Member for Teignbridge (Mr. Nicholls). That word should not be used under the rules of the House.

Madam Deputy Speaker (Dame Janet Fookes): I heard the word but did not think that it was a reference to the hon. Member for Southwark and Bermondsey (Mr. Hughes) personally. Will the hon. Member for Teignbridge (Mr. Nicholls) clarify that?

Mr. Nicholls: I meant that the intellectual exercise that leads to performances of that sort—disobeying Madam Speaker's recommendation to tell Members of Parliament when one intends to intervene in their constituencies—is dishonest. Of course, the hon. Gentleman is an honourable Member and he, personally, is not dishonest.

Mr. Hughes: The people of Dawlish believe what they see and at last they have some good news about the rebuilding of their long-awaited and delayed local district general hospital in that small town. I am glad about that, but there is no question but that everybody was becoming so frustrated by the PFI process and by the Government that the whole exercise will have done the hon. Gentleman and his party no favours.

People are still concerned about the problems in the health service, which have led to a report in today's *The Daily Telegraph* that John Radcliffe hospital, Oxford provides a two-tier service: patients of fundholding GPs are told that they can have their operations, and patients of non-fundholding GPs are told that

"no non-urgent cardiac surgery will be conducted during December".

We still have a long way to go before we provide fair and adequate resources for our health service. In a moment, I shall suggest what we should have done in addition to what the Government have done. I also wish to comment on other parts of the Budget.

I share with the hon. Member for Sheffield, Attercliffe (Mr. Betts) the concern that we shall worsen poverty and bad health if we keep cutting the housing budget. Many people—about 30 per cent. of the population—still live in rented accommodation or are waiting for decent accommodation. Every year that we cut back the housing budget, we build up a legacy of repairs and poorer health. People will suffer greatly because of the changes to housing benefit that have been announced. When we discussed the Housing Bill in 1988, the Government said that all increased rents would be met by housing benefit. We knew that that would not be true then and it is proving not to be true now.

As the hon. Member for Vauxhall (Miss Hoey), my parliamentary neighbour, argued in this place a couple of weeks ago, other groups in society are not being looked after adequately. Asylum seekers are allowed to be here while their appeals are heard, but they now find that many of them will not be funded at all. Neither are they allowed to work, even they are willing to do so.

Although it has been doing so well, London Transport, which is important not just for London but for the functioning of the capital city and therefore of the economy as a whole, has had its budget considerably reduced. London Transport has a huge amount of work that it wants to do; it simply wants the controls over how it can borrow and invest lifted. Had that been done, and had London Transport been given decent investment, it could have gone ahead with the renewal of the capital city that we all want.

Unlike the Labour party, my colleagues and I have set out our alternative Budget and costed it. We have said that one of the prerequisites is to take significant numbers of people out of poverty by removing 700,000 people from the taxpaying group and paying for that by introducing a higher rate of income tax of 50 per cent. on higher earners. We have set out a programme of proposals that would maximise the number of people in employment: the more people in employment, the fewer who would be dependent on social security. That must be a national priority.

Mr. Tim Smith: Will the hon. Gentleman give way?

Mr. Hughes: I will not give way, only because other hon. Members want to speak.

We have set out, as the Secretary of State acknowledges, a commitment to the health service—as have the Government—to a considerably greater extent than the Labour party. I was tempted to intervene a second time during the introductory speech by the Secretary of State, when he was teasing the Labour party, rightly, about when, if ever, we shall get a Labour health policy. I gather that tomorrow at the Queen Elizabeth II conference centre there will be an opportunity for people to tell the

[Mr. Hughes]

Labour party what its policy should be, as it clearly has not decided yet. If the Secretary of State and I have some spare time, perhaps we could go along and offer our suggestions. It is a disgrace that the party of Nye Bevan and of the foundation of the health service is willing to commit so little.

The health service must be funded at least to keep pace with inflation—not just national inflation, but inflation in the NHS—and to make up for underfunding in the past. Tomorrow night my colleagues and I shall vote against the cut in income tax, as we did last year, because we believe that the Government cannot con the public that they can both cut taxes and increase investment adequately in the public services. Neither the Government nor the Labour party are convincing when they try to argue that. Presumably, Labour Members will again refuse to join us in the Lobby, and will support the Government or sit on their hands. If that is the case, all I can say to Labour Members is that their argument that they will adequately fund the health service, as well as the education and housing services, falls flat—on the last occasion before the general election when they have the opportunity to put their votes where their words and public commitments are.

Mr. McAvoy: On the subject of politicians putting their votes where their words are, would the hon. Gentleman care to comment on the local Liberal party in my constituency, which supported a Tory Government and a Tory Secretary of State for Scotland in turning over to a private company an NHS hospital for geriatric patients? Does the hon. Gentleman support that?

Mr. Hughes: The hon. Gentleman raises a matter of which I have no knowledge, so I shall not comment. I shall consult my colleague who speaks on Scottish affairs—as the hon. Gentleman knows, the health service in Scotland is run through the Scottish Office—and my colleague will no doubt give him an honest and accurate answer. In my view, the Government are not engaged in an exercise to privatise the health service, but as a by-product of their policies, more people are turning to private health care. That is unsatisfactory and shows that the Government lack a persuasive fundamental commitment to the NHS.

The figures have been analysed time and again. Last week the Secretary of State and the Chancellor made their much heralded announcement of an extra £1.6 billion for patient services. I accept that that is a true cash figure, but what it means in real terms entirely depends on the level of inflation in general and in the health service. I accept that, for capital and revenue spend, there is likely to be a small increase in the budget next year. There is a relatively large budget in revenue spend, but a reduction in capital spend. The overall figure shows a 0.9 per cent. net increase in budget. In the view of independent commentators, that is at best extremely tight, and may not be sufficient to meet the demands of the NHS.

I shall make two other comments, which make it clear that, to understand the figures, we must consider, first, inflation in the economy as a whole—whether it is likely to be 2 per cent., as the Government calculate, or more likely to be 2.7 per cent., which it is now—and secondly, whether there is additional inflation in the health service. The Chancellor accepted last week that there was, and that has been the case until now.

In its commentary, which I do not regard as the most impartial, *The Guardian* last week under the heading, "Ken's economy with the truth", quoted the Chancellor as saying:

"'For next year, we will increase current spending on patient care services by £1.6 billion, or 2.9 per cent. in real terms'",

and commented:

"True, but not the full story. Most of the increase comes from cuts elsewhere. Projected NHS investment has been slashed in real terms by 10 per cent. in 1997-98. The Budget assumes that the Private Finance Initiative will plug the gap, but only one new hospital deal has been signed so far. Only £470 million of new money has been allocated to the NHS next year, on top of the zero growth planned last year."

I commend to colleagues, although I do not propose to read it into the record, the Budget special in the *Health Service Journal* this week, which makes it clear that after deducting all the sums needed for inflation, growth in the number of elderly and so on, about £436 million is left, which has been taken over from personal social services, and about £97 million in the pot as real new money for this year. The most striking feature is that for the second year running, there has been such a significant cut in the capital budget—16.4 per cent. last year and 16.9 per cent. this year—a one-third reduction in Government-funded capital spend in the NHS. That takes place against a background of £2 billion—according to a Government answer a couple of weeks ago—of arrears in funding in the repair bill facing the NHS.

It was interesting that the Secretary of State said so little about the private finance initiative. Perhaps we shall have to return to the matter. The PFI always promises much, but delivers much less. Of all the approved projects, few have been signed up—so few that the Chancellor found only one example to give in his Budget speech. The figures last year showed £100 million committed by April 1995, £250 million in the pipeline and £1 billion by the end of next year.

It was noticeable that in this year's Budget statement, the figure projected over three years was less than that, and it is noticeable that the amount coming through in the PFI is decreasing in relative terms all the time. That is not surprising, because many contractors say that, without insurance, it is not worth their tendering.

The effect of the cut in personal social services looks extremely worrying. Hon. Members on both sides of the House will feel the impact on community care and social care out there in all our constituencies. The figures suggest a real needs increase per year of 12 per cent. since 1992-93, but a real fact increase this year of only 1.8 per cent. Local councils will be asked to pick up the tab, but many will not be able to do so, because of the effect of the Budget decisions announced last week on the Department of the Environment and local government spend.

I welcome—as I hope do all hon. Members—the fact that we are moving towards accurate, weighted capitation in the health service. Unfortunately, the Budget does not yet reflect the needs of all health authorities across the country. Although I am glad of the significant cash injection of £18 million in my health authority area, which brings us much closer to our target—I shall argue about

the details later—some colleagues in outer London may argue that their health budgets are falling short and that local authorities will face considerable difficulties next year.

Some factors did not feature in the Secretary of State's list of priority areas. All the four specific, top-sliced areas are important and I am grateful that they will receive more money. Obviously, everyone would like to see more than has been allocated, but I think that extra funding is going to the right areas: mental health, mentally disordered offenders, primary care, and training for people in the health service.

However, we are yet to hear how quickly the Government plan to deal with the scandal of mixed-bed wards. We need to know when the Government will address the problem of recruiting and retaining staff in many areas. It does not matter whether they come from Finland, Hackney or the Caribbean: we first need the staff. Their genesis is a secondary issue. We still face enormous staff shortages. I heard only this morning that one department at Guy's lacks a senior sister and that two others have unfilled posts. It is sad that there appears to be a reduction, in relative terms, in funding for campaigns—let only cures—for conditions such as HIV and AIDS. I say that in the knowledge that yesterday was World AIDS Day and that tomorrow the Secretary of State will address the all-party AIDS group.

Three questions remain unanswered by the Government: first, what criteria do the Government use when plucking an arbitrary figure for efficiency savings, which many feel is completely without justification; secondly, why have we still not moved to three-year contracts in the health service rather than one-year negotiations, which would save much money; and, thirdly, why have the Government not given up the silly idea that pay must be negotiated locally? That takes up too much time and uses more money and health resources than national pay negotiations.

I believe that, in the circumstances, the health settlement is relatively generous and that the health service should be grateful for it. Some problems remain: the funding is not enough. The Government must devote more money to the health service as a percentage of gross domestic product and as a percentage of the annual allocated taxpayers' cake. My colleagues do not believe that that will be achieved by cutting taxes. I believe that people would have forgone the tax cut in favour of an extra allocation to public services.

Despite those reservations, I am grateful that the Government have realised, as the right hon. Member for Selby said, that health is the nation's priority area of concern. I am glad that the Secretary of State and his colleagues have ensured that next year's expenditure increase will be greater than this year's increase. We wait—with some frustration, impatience and disbelief—to see whether, between now and the eve of the general election, the Labour party will come near to matching the commitments of, surprisingly, the Government or my own party to the NHS.

Madam Deputy Speaker: Before I call the next hon. Member, it is abundantly clear that a number of hon. Members wish to contribute to the debate. Unless speeches are considerably shorter than they have been, I fear that many hon. Members will be disappointed.

6.53 pm

Sir David Madel (South–West Bedfordshire): I shall follow your advice, Madam Deputy Speaker, and get a move on. I noted the qualified support of the hon. Member for Southwark and Bermondsey (Mr. Hughes) for next year's health expenditure, but I shall not dwell on it. I shall refer to the forecasts of my right hon. and learned Friend the Chancellor and to two items of Government expenditure that are always tied to the Budget.

In referring to the economic situation, my right hon. and learned Friend said correctly that we needed another five years to fulfil the Government's commitment to raising the wealth-creating potential of the British economy. In other words, we need more industrial expansion and greater industrial innovation. That is the only way that we can fulfil his wish for unemployment to

"drop through the 2 million mark."

He added:

"But that is too high. I want it to go on falling and I expect it to go on falling."

That is welcome encouragement for Conservative Members.

My right hon. and learned Friend referred also to the need for inflation to stay low, which is another encouraging sign. He said:

"We are on course to get underlying inflation down to our target of 2½ per cent. or less".

Persistent low inflation points to three-year wage and salary deals becoming the norm in industry, with resulting industrial peace. If we move to three-year deals, we should concentrate on achieving single-union deals and no-strike clauses through voluntary agreements. That will assist industry—and the Government should remember that they are still an employer in several important sectors.

My right hon. and learned Friend also said that he would pay particular attention to industry's views when considering his interest rate policy. I share his optimism when he says:

"Any risk to this recovery from inflationary pressures re-emerging remains a good way off."—[*Official Report*, 26 November 1996; Vol. 286, c. 156.]

That is encouraging. Slightly less encouraging is the November quarterly inflation report from the Bank of England, which states:

"To ensure this outcome, i.e. inflation staying low, some further rise in interest rates is likely to become necessary in due course."

I hope that the Bank of England will have less anxiety about interest rates and more faith in the Chancellor's correct interest rate policy. He has listened more attentively to the voice of industry than to those at the Bank of England, who are almost invariably pessimistic.

As to state spending, I welcome the increased expenditure for schools and universities—particularly the extra £20 million for science equipment. In his Budget speech, the Chancellor referred to student loans and who will manage the debt. I think that it will take time for the student loans policy to fit comfortably with the arrangements for financing the cost of higher education. Whatever the Dearing committee recommends next year, surely this country can afford to maintain the present tuition fee arrangements—if Government spending

[Sir David Madel]

priorities must be rearranged, so be it. Referring to his attempts to change student debt and push it to the private sector, my right hon. and learned Friend said:

"I emphasise that the sale will have no effect on the terms on which students can get loans".—[*Official Report*, 26 November 1996; Vol. 286, c. 159.]

That is very reassuring for students in the higher education system and for those who will enter it next year.

As we have a merged Budget and spending programme—I am glad of that fact—I turn to the roads programme, the car industry and the general manufacturing industry. We need to have a much more sharply focused debate on which roads can be afforded and what is needed. I do not think that anyone advocates the everlasting widening of motorways: our priority should be strategically situated bypasses. There should be bypasses in certain towns that need a boost to industry and bypasses around other towns and villages that are choked by traffic. That should be the Government's priority for roads spending.

We should worry less about the increase in car ownership in this country. I have long felt that a mobile work force is much more efficient than one that is not. We should remember that the continued growth in car ownership is caused in part by the increasing number of women in paid employment who make a major contribution to the country's wealth. No amount of propaganda by anti-motor car groups will convince me or my constituents that somehow the private car can be replaced by a mass of buses or by railways that cover the country. That is simply not practical. Of course, there is an onus on Government to improve public transport—particularly in the London area—but the best way to get people out of cars and on to tubes or buses is by ensuring that industrial peace, which was at last attained on the tubes in autumn, is here to stay.

The Government need to examine their regional policy. A fresh look should be taken at the way in which regional grants are made available, as it should at travel-to-work areas. The Government should pay special attention to infrastructure and to the grants that are given for manufacturing in the south-east. It is 50 years since we started a policy of London overspill into the home counties. People were moved out of London not just to live in the home counties, but with the prospect—it was fulfilled—of having jobs near where they lived. A huge transfer of population did not take place merely to ensure that people had to commute all the way back into London to work.

There has been a tilt in regional grants to areas away from the south-east for so many years that there is no longer a level playing field. Now is the time for the Government to take a fresh look at regional grants and make the necessary changes. They should remember especially that it is the road systems in certain south-east towns that need attending to critically if we are to keep competitive industries in the region.

Linked with the Budget—we had a statement the next day—is the revenue support grant settlement. It is relevant to ask for how much longer capping on local authority expenditure should continue. Of course, no tax is popular. Taxation has never been popular, and it never will be. The council tax, however, has proved far more acceptable to the public than ever rates or the poll tax did. When we introduced council tax, of course, we separated out the question of taxation for businesses.

There would be a difference this year if we were to lift the caps on shire county expenditure. There is an automatic braking system—the local elections on 1 May. In shire county halls, all three parties are jockeying for position. In my view, however, nothing concentrates their minds more carefully than the fact that all three parties must face local elections on 1 May. It is for them to justify what level of expenditure there should be and on what they will spend that money. In my view, the change should be phased, because not every authority has an election next year.

I think that we can now safely start to move powers back from Whitehall to local government, but not in one fell swoop. Let us base that movement on the proximity of elections, when the people locally can decide whether they approve or disapprove of what has been carried out.

All Budgets are balancing acts for Chancellors. They become more and more difficult every year, given the intense pressure for a higher level of state spending, and this year is no exception. What stands out in this Budget, in my view, is the commitment of my right hon. and learned Friend the Chancellor of the Exchequer to keep inflation low and to continue policies that reduce unemployment. With that economic background, as long as we talk nicely and politely to the electorate, the governing party, the Conservative party, can still see the general election there for the winning.

7.3 pm

Mr. Brian H. Donohoe (Cunninghame, South): I, too, will be brief. Somebody once said—the comment may well have been made by an official in the Treasury—that there were

"lies, damned lies and statistics."

Given the Chancellor's Budget statement last week, we are now in a position to say that there are lies, damned lies, statistics and—courtesy of the Chancellor—pre-election Budgets.

There is no doubt that the calculations contained in the Budget would do justice to accountants who ruthlessly exploit tax loopholes and whose activities the Chancellor now seems to see the merit in clamping down upon. Why has that recognition taken so long?

The political dust has now settled on the Budget statement and millions of voters who will determine the result of the next general election have had an opportunity to assess the impact—or rather lack of impact—of the Chancellor's measures on them and their families.

The business sector—the driving force of the economy, so we are told—has also had an opportunity to consider the measures announced by the Chancellor. Its response so far has been one of deep distrust of the direction in which the Government are taking the country.

My constituency contains Irvine new town—a new town that is still haunted by the old problem of high unemployment—and has been hit hard over the past three years by a series of job loss announcements and factory closures. We have also had to put up with staff cuts in local hospitals, the Ayrshire Central hospital, where there were major cuts, and the Crosshouse hospital, where there were even deeper cuts over the past year. Yet we heard

this afternoon from the Secretary of State for Health that we are supposed to believe that there has been an increase in the moneys available to health trusts. In my constituency, the opposite has occurred. About 200 people have lost their jobs because of the cuts that the Government have created.

There have been direct job losses and it has become more difficult for the smaller companies to survive that supplied larger companies on a subcontracting basis. We have seen Unitex, Amkor Anam, Connor Peripherals, ICI and Escom disappear or announce major job losses in my constituency. The list seems almost endless. However, the constituency is supposed to be in a hot spot for jobs.

I am talking of companies that took hundreds of jobs with them when they folded or cut production as a result of the Government's discredited economic policies. However, despite closure announcements—most recently of the Robert Wilson and Sons canning factory in Kilwinning, with the loss of 285 jobs—the Government's response to the business sector's problems has been minimal, if there has been anything worth while at all.

Last week's Budget continued the trend of Government inaction, with business people in my constituency deeply concerned that the Chancellor has put the short-term political interests of the Tory party, and its need to win the general election next year, ahead of the country's long-term interests.

Business people want to see tax cuts, but they also know that, if their own business is to succeed, they need a highly trained work force, and they need the Government to invest in the industrial and transport infrastructure to allow them to compete. Most of that money has gone amiss in my constituency. In Ayrshire, we still lack a major road link to the national motorway network; indeed, the best road out of Ayrshire is still a B road. That is rather strange in an area that is supposed to be a developing part of the country.

Business wants to see a low-taxation economy, but not at the expense of the overall well-being of the economy. Tax cuts as pre-election bribes do not fool those in the business sector, who do not believe the Chancellor's claims about increases in expenditure on education. They welcome relief from increases in business rates, but they will not forget that it was the Government who increased business rates in the first place.

The experience of the business community in my constituency—be it large employers or small businesses—is that, despite the Conservatives' claim to be the party of business, their policies have made it more difficult to get on with doing business in a way that benefits their companies and creates jobs and wealth. Business in my constituency is surviving not because of the Government, the Chancellor or his Budget statement but despite them.

Last Tuesday, the Chancellor had an opportunity of trying to get the economy and the country back on track by taking decisions that would have supported business. Instead, he chose to try to win the Tory party another general election, secure in the knowledge that, if he failed, he would not be faced with having to take the difficult decisions that will be caused by his cavalier approach to public finances.

The Chancellor said last week at the start of his Budget statement that he was not going to play Santa Claus or, at the other extreme, Scrooge. At the Dispatch Box last Tuesday, he was not so much a Scrooge or Santa Claus Chancellor as a wild west gambler, with a glass of Scotch by his side and a cigar hanging from his mouth, playing a game of high-stakes economic poker at the last chance saloon. As the reaction of voters over the past seven days has demonstrated, his Budget bluff has not worked at all. Voters have not forgotten the 22 Tory tax rises that the Conservative Government have introduced; nor have businesses forgotten the economic recession that was caused the last time the Tories played fast and loose with the public purse in the run-up to the 1992 general election.

The Chancellor's Budget was bad for the millions who are unemployed, particularly the young and long-term jobless, who still have no real hope of a job. It was bad for taxpayers on low and average incomes, who are still paying the price of previous Tory tax rises. It was bad for British business, which needs investment to support it, not short-term decision making in the interests of the Tory party. It was bad for everyone, it seems, except the Tory party, which will have to wait only six months until the next general election before electors vote to evict it from office.

7.11 pm

Mr. Graham Riddick (Colne Valley): I join my hon. Friend the Member for Ryedale (Mr. Greenway) in welcoming the freeze on business rates that will apply to hundreds of thousands of small businesses throughout the country, many of which are in my constituency. They will very much welcome that move.

I am sorry that my right hon. Friend the Secretary of State for Health is not in the House at the moment, because I congratulate him on his excellent speech and performance. He wiped the floor with Opposition Front Benchers. It was a very impressive performance. In response, the right hon. Member for Derby, South (Mrs. Beckett) said that the national health service was falling apart. Perhaps she should come to Huddersfield to see the £10 million that has been invested in the Huddersfield NHS trust over the past 18 months. We have seen a new urology department, a new A and E unit, and a host of other developments that have taken place in recent months and years. I receive many more complaints about my local Labour-controlled council than about the local national health service.

I have heard the Labour party refer to the so-called 22 Tory tax rises so many times now. We just heard the same claim made by the hon. Member for Cunninghame, South (Mr. Donohoe). What are these 22 Tory tax rises? Yes, it is fair to say that, during the recession, tax revenues fell and it was necessary to increase some taxes at that time. But what are the 22 tax rises? I had a look and discovered that, within the 22, the Labour party has incorporated four fuel duty increases over the past few years, as though no Government would have increased fuel duty. Of course a Labour Government would have done so, as indeed would any other Government, so it is somewhat facile propaganda.

Looking a little further down the list, I notice that the Labour party has included the insurance tax, not once but four times, because the insurance tax applies to more than one item. That is like me saying that when the previous Labour Government increased income tax, there were 100 new taxes, because income tax applied to dustmen, solicitors, Members of Parliament and a host of others. That would be a ludicrous thing to say, yet the Labour party keeps peddling that nonsense in the hope that if it says it often enough people will believe it.

[Mr. Graham Riddick]

The truth is that the Labour party believes in high spending and high tax. My hon. Friend the Member for Dover (Mr. Shaw) asked an interesting question in the last Parliament about tax under previous Governments. The answer that he received revealed that every Labour Government in history—with the exception of the first Labour Government, in 1924, who were in power for only nine months and therefore did not have time to do this—have left office with tax at a higher rate than when they came to power. It does no harm to remind people of the income tax that the previous Labour Government forced people to pay. People paid income tax at 50 per cent. on an income of £9,000 a year, and at 75 per cent. on incomes of £15,000 a year.

Those incomes were worth more in real terms in those days than they are today, but we are talking about very high levels of income tax, and, as we all know, the top rate of tax was a massive 97 per cent. I have no doubt that if Labour manages somehow to win the next election, nothing will change. We would see exactly the same thing happen again. A Labour Government would increase taxes as they always have in the past.

We should congratulate my right hon. Friend the Chief Secretary on his investigation into the Labour party's spending plans. As always, the Labour party intends to spend much more of taxpayers' hard-earned incomes. Indeed, the Labour party has made 89 firm policy pledges involving increases in public spending. The total cost came to some £30 billion. Those pledges are contained in this excellent document. I challenge any Opposition Member to deny that a Labour Government would seek to increase overseas aid, rejoin UNESCO, establish regional business development agencies in England, establish a business development bank, restore public ownership of the railways, increase spending on house building—about which we heard from the hon. Member for Sheffield, Attercliffe (Mr. Betts)—end council tax capping, establish a network of women's refuges. The list goes on and on, and I have no doubt that if Labour came to power, we would see those commitments put into place. They would, of course, cost the taxpayer a fortune.

I shall look at the wider issues of the Budget. There are a number of challenges and objectives that the Chancellor had to fulfil, but his overriding task was to do nothing to undermine the stability of the economy or the economic growth that the country is currently enjoying. Governments can do all sorts of things. They can spend money—always other people's money of course. They can raise taxes, to ludicrous levels, as we saw when Labour was last in power. They can pass laws through Parliament, and no one should underestimate our ability to introduce disruption and change through passing laws. The one thing that Governments cannot do is to create and generate wealth. Only companies, entrepreneurs and the people who work for them can do that. Only wealth creators can generate the revenues that Governments are only too ready to spend. Only wealth creators can produce the prosperity that we all want to see enjoyed by the people of this country.

Despite the tremendous strides in job creation that the Government have made in recent years, there are still too many people out of work. Despite the significant increase in the standard of living over the past 17 years, too many of my constituents are on low wages. That is why it was crucial that the Chancellor did nothing to upset the equilibrium of the economy, and in that objective he was successful. He has done nothing to threaten higher inflation. Public spending is firmly under control, and he has achieved that while increasing spending on the key public services of health, education and law and order. I very much welcome that. The Chancellor has done nothing to increase the risk of an interest rate rise.

However, I am concerned about one matter. A consensus seems to be developing in the City that inflation will start up again, and that interest rates will have to be increased. I am suspicious of such a consensus. The last time that there was a consensus, it was on the need to join the exchange rate mechanism. The Treasury, the Foreign Office, the Confederation of British Industry, the Trades Union Congress and all the political parties said that it would be a jolly good idea to go into the ERM, and we all know what a disaster that was. It cost hundreds of thousands of jobs in this country.

The Red Book reports that most commodity prices have levelled off, and many have fallen in recent months. Wage pressures are subdued. The latest CBI survey suggests that inflationary pressures in manufacturing remain subdued, and that producer-output prices are low, with little pressure for increases. It is important that we watch the monetary indicators. It is interesting that that arch monetarist, Professor Patrick Minford of Liverpool university, who has so often been right in the past few years, believes that the City has got it wrong. I support his view. It may have got it wrong on this occasion, because many people underestimate the extraordinary structural transformation that the Government have achieved.

The labour market has been deregulated, labour costs have reduced, and we have made crucial trade union reforms. The old nationalised industries used to put their prices up at the drop of a hat. Many of the large price increases of the 1970s and early 1980s were pushed through by the nationalised industries. We have now privatised them, and they are rejuvenating themselves. They are subject to more competition. If they are monopolies, their prices are regulated. The City consensus has underestimated the marked increase in competition, not just in the United Kingdom but from overseas.

The trend growth could now be higher than it has been in the past because of the structural changes and improvements that have been made. My message to the Chancellor is that, although he has to keep a watchful eye on inflation, he should not be hurried into premature interest rate rises.

Our overall economic outlook is bright. Growth is strong and unemployment is falling. Indeed, unemployment is lower in the United Kingdom than it is in all our major European competitor countries. It will shortly be below 2 million, while in Germany the figure is 4 million and rising, and in France it is 3 million and rising. In my constituency it has fallen by 640 since the beginning of the year.

However, two dark clouds on the horizon are casting a shadow over our success. First, Conservative Members cannot, sadly, dismiss out of hand the possibility of the Labour party winning the next election. Secondly, we face growing meddlesome interference by the European Union, and the danger that this country may be involved in a

single European currency. The two are intertwined, because the Labour party seems prepared to swallow most, if not all, of the rubbish that comes out of Brussels.

Last week, the Chancellor said that it was a happy coincidence that the United Kingdom will meet the convergence criteria, and will thus qualify to join a single currency. That is the one area on which I do not agree with him. It is an unhappy coincidence that we may meet the convergence criteria, because if we did not, there would be no chance of us entering a single currency.

That issue is proving to be highly divisive in the European Union. I dread to think what it would be like if the single currency came into being. Other countries have massaged the convergence criteria. If we were in a single currency, the United Kingdom would lose control of its monetary policy, and ultimately of its tax policy and its economy. Our experience of the ERM shows us that monetary policy would not necessarily be run in accordance with the needs of the British economy. My constituents do not want a single currency; nor do I. I will do what I can, as a Back-Bench Member, to prevent the United Kingdom from scrapping the pound and adopting a single currency.

You asked, Madam Deputy Speaker, for short speeches, so I shall draw mine to a conclusion. The Budget has done nothing to damage the enterprise economy that the Conservative Government are developing, which is yielding higher economic growth and lower unemployment than in all our major European competitors. It is crucial that we do not allow the European Union or the Labour party to ruin that enterprise economy.

7.25 pm

Mr. Bill Etherington (Sunderland, North): The hon. Member for Colne Valley (Mr. Riddick) has proved to me beyond any doubt that we are no more likely to get brevity from Conservative Members than succinctness—both are unobtainable.

I admit that I suffered the misfortune of being ill on the day of the Budget speech. I am not sure whether that was a misfortune or a bit of good fortune. As I listened to the speech on the radio, although I was depressed to begin with, it made me feel even more depressed. In line with all Chancellors' speeches since 1979, it followed the common pattern. To make it appear presentable, the Chancellor took money away from the less well-off and gave it to the better-off. Every Tory Chancellor since 1979 has consistently done that. The facts and figures are available, and eventually it will be proved beyond all doubt to the general population, who will vote accordingly whenever the election is held. I have no doubt about that.

A reduction of 1p in income tax means that the person earning £100,000 a year has 10 times the advantage of the person earning £10,000 a year. That 1p must be paid for. It is interesting to examine some of the smaller measures in the Chancellor's Budget that did not catch the headlines. Instead of going up by the rate of inflation, the threshold for inheritance tax went up by 7.5 per cent. No doubt that will help to continue the trend that has led to a reduction in inheritance tax claims from 49,000 in 1979 to only 14,000 now. We are losing revenue from people who do not really need the money. I accept that the people who are dying do not gain an advantage—whatever the rate of inheritance tax—because it is the people who follow them who are expected to pay.

A similar tale applies to capital gains tax. Conservative Members would like that to be abolished. Capital gains tax takes from the better-off for the benefit of the worse-off. Conservative Members are vehemently opposed to that, because they have shown time and again that they do not believe that anything should be done for the poorer members of society. It is interesting to note that, in 1989, £2.3 billion was raised in capital gains tax from 150,000 people. That has now been reduced to £900 million from 90,000 people. That is another valuable contribution lost.

I also take note that the Chancellor has reduced by approximately 2 per cent. employers' liability for national insurance payments. It would be interesting to know the actual percentage now paid by employers into the national insurance scheme. It was originally envisaged that they would pay a little more than employees. I am not aware that the current figures have been published. Since 1979, employees' contributions to the scheme have increased by more than 50 per cent. That is probably one of the 22 hidden taxes that the hon. Member for Colne Valley mentioned.

I should like to refer to tobacco tax. I have no interest to declare: I have no great feelings one way or the other. I accept that it would be better if people could be persuaded to smoke less. Although tobacco tax went up last year, there has been an increase in tobacco smuggling and in the number of young people and children who smoke. The argument that increasing tobacco tax deters people from smoking does not seem to be borne out. There seems to be no research on the subject: an increase in the tax is just a knee-jerk reaction. If the Government are really concerned about people's health and want to reduce smoking, why do they not consider decent health education? I do not see much sign of that. They could also consider the way that the industry advertises because that might do more good in the long term.

Another matter in which I am involved is the fluoridation of water. There is no proof that it does any good, but it takes people's minds from the real issue, which is the importance of parents properly instructing their children to look after their teeth. That is the real answer. In terms of deterrence, a tobacco tax is about as much use as is fluoride for improving dental conditions.

I did not think that I could say about a Conservative Budget that there is one measure in it that I welcome, and that is the proposed phasing out of tax-free profit-related pay. First, all disposable income should be properly and fairly taxed regardless of source. Secondly, employers have ruthlessly used that measure to ensure that their employees are paid less. Although employees benefit from profit-related pay, the population in general suffer. The removal of the scam is welcome. The airport departure tax has been increased, but I shall certainly be willing to pay my share when the Government depart in April or May. The sooner the better.

Possibly the worst aspect of the Budget ties in with what I have said so far about the Government's paranoic hatred of the less well-off. Single-parents are being targeted for vicious treatment. Their income will be reduced by about £6.40 a week, over the next two years. I do not suppose that that strikes the Government as particularly noteworthy, but I shall try to show why it is wrong. Some 40 per cent. of single-parent families have disposable incomes of less than £100 a week—but only 4 per cent. of two-parent families are in the same

[Mr. Bill Etherington]

circumstances. Once again people who have little to start with are being targeted and the Government will ensure that those people have even less.

Overseas aid has been reduced for the second year running although we are told that the economy is booming and that our successful economy is the flagship of Europe. There are not too many signs of that in terms of overseas aid. I am pleased to see that Scotch whisky is being favourably treated because there are problems about smuggling and employment. However, I do not understand why the Chancellor did not treat the beer industry in the same way. It has a terrible problem with smuggling. Last year, cider makers were discriminated against and this year the Scotch whisky industry is getting preferential treatment compared with the beer industry. I regret that and I hope that in future the matter will be examined rather more realistically.

The problem that concerns me more than any other is that of housing, which is getting worse year by year. Some interesting statistics have been provided. I declare an unpaid interest in that I am a member of a housing association which is also an alms house. I do not receive payment but on a good day I get a cup of tea and perhaps a biscuit when I attend a meeting, and that is about it. It is depressing to have to make the same remarks year after year. There has been a 72 per cent. reduction in housing association finance since 1992-93. There will be fewer than 22,000 housing starts by housing associations this year compared with more than twice that number last year. The Government are failing to reach their 60,000 a year target. The Secretary of State for the Environment thinks that another 4.4 million houses will be required by 2016, but it seems that we shall fall a long way short of that.

The National Association of Housing Federations estimates that 90,000 homes would need to be built in the social sector each year to reach that target and we will be nowhere near that. Whatever is said, the situation is getting worse year upon year. That term was used by the Secretary of State for Health in a different context, but it also applies to housing. The condition of the housing stock will worsen because less money is being made available. We often hear about a ticking time bomb. There have been riots because of poor housing and if the trend of the past four or five years continues, I fear that in the not too distant future there could be more riots. Any Government must first ensure that their citizens are properly and adequately housed. I am afraid that the Government are not doing that.

7.35 pm

Mr. Douglas French (Gloucester): I am not sure which was the more formidable contribution—the opening demolition by the Secretary of State for Health of Labour's totally untenable position on NHS funding and his exposure of its ambiguity over the utilities tax, or the way in which the Chancellor presented his Budget.

The Budget was well received by individuals, by businesses and by the markets, but not by some Labour Members; and the Budget speech was widely respected for its excellent judgments. Those who had decided in advance to dislike the Budget and reject it naturally presented their objections, but it was interesting to note the extent to which those objections seemed to be pre-packaged and orchestrated.

Like my hon. Friend the Member for Colne Valley (Mr. Riddick), I have lost count of the number of times in the past week that I have heard Opposition Members talk about the 22 tax rises. My hon. Friend was right to give more details of his research into what those 22 tax rises are said to be. They plainly include minor adjustments, technical amendments and changes in duty on tobacco and drink. In one or two cases, full indexation on allowances may not have been given. There has been no attempt by the Opposition to acknowledge the net position after tax decreases or the scale of tax decreases. They emphasise the number, but the scale is much more important.

The Opposition do not recognise that tax rises increase revenue, which is then spent on headings that are close to the hearts of hon. Members in all parts of the House—such as education, health and law and order. If Labour Members are so determined to claim that they have no sympathy with these tax increases, they must explain what decreases in expenditure they would make, having forgone the revenue from those tax increases.

In the past week, I have lost count of the number of times the Opposition have spoken about the average family having to pay an extra £2,120 in tax between the last general election and the next one. That was mentioned in the reply to the Budget by the right hon. Member for Sedgefield (Mr. Blair) and by the hon. Members for Bristol, South (Ms Primarolo) and for North Warwickshire (Mr. O'Brien) and many others. However, as far as I could see, there was no attempt to acknowledge that, when average earnings go up in real terms, it is obvious that the cash take goes up as well. If there had been no change whatsoever in the tax percentage taken from the average family, the tax take would be bound, when expressed in cash terms, to reflect the substantial rise in average earnings. The Opposition should stop making that claim.

The right hon. Member for Derby, South (Mrs. Beckett)—echoed by the hon. Member for Sheffield, Attercliffe (Mr. Betts)—attempted to criticise the use of the private finance initiative to fund hospitals. We have been told that, so far, only one hospital project has proceeded, and there was some dispute about whether the proposed hospital in Gravesham will materialise. In my constituency, we have been expecting an excellent new hospital to be financed through the PFI. I would be the first to acknowledge that progress on the project has been slow, but the only reason for the delay is that the Labour-controlled city council has found every reason to block it.

The council has been objecting to the project on planning grounds, whereas its real objection is that the PFI somehow offends its left-wing, doctrinaire attitude that the PFI and the NHS should not fit together. That is the reason why the excellent new hospital—which I very much hope the residents of Gloucester will have—has been delayed. The sooner the council changes its attitude on that matter, the better it will be for the residents of Gloucester.

Rather the same pre-packaged, anticipated and predictable reaction has come from Labour councils on the issue of expenditure. Earlier in the debate, an hon. Member mentioned "broken promises". I can mention broken promises by the Labour-controlled Gloucestershire county council. Every year for the past five years, upon hearing the Budget statement—or before hearing it—the

council has promised that it would be forced to close libraries or to sack teachers. After more careful reflection on the Budget, it has discovered that it would not be forced into keeping the "promises" that it was so determined to make.

A very similar situation is occurring in the Labour-controlled Gloucester city council. It reacted to the local government settlement by immediately stating that it would be forced to make expenditure cuts amounting to £600,000. Incidentally, it is a Labour-controlled council in which £1 million uncollected rent is outstanding, which recently decided to pay £10,000 to a firm of consultants to tell it whether its committee structure was right, and which paid £15,000 to a public relations firm to tell it what local residents wanted done with the home of Rose and Fred West, in Cromwell street.

It is also a Labour-controlled city council that gives more than 10 per cent. of its £10 million budget in charitable donations. Some of those donations support very worthy causes, but, sadly, some of them are made to quasi-charitable organisations, whose real purpose in life is to stir up political and not charitable activity.

This is the first Budget for quite a long time that has not had a savings package. Although there has been some clarification of the position on guaranteed income bonds, and there is a consultative document on life policy taxation—to distinguish between life and savings products—there is no savings package in the Budget. I regret that omission. I recall that, in the first half of the 1980s, the watchword in the savings market was "fiscal neutrality". That approach led to the abolition of, for example, life assurance premium relief, so that preferential treatment was not given to certain savings vehicles.

Thinking changed in the second half of the 1980s. A desire to encourage equity investment resulted in the introduction of personal equity plans and deposit-based savings schemes with preferential treatment, such as tax-exempt special savings accounts. It is now evident that TESSAs that are reaching maturity are providing many savers with a pot of gold for luxury purposes. I know of many examples in which maturing TESSAs are used for the holiday of a lifetime, for the purchase of a new car or for other luxuries. I have always thought that, if one planned to provide that type of fiscal incentive, it would be far better if it was for a very specific purpose.

I am very much reminded of the current debate—in which my right hon. Friend the Secretary of State has been so involved—on long-term care. His proposals have yet to be finalised, but the difficulty in doing so lies in making the cost of cover match the benefits. One of the difficulties is that a would-be policyholder will not always know whether he wants long-term care, permanent health insurance, critical health insurance, whole life cover or something else. So he has to take a gamble on which cover he should take out. I very much believe that it would be far better if there were some form of universal cover that included all those risks.

When one goes to the experts and suggests such cover, however, their answer is that it would be far too expensive unless it were taken out very early in one's career. That is why I should very much like to see the type of tax incentive that is currently given to TESSAs directed instead to a universal policy in which the arithmetic would add up if the policy was started early enough. I should like it to be directed towards an age relief at the front end of a person's career, so that the concession would be available, for example, to someone below the age of 35, but not to those who are older.

Another way in which to move in that direction would be to bring closer together the tax treatment of different types of pensions. I should like to declare an interest as an adviser to the consulting actuaries, Alexander Clay. The tax treatment of money purchase, final salary and personal pensions should be brought closer together. That would provide a savings vehicle that could be used to cover the different type of risks that I have described, including long-term care provision.

I should like to deal with the points on insurance premium tax made by my hon. Friend the Member for Ryedale (Mr. Greenway). The insurance industry clearly dislikes the tax, and it anticipated that it would be increased. Admittedly, the increase was less than expected, but it was still unwelcome. In many ways, it is not surprising that the industry would be hostile to IPT, because it makes business more difficult. Moreover, the industry foresees the chance of an inexorable rise in IPT for many years ahead, and that is unwelcome. Some would argue that it might be better not to have a separate IPT, but to incorporate it into the value added tax system, so that it would at least be possible for costs to be recoverable.

There have been many cries that the IPT increase will result in more people being uninsured, and, in particular, that they will not take out household and possibly motor and other types of insurance. That reaction is less than justified. I cannot recall that, when insurance premiums increased for non-tax, operational reasons, any spokesman for the insurance industry said that it was more likely that people would stop taking out insurance. One heard then that, notwithstanding the price increase, insurance cover remained a very good value product.

I do not think that it is tenable to argue that the customer's perception of a price increase—regardless of its origin—will cause him not to take out insurance that he might otherwise have taken out. On motor insurance, there are other ways to deal with the problem. The prediction I saw was that the average comprehensive policy might, as a result of IPT, increase by perhaps £5 a year. That amount, and far more, could be saved if the insurance industry would grasp the nettle of introducing insurance windscreen disks, as I have advocated for a very long time.

I applaud my right hon. and learned Friend the Chancellor for grasping the nettle of guarantee warranty insurances. There is absolutely no doubt that there was a loophole. The price of some electrical goods in particular was made artificially low when the goods were combined with an insurance guarantee in order to shift the balance from the 17.5 per cent. VAT applicable to the goods to the 2.5 per cent. insurance premium tax applicable to the warranty.

The Chancellor was right to tackle the problem, but, like my hon. Friend the Member for Ryedale, I very much doubt whether the proposed formula will work satisfactorily. It appears to mean that the cover for the electrical goods, for example, will bear a different rate of tax—either 17.5 per cent. or 4 per cent. IPT—depending on where it is bought and whether it is bought in conjunction with the product to which it applies. That

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seems administratively difficult to handle, and I strongly urge my right hon. and learned Friend to re-examine the matter.

Unlike the hon. Member for Sunderland, North (Mr. Etherington), I would not necessarily urge the abolition of or a reduction in capital gains tax, but I would strongly urge a simplification of the way it is worked out. It does not seem right that, although a tax may be relevant only to comparatively few people, it is virtually impossible for those people to work out their liabilities for themselves, and they have to go to an accountant.

The problem originated in the decision taken in the 1980s to index capital gains tax at a time when it was necessary to do so for inflationary reasons. Now that inflation is down to between 2 and 3 per cent., there is not the same need to compensate in the gain for any inflation. I would prefer a much simpler solution.

I do not subscribe for one moment to what I understand is the Labour party's recommendation, which is that there should be a short-term and a long-term rate of capital gains tax. That was tried before, but it did not work. The difficulty with that solution is that it encourages a sub-culture of advisers who try to convert what would normally be capital gain into income—or income into gain; it could work either way—and to avoid the long-term capital gain. Also, their judgments are distorted because the tax considerations become more important than the market considerations of the sale of whatever the asset is.

We must avoid renewed attempts to escape liability by presenting it as either a gain or an income in order to benefit from the lower tax regime. I hope that the matter will find a place in a future Budget, but I emphasise that simplifying the system is more important than abolishing the tax.

I greatly applaud the "spend to save" measures introduced by the Chancellor. On Customs and Excise, he has estimated that £88 million of expenditure is likely to produce £2.25 billion of savings from otherwise lost duties. That appears an extremely commendable step. It was probably not taken previously when there was so much pressure to reduce the number of civil servants, regardless of what they were doing. Now it seems absolutely the right step to take.

I know for certain that the news will be welcomed at the VAT office at Elmbridge court in Gloucester, where people's jobs have been under threat. They were dismayed, because they knew that they could collect revenue if they remained in their jobs, but they were told that the operation was being slimmed down. Now, I hope, they will be able to stay in their jobs and pay for themselves by bringing in revenue far in excess of their salaries. Such an approach is commendable, and the news will be well received.

I also congratulate my right hon. and learned Friend on his announcement that he is to go ahead with the plan to rewrite tax legislation in plain English. That was the brainchild of Lord Howe of Aberavon many years ago. I am pleased that he is proposing to play a part in the exercise, and I am confident that, as a result, we shall have much greater simplicity than we have had up to now.

7.54 pm

Mr. Thomas McAvoy (Glasgow, Rutherglen): It is notable that Opposition Members took to heart Madam Deputy Speaker's request that, in order to enable all hon. Members to speak, speeches should be kept reasonably brief. I fear that the hon. Member for Gloucester (Mr. French) may have deprived some of his colleagues of the opportunity to speak, bearing it in mind that I and my hon. Friend the Member for Dudley, West (Mr. Pearson) are the only Opposition Back Benchers left to speak—I know that my hon. Friend will certainly bear in mind Madam Deputy Speaker's remarks about the allocation of time.

Several hon. Members have mentioned the Government's attack on motorists and roads. Motorists have been hit by a number of tax increases—once again, they will be paying fuel duty—but the increases also affect industry and commerce. As has been said, it is from industry and commerce that we get the revenue from which all else flows. To attack road users through fuel and excise duties and the insurance premium tax damages industry as well as domestic motorists.

Scotland, Northern Ireland and, indeed, the furthermost regions of England are peripheral communities in the sense that one has to travel a long way to reach them. That is especially true of the Scottish highlands and Northern Ireland. Such communities will have to bear the brunt of increased motoring costs. The Chancellor has paid little regard to the Budget's impact on them.

The increased cost of petrol and fuel will also damage the tourist industry in Scotland, in which I have a particular interest, and in Northern Ireland. Northern Ireland is trying to get away from violence, to encourage employment and establish a more secure industrial and commercial base. Tourism has terrific potential in Northern Ireland, but, sadly, the Province will be able to take no comfort from the extra charges to be levied on motoring.

I agree with the hon. Member for Ryedale (Mr. Greenway) about greyhound racing. It provides jobs and entertainment, and is part of the leisure industry, but there is to be no relief for it this year. That is a poor move by the Chancellor.

It always comes as a surprise to Conservatives when Labour Members express this point of view, but I am not that fond of motorways—I can take them or leave them, depending on the need for them. However, the roads programme has been slashed, even though some of the proposed bypasses would be useful and it would be common sense to complete some existing schemes.

The roads programme was costed at approximately £20 billion in 1989, but now stands at £6 billion. It has become an easy target in the fight to save capital. Cutting the roads programme betrays a short-term approach, because traffic will snarl up, and industry and commerce will be affected. The road haulage industry is still the most important distributor for industry and commerce in the United Kingdom, but it is being damaged.

In my constituency, we are waiting for the M74 extension. The motorway currently comes to a sudden end and the traffic piles on to Cambuslang main street in Rutherglen, causing all sorts of environmental damage and costs for industry. That is just plain daft.

The Financial Secretary to the Treasury (Mr. Michael Jack): Will the hon. Gentleman clarify a point for me? He criticised my right hon. and learned Friend the Chancellor for raising fuel duty, and he has now gone on to talk about the roads programme. Has he received any assurances from his right hon. Friend the Member for Dunfermline, West—

Mr. McAvoy: East.

Mr. Jack: Has he received any assurances from his right hon. Friend the Member for Dunfermline, East (Mr. Brown) that, in the event of him ever having his hands on the Treasury till, he would reverse the changes that my right hon. and learned Friend has made, and provide more money for the road programmes that are near to the hon. Gentleman's heart? Will he give a straight answer on that?

Mr. McAvoy: The Minister is asking me to do homework, but he cannot even do his homework on the name of the constituency of my right hon. Friend. *[Interruption.]* The Minister asked his question in his way; I shall answer in my way.

I remember watching—not from here, but on television—Lord Howe, who was then Chancellor, being asked to make a projection for the future. He rightly and sensibly said that he would not be daft enough to make predictions without knowing the full facts. How are we supposed to make predictions without possession of the full facts, particularly bearing in mind the way in which the Government have fiddled the books, as well as the Red Book? The Minister's question is bogus. Conservative Members would not give answers without knowing the full facts. When we open the books in six months, Conservative Members will get their answers.

Mr. Jack: The Red Book is available now.

Mr. McAvoy: I am coming to the Red Book. I am sure that Conservative Members are delighted that all the Minister's interventions are increasing the time that I shall spend on my feet.

The hon. Members for Gloucester and for Colne Valley (Mr. Riddick) have said that it is a fallacy that the Tories have increased tax. Conservative Members have not mentioned the honesty—or near-honesty—of the Chief Secretary to the Treasury on television. He clearly said that the Conservatives have increased tax. Will the Minister tell the House who speaks for the Government on such matters; is it the Deputy Prime Minister, who denied that tax has gone up, or is it the Chief Secretary to the Treasury, who admitted it? Before he is too critical of those on the Labour Front Bench, the Minister should put his own house in order.

The Budget is a tax-raising Budget that hurts ordinary families. The tax burden has increased since the 1992 election. The Conservatives pose as good managers of the economy, but borrowing is up and the Budget has left the public and business unimpressed.

For my constituency, which still has some manufacturing industry left, the big failure of the Conservative Government is the lack of investment. Investment in 1995 was still 11 per cent. below the level of 1989. In that six-year period, investment has taken an ever smaller proportion of national income—down from 23 per cent. to 17 per cent. That is short-sighted. The Government should be the driving force of investment, and they have not been. They have not even encouraged private sector investment, which is only 9 per cent. higher than it was in the depths of the recession. At the same point during the last recovery, it was about 30 per cent. higher.

The Conservatives may be sick of hearing it, but the facts of life are that a typical family is paying a higher proportion of its income in tax than it was at the last election—33.7 per cent. of gross income compared with 32.7 per cent. in 1992.

Mr. Jack: I should like to point out briefly that the Red Book shows an equivalence of tax burden between the run-in to the last general election in 1991-92 and the situation in the next financial year.

Mr. McAvoy: I was going to deal with the integrity and reputation of the current Red Book later, but since the Minister has mentioned it twice, I shall bring forward my remarks.

My hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) pointed out that the Government factored into the Red Book figures calculations on the level of employment or unemployment. There is a convention—it is not a rule, but it is a convention—that the Chancellor does not do that in the Budget. That is a breach of the normal rules for the integrity of the Red Book.

Others far better qualified than me have passed an opinion on the integrity of the Red Book. Adam Cole, an economist at the brokers James Capel, or is it pronounced Capell—[HON. MEMBERS: "Capel."] I accept the expertise of Conservative Members. Adam Cole said of the Red Book:

"It incorporates fiddles that would make the French blush."

He is not a raving left-wing socialist, but a member of the financial world, who I imagine has some independence.

The Red Book has been fiddled. It is riddled with calculations made here, guesses there and estimates somewhere else to ensure that the best possible gloss is put on it in the run-up to an election. We have a Flash Harry Chancellor who is chancing his luck. He knows full well that his eye is more on an internal election in the Tory party in six months than on the general election. He is doing his best to give himself as good a chance as possible of winning.

I should like to turn quickly—well, perhaps not too quickly—to considerations of health and local government finance in Scotland. For Scotland, the Budget is for the short term, not the long term. It does Scotland no good overall. The Chancellor is thinking only of the next few desperate months rather than the long-term prosperity of the country. Despite last week's cut in income tax, the fact remains that there have been 22 tax rises since the last election. Conservative Members do not like hearing that, but it is a fact of life.

[Mr. McAvoy]

The Tories are in control of the national finances, but we hear nothing about taking action on VAT on fuel. Labour has made a clear commitment to reduce it to the minimum of 5 per cent. VAT on fuel is a pernicious tax, particularly in Scotland, because of the colder weather.

Mr. Jack *indicated dissent.*

Mr. McAvoy: The Minister scoffs, but his Government accept that the colder weather in Scotland justifies having certain mechanisms brought into play when the temperature reaches a certain level. The Minister should not scoff at what his Government practise.

I make no bones about the fact that the Secretary of State for Scotland has been very clever—time will tell whether he has been successful—in portraying the cash settlement for the Scottish Office as a success, despite the fact that, according to the Government's figures, total Scottish Office spending will fall in real terms by £522 million next year, and by a further £359 million in the two years after that. Spending will therefore be cut by £881 million in real terms over the next three years. That is a 6 per cent. cut. Again, there is a suspicion that those future cuts are being projected to get tax cuts now to help the Tories at the election.

The nastiest aspect of the Conservatives' treatment of local government in Scotland has been laying the burden of community care on Scottish local authorities. Because people are living longer and there are real problems with senile dementia and Alzheimer's, many people are looking for places for the elderly in local authority homes, and the authorities cannot supply those places.

It is despicable that elderly people in that position are left trying to put pressure on the local authority when it has not been allocated the funds by central Government to provide those places. That is a mounting problem in Scotland, as it will be elsewhere in the UK, and it is completely wrong.

None of these measures will work. The Government can talk as cleverly as they want about the Red Book, and can quote all sorts of percentages, agreements and projections, but the facts of life are that no one believes them. Within six months, they will find that out.

8.9 pm

Mr. Alan Duncan (Rutland and Melton): The beginning of the debate was enlivened by the barnstorming performance of my right hon. Friend the Secretary of State for Health and I congratulate him on routing his opponent.

The danger of any debate on the Budget is that one tends to go goggle-eyed on the details. It is important not merely to bandy figures about, but to remember the direction in which we want to go and to ask whether the Budget fits in with that. As I have always argued in Budget debates, in the long term I want a smaller state, with less Government spending and lower tax. That is inevitably a gradual process, but we are getting there and it is essential for economic prosperity that we should do so.

I came into politics because, during the 1960s and 1970s, I was angered by this country's continuing economic decline. If it were not for successive Conservative Governments, we would be declining still. The Thatcher years did much to arrest and, indeed, to reverse that decline and the early 1980s saw the building of solid foundations.

As I have said before, in the late 1980s we made some mistakes. We shadowed the deutschmark and lost control of the money supply at the same time as we deregulated the City. The boom that followed, when added to the problems caused by the world recession, turned into bust. At every stage, the Labour party's demands would have made the situation worse and compounded the difficulties. Nevertheless, we made some mistakes. It is abundantly clear that we have learned from them and I applaud the Chancellor's policy that we shall have no return to boom and bust.

Our economy is better than that of Germany. The hon. Member for Sheffield, Attercliffe (Mr. Betts) referred to that fact, but refused to admit it. That is what we have been striving to achieve since the war and the risk is that it all could be thrown away. The issue is: just when the policy is right, will democracy support it? In the past, Governments have been tempted to buy votes and debase the coinage to do so, but we are not doing that and at this crucial stage, we deserve support and recognition.

The only problem is that the Labour party has debased the debate. The Opposition double-pledge everything, talking about financing mass unemployment as if stopping unemployment pay would suddenly put everyone in a job. They talk about stopping assisted places and raising standards in primary schools, forgetting that those pupils in assisted places would have to be educated in the state sector. They talk about a windfall tax as a one-off tax that would have to support payments for a continuing flow of services. One of the first lessons that one learns in economics is the difference between stocks and flows. In contrast, this Budget deserves support because it is virtuous.

Good Budgets are rarely exciting. Removing Labour's excessive taxes in the 1980s was exciting. Removing exchange controls was exciting. Most Budgets, however, are boring accountancy and, like grandmother's footsteps, they just edge forward.

I confess that there is one excitement that I should like to have seen in the Budget—the total abolition of inheritance tax for 1998-99. The hon. Member for Sunderland, North (Mr. Etherington) said that only 14,000 people pay inheritance tax. The rich do not pay it because they have schemes to help them escape it and the poor do not pay it because they do not break through the threshold. Only middle England, middle-income earners and the middle classes pay the tax. It is inequitable and has become archaic and I look forward to the day when the Government can deliver on their policy and abolish it.

The main parts of the Budget were measured steps forward: income tax down to 23p, fine; thresholds raised above the rate of inflation to help the lower-income earner, fine; and borrowing continuing its measured decline, fine. I particularly welcome the fact that we are aiming towards a figure of below 40 per cent. of gross domestic product for spending.

The structure of the Budget is a fairly fine judgment call. On the macro side, there is a risk of some pressure on interest rates in the months ahead, but not because of the price of sterling, as it is rising. House prices in the

south-east increased by 6 per cent. in the last quarter, so certain pressures are working through and we must beware an excessive consumer boom.

On the micro side, we have done some things that will help people. The rent-a-room allowance has increased from £3,500 to £4,500 and that is an especially good measure for the increased number of students in higher education who are looking for accommodation during term time. The single parent allowance has been removed. My right hon. Friend the Member for Selby (Mr. Alison) welcomed that. Increasingly, the maintenance payments of the Child Support Agency have taken on the purpose of that allowance.

We have made a significant change in the taxation of long-life assets. Instead of giving a 25 per cent. break, assets that will last more than 25 years are now given only 6 per cent. That has effectively introduced a new tax regime for the utilities, which are a completely new industrial sector that was previously nationalised. The change is not retroactive, but looks only forward and is, therefore, fair. It makes the Opposition's windfall tax an absolute impossibility, however. The shadow Chancellor will have to come up with new schemes, explanations and, perhaps for the first time, some real figures to explain what that tax would really mean.

I approve of the private finance initiative. I like the idea of private industry financing extra projects that the state would not perhaps want to take on. I have one slight word of caution. We have to watch its scope. Where the Government remain the long-term source of revenue for a privately funded project, it is more of a mortgage than a new source of finance.

I looked with some puzzlement at the plans to turn half of the Treasury building into office or hotel accommodation. I am slightly puzzled by the economics and I hope that I will be allowed to retain a scrutiny reserve on those plans.

I am tempted to speak at some length and in some depth about the convergence criteria, but I will resist the temptation. Suffice it to say that they are a good thing because they are orthodox and sensible economic discipline. I welcome them for that reason, but that reason alone.

I studied carefully and watched and listened to Opposition Members speaking in the debate. The Leader of the Opposition said:

"The Chancellor mentioned welfare dependency, but the Government have doubled welfare dependency in this country. That is their failure."

That was a fatuous observation. The right hon. Gentleman offered no solutions. He pretends to want to cut welfare spending, but implies to interest groups that he would spend more on them. Of course, the more that one spends, the more people become dependent on what one spends.

The remark compares with those of the right hon. Member for Yeovil (Mr. Ashdown), the leader of the Liberal Democrats, who said:

"We have to raise the level of the tax debate above the silly, puerile battle of insults . . . The Conservatives won the last election by lying about tax . . . Labour appears to have decided to join them . . . This is a Budget of slick tricks."

That strikes me as being a part of the battle of insults. We have all become tired of the Liberal Democrat leader setting rules and standards for others that he is not prepared to meet himself.

The hon. Member for Newport, East (Mr. Hughes) said

"2.75 million men are economically inactive in this country today and excluded from the unemployment figures."—[*Official Report*, 26 November 1996; Vol. 286, c. 178-90.]

I assume that he was talking just about men, but even if he were talking about men and women, it was an interesting observation, because I have asked the Opposition spokesmen whether the Labour party would revise the method of calculating the number of unemployed. If the hon. Member for Bolsover (Mr. Skinner) says that there are 4 million people unemployed, are we to take it that if a Labour Government came to power, they would immediately announce that there were 4 million unemployed people in Britain? I doubt it somehow, but unless they said that they would do that, their charge is inconsistent with their own thinking.

The hon. Member for Falkirk, West (Mr. Canavan) said that he wanted spending on education to go up from 5.1 per cent. of gross national product to 5.4 per cent. He said that it was 5.4 per cent. under the previous Labour Government. At least the current education budget is 5.1 per cent. of a growing economy; in 1978, 5.4 per cent. of a collapsing economy was not up to very much. As Alan Fisher, a Trades Union Congress leader once said at a TUC conference during a debate on pay norms for the low-paid:

"Comrades"—

they used that word then—

"5 per cent. of nothing is"—

damn—

"all".

In fact, he did not say "damn", but I will spare your blushes, Mr. Deputy Speaker. The fact is that a smaller share of a bigger cake can amount to a lot more than a bigger share of a smaller cake.

The hon. Member for Bradford, South (Mr. Sutcliffe) said that he wanted to spend money on regional development agencies. He complained about cuts in the road programme and called for a minimum increase of £2.3 billion to local authorities. He also called for greater spending on community care. The hon. Member for Alyn and Deeside (Mr. Jones) wanted more money for county councils in Wales and called for more spending on the construction industry and on council houses. The hon. Member for Birmingham, Selly Oak (Dr. Jones) said that she wanted more spending—she used the word "investment" but spending it is—on health, education and law and order. The hon. Member for York (Mr. Bayley) wanted spending to be directed to school security, not assisted places. As I have said already, and someone ought to tell him, the shadow Chancellor has already spent the money that will be saved from assisted places. In fact, he has already spent it twice, so now the Labour party is spending a budget not twice, but three times.

The hon. Member for Coventry, South-East (Mr. Cunningham) implied that more should be spent on the universal state pension and he demanded what he called "new money" for schools. At least the hon. Member for Walthamstow (Mr. Gerrard) was honest when he said:

"The right hon. Member for Wells (Mr. Heathcoat-Amory) said that he was in favour of cutting public expenditure. I understand that attitude, although I do not agree with it.—[*Official Report*, 27 November 1996; Vol. 286, c. 403.]

[Mr. Alan Duncan]

At last some honesty from a Labour Member.

The hon. Member for Newham, North-East (Mr. Timms) wanted to restore the budget for public sector capital investment. I have a long list of spending demands made by Labour Members simply in the course of the past three days' Budget debate. They were made by the hon. Members for Bristol, South (Ms Primarolo), for Peckham (Ms Harman), for Norwich, South (Mr. Garrett), for Wallasey (Ms Eagle), for Glasgow, Maryhill (Mrs. Fyfe) and for Stratford-on-Avon (Mr. Howarth). All of those Labour Members have demanded more spending, and they claim to be responsible on tax.

In the course of this Parliament, we have priced spending pledges and spending demands made by the Labour party at £30 billion.

Mr. Milburn: It was £40 billion earlier.

Mr. Duncan: I was about to say that, based on what we have heard, £30 billion is an underestimate and I am perfectly happy to accept the hon. Gentleman's suggestion of £40 billion. It is quite clear that the Opposition's promises on tax amount to nothing. The key point is not just that our figures are right, or as the Opposition put it, may be right, but that most of those in the Opposition hope that our figures are right. If they were ever in government, however, they would demand that their tax commitments and spending demands were met in full.

I do not make demands for more spending in my constituency and I am happy to accept what the Government deem to be a fair standard spending assessment for local government. I must, however, take issue with the manner in which some of the pledged spending appears to have been apportioned because the county councils in the constituencies of some of my hon. Friends now have in their area unitary councils and they appear to have done their best to bring about a scorched earth policy for those unitary authorities that come into being next April. I make no demands for increased total spending, but I ask Ministers to look for equity in the way in which it is intended that the existing and proposed budget will be apportioned between the various parts of existing counties.

The councillors in the little county of Rutland are telling me, and I have yet to look at the figures in detail, that the amount apportioned to them appears to be less than it should be. The same applies to my borough council of Melton Mowbray. It is not a unitary authority, but its councillors feel that some cuts have been made. If I find that there has not been equity in the distribution of the funds, I hope that the Financial Secretary will allow me to take to him a delegation so that my councillors can argue their case.

Overall, I welcome the Budget. It continues our policy of growth and prosperity, which thankfully, given the measures we have put into place, will be for keeps.

8.24 pm

Mr. Ian Pearson (Dudley, West): This is a tax-raising Budget that hurts ordinary families. No amount of protestations from Conservative Members can disguise the plain fact that the Government will go into the next election as tax raisers, not tax cutters. A typical family will have paid more than £2,000 extra in tax since the 1992 election as a result of tax increases introduced since then. While the Chancellor has given basic rate tax cuts with one hand, he has taken money away with the other through higher insurance tax, higher airport tax, higher council taxes, cuts in profit-related pay, higher duties and higher charges for basic essentials.

The Budget means that the typical family is worse off, and does little or nothing to help the vast majority of people and businesses in the west midlands. In the west midlands, just one in two working people are in full-time employment according to Government statistics, and 914,000 of them have experienced a period of unemployment since the general election. Yet there is nothing in the Budget to fund the welfare-to-work programme. There is nothing in it to tackle the major manifest problem of the interaction of the social security system with the tax system.

In the west midlands, 24,000 people earn less than £1.50 an hour and 87,000 earn less than £2.50 an hour, yet there is nothing in the Budget to deal with the problems of poverty pay. The average house in the west midlands is still worth £6,000 less than when the right hon. Member for Huntingdon (Mr. Major) became Prime Minister in 1990. In the west midlands, 12,000 home owners are still trapped in negative equity despite the current fragile recovery in the housing market there. Yet today at least three building societies have put up their interest rates, while most respectable economic forecasters predict further rises in interest rates in the coming months, and there is nothing in the Budget to help our hard-pressed home owners.

There is also nothing in the Budget that will bridge the growing gap between the poor and the rich. Since 1979, the bottom tenth of the population has become 18 per cent. worse off in absolute terms, according to the Department of Social Security's own figures on households below average income. Figures from the Audit Commission show that the proportion of children growing up in families below the poverty line has trebled from one in 10 in 1979 to one in three. According to Equifax Europe's survey conducted in the middle of this year, 13.5 per cent. of households in my constituency have county court judgments against them, yet there is precious little in the Budget to help some of the poorest and most vulnerable sections of the community. They stand to lose out, as the ordinary man and woman in the street will lose out as a result of the Budget.

Businesses in the west midlands have something to welcome in the Budget, but from talking to a number of business people, I have found that they are still far from satisfied. The west midlands competes head to head as a region with areas such as Baden-Württemberg in Germany and Emilia Romagna in Italy. Yet when we consider the European regional prosperity league and the figures produced by Eurostat, we see that while Baden-Württemberg is in ninth place and Emilia Romagna is in 11th place, the west midlands comes a lowly 56th—that is not good enough. In terms of regional gross domestic product per head, based on the latest figures available from Eurostat, our living standards are 40 per cent. lower than those of the two regions with which we compete directly. That gap has widened over the past 17 years.

Dudley is twinned with Bremen in Germany—there are close and traditional links and many similarities between the two. The average income per head in Dudley is £11,234 per annum, compared with £19,056 in Bremen. People in Bremen earn, on average, 75 per cent. more than those in Dudley, its twin town. We are falling further and further behind in the European prosperity league. Unless there is a change of Government and attitude, we run the serious risk of raising the first generation of people in the west midlands who can expect to have a lower standard of living in future than their parents.

One reason why the gap in prosperity is widening and why Britain is falling further behind is the size of Britain's manufacturing industry. Size is important. In the west midlands, there has been a slight increase in GDP volume—from £11.88 billion to £12.44 billion between 1979 and 1996. After 17 years of Tory government, we have had, at best, a 2 per cent. increase in the volume of manufacturing business, at today's prices.

Nationally, the figures show that manufacturing in 1979 accounted for 30 per cent. of national output and employed more than 7 million people. By 1995, it had fallen to 20 per cent. and, according to the Office for National Statistics, employed only 4 million people. In the west midlands, employment in manufacturing has declined from more than 900,000 to just over 400,000. Productivity has increased, but at the expense of a 44 per cent. cut in the work force.

It is easy to cut jobs and raise productivity; it is more difficult to raise output and bring in new business. That factor is recognised on both sides of the House, and the Minister should stop trying to quote figures on productivity and say something about what is happening in the real economy.

The best regional companies in the west midlands are some of the best to be found anywhere in the world. We are not afraid to shout about the performance of some of the world-class companies that exist in the region. But as the Government office for the west midlands admits in its most recent report "Competing to Win", the region has

"a large number of companies which perform poorly when compared with the national average and international competitors."

The "head" of the west midlands companies is doing well—there are world-class companies. It is as if the west midlands economy was a dinosaur, with a small head, a long neck, an enormously long body and an incredibly huge tail—a Diplodocus. Much work needs to be done with the industrial base in the west midlands if it is ever to be able to move closer to Baden-Württemberg, Emilia Romagna and Bremen in terms of income per head.

Most of the Chancellor's economic advisers forecast that interest rates should be 7 per cent. now or by the middle of next year—an increase of 1 per cent. The interest futures market suggests that interest rates will rise substantially over the next few months, which will be incredibly bad news for west midlands businesses.

Members of the Confederation of British Industry see no sign that inflation is a worry; they see no need to dampen down demand in the west midlands economy. They report that input prices are down 2 per cent. on this time last year. With that background and with pressure on margins as a result of the appreciating pound, the CBI sees no grounds for interest rate rises. The CBI's members believe that interest rate rises will be crippling at a time when they are trying to get off the ground after what has been a fairly difficult 12-month trading period for any company exporting into western Europe.

A major problem is that interest rates and the needs of manufacturing companies in the west midlands are an a collision path. Once again, it looks as if manufacturing will be the loser. The Government look set—or might have to be dragged screaming—to raise interest rates to meet the overheating in London and the south-east, but they are not going to do anything for the west midlands, which has still to feel the benefits in terms of house prices or business volume increases.

The Budget does nothing to equip the British economy for the future. Tomorrow's company needs a well-educated and highly skilled work force, yet the United Kingdom has a lower proportion of young people entering full-time higher education than any other western European country except Turkey. We have half as many students in full-time education at 18 as Germany or France and one third of our adults have no qualifications to their name. In addition, 58 per cent. of those leaving education are qualified to a basic NVQ level 2. The corresponding figures for Germany and France are 78 per cent. and 66 per cent. respectively—those are the Government's own figures, from their skills audit. They show the scale of the task required if we are to become truly competitive.

The Budget will place increasing pressures on education and social services in Dudley metropolitan borough, which includes the constituency that I represent. The capping rules will allow Dudley council to increase spending by only 1.5 per cent. at a time when general inflation is 3.2 per cent. and there is an increasing demand for local services. It is estimated that there is a funding gap of between £10 million and £12 million in Dudley metropolitan borough. That comes on top of the £25 million cuts in the past four years. Dudley is, and traditionally has been, an efficient and low-spending authority. Its services have already been cut to the bone. It delegates more than 97 per cent. of its local education authority budget directly to schools—one of the highest figures in the country. Yet school governors face the prospect of having no money for school books for the third year running and of having to make teachers redundant.

Although there has been a national 3.4 per cent. increase in education standard spending assessments, Dudley's is up by only 3.1 per cent. It has been calculated that simply to maintain existing funding levels in real terms—to cope with the growing population in the borough of Dudley as well as retail price inflation—would require an increase of 5 per cent. That could be achieved only by massive cuts in services, which is totally unsatisfactory.

My best guess is that Dudley's council tax payers are likely to face a high single-digit council tax increase in the coming financial year, which can be laid directly at the Government's door. Make no mistake, Dudley's parents are not convinced and will not be convinced that any increase in council tax and the problems of education in the Dudley borough are the local authority's fault. One of the benefits of local management of schools is that it has led to greater knowledge about funding systems among local people, and the blame is now being pinned on those responsible—the Government.

[Mr. Ian Pearson]

We needed a Budget that equipped Britain for the future—a Budget for stability that was prudent and created a platform for a sustainable economy. We needed a Budget for investment, to tackle the investment and technology gap between ourselves—both in the west midlands and nationally—and our competitors. We did not get it. We needed a Budget that helped people to move from welfare to work by shifting resources from welfare to education. We did not get it. We needed a Budget for fairness—a Budget whose priority was to cut tax on VAT on fuel, not to increase inheritance tax allowance. We did not get it.

Instead, we have a Budget that closes tax loopholes a year too late. The Government should have closed the loophole on special dividends and share buy-backs in last year's Budget. I estimate that the cost of not doing so is almost the equivalent of 1p off the basic rate of income tax. The Government were incredibly negligent in not announcing that decision until—conveniently enough—the week of this year's Conservative party conference. People in the business press and elsewhere had been urging them to close that loophole sooner, yet they prevaricated and did nothing until it was far too late.

We have a Budget that inks in savings before they are achieved, which is completely imprudent—I understand that the hon. Member for Beaconsfield (Mr. Smith) is an accountant, so he should be the first to recognise that. "Spend to save" projects savings of £6.7 billion over a four-year period, yet nowhere do the Government explain how those savings will be achieved. They have also changed the accounting treatment by, for the first time, forecasting unemployment figures in a deliberate attempt to massage the public sector borrowing requirement down by cutting spending on the social security budget.

The Government are as guilty of creative accountancy as the French Government, who—rightly in my opinion—were lambasted by our Government for manipulating their figures for the partial privatisation of France Telecom. The Government are doing the same in trying to reduce the PSBR by £1 billion by privatising the student loan book, raising an additional £700,000 through selling off defence personnel married quarters, and raising about £2 billion in privatisation proceeds. Coincidentally, the figures are very similar—£4 billion from the privatisation of France Telecom and £4 billion from the Government's funding wheezes.

This is not an honest Budget that helps ordinary working people and ordinary families. It is an unfair Budget that favours the few, not the many. It does not strengthen the economy or equip Britain with the skills and investment that we need for the future. The Tories have broken their promises on taxes and spending. In a few weeks, they will learn again how the people of Dudley feel about a Government who break their promises.

8.43 pm

Mr. Patrick Nicholls (Teignbridge): From the closing moments of his speech, I got the impression that the hon. Member for Dudley, West (Mr. Pearson) did not like the Budget. He is obviously a man who likes quotations, so I shall give one back to him:

"Don't you just love it? Within the constraints he has had to operate, this was a well-judged and well-delivered piece, just what the City wanted and difficult to attack politically."

That was from the well-known, right-wing rag, *The Guardian*.

It will not do his political career any good, but I have to admit that I greatly like the hon. Gentleman. Despite his soaring oratory, he was unable to make many inroads into the Budget. Nevertheless, he has done a good job and perhaps, in 20 or 30 years' time when the Labour party gets back into government, he will make Under-Secretary of State. It is no fault of his that his speech was not the most devastating critique of the Budget—the Budget is not subject to such treatment because it is virtuous, it does not try to bribe people and it satisfies all the criteria. As my hon. Friend the Member for Rutland and Melton (Mr. Duncan) said, it is boring and responsible. Such a Budget does not lay itself open to the sort of treatment that the hon. Member for Dudley, West tried to dish out.

There are several things in the Budget on which, was there time to do so, I would dwell at some length—of course, some hon. Members did so and the Conservative Members started it. I should have liked to talk about the reform of the rating system and the freezing of business rates for small businesses. That was a good thing and it obviously stemmed directly from the representations that hon. Members made to the Government. I should like to think that it foretells a day when business rates will be related in some way to the turnover of businesses. Perhaps I am looking too far into the future, but the reform was a start in recognising that, for some small businesses, the burden of business rates is out of all proportion to any public policy of raising money from them.

Ideally, more might have been done in respect of betting duty, because the betting industry has been hit hard by the lottery. I would expand on that, if only there was time for me to make a longer speech.

The importance that the Government attached to education last year was reflected in this year's settlement as well.

In the few minutes available to me, I shall concentrate on the two central attacks that the Labour party has made. That is a legitimate thing to do, because most people approach politics thinking, "The trouble is that one of the parties is going to get in," and they try to spot which one will cause less damage than the other. We do not accept that approach to politics, otherwise we would not have the gall to be here, but it seems to me that, every now and then, one should try to join voters in their assessment of such matters.

The Labour party has said two things about our taxation policy. The first—which is pure Goebbels—is to tell a whopping great lie and hope that it will stick. Opposition Members say that the Conservatives broke their promises because we raised tax, despite saying that we would not. I remember fighting the previous election on the basis of the manifesto, and I am pretty sure that I can remember what was in it. We did not say that we would never raise taxes; we said that we had no plans to raise them. Let us be fair—if we had had any plans to raise taxes, they would have been leaked. The idea that this or any Government could have kept such a secret is farcical.

What we did say, and it was repeated throughout the manifesto, was that we would run the economy prudently. We have done that since 1979. That means that we have to strike a balance between taxation and borrowing, and do so in relation to looking after those matters that the state should look after. That is the balance that we have

to achieve in order to run the economy responsibly. No one could have foretold how deep the recession would bite, but it bit deep and we faced a temporary problem, which was how to raise the money that was needed to look after those who—temporarily, we hoped, and that is the way the figures are panning out—were unable to look after themselves.

Opposition Members turn round and say, "You suddenly raised taxes," but what would they have had us do? Should we have said to the unemployed, "Sorry, but because we cannot raise taxes, we are not going to maintain you and we are not going to borrow sufficient money to do so—you will just have to starve"? It is a ridiculous idea. We said that we would run the economy responsibly and that is what we did. We had to put taxation up temporarily and we are now in the process of lowering it.

The second great lie—or, as far as the House is concerned, the second great untenable argument—that the Labour party has been peddling is to go on and on about the idea that more tax is being paid now. Of course it is. Even a moron understands that, and we have heard several speeches from Opposition Members today that prove that very point. If we were not raising more tax now than we were in 1979, we would be in a parlous state. Unemployment is falling, so more people are available to make a contribution to the total tax take, instead of having to take money out of the system because they are out of work.

Let us consider the multiplier on average salaries since 1979. A person who was earning £5,000 then would be earning the equivalent of £24,000 today, so there is obviously more money there to pay tax on. But there is a difference. In 1979, a person who was earning started paying income tax at 33p in the pound and could quite soon start paying 40p, 50p, 60p or 70p in the pound, up to a tax take of 87 per cent. By the time that investment income surcharge was added, a person could pay 98 per cent.

One amazing and glorious year, a Labour Chancellor of the Exchequer imposed a special levy—presumably to persuade the International Monetary Fund not to come to the airport that particular day—and in one glorious year the top rate of tax was 103 per cent. With the best will in the world, when one compares the situation that pertains now with that which pertained then, it is nonsense to say that the whole story is that more tax is now being paid.

What has the Labour party told us about its tax plans, to enable my constituents to exercise choice? The idea that the basic rate of tax will come down to 10p in the pound is nonsense. It is cloud cuckoo land; it is brazen, even for politicians.

For a really good laugh, look at yesterday's *The Sunday Times*. It says that the Labour party will ensure that the middle classes no longer make themselves liable for higher-rate tax—absolute piffle. It is almost as if the Government could credibly ensure that there was a headline in *The Sunday Times* saying, "Conservative party to go unilateral", or "Conservative party to abolish nuclear weapons", or "Conservative party to renationalise everything", and expect to be regarded as credible. To some extent, it is a measure of the success of telling the big lie that one can see a headline in that and that people, other than those who are cerebrally challenged beyond rescue, could believe for a moment that there might be something in it.

What are Labour's genuine tax plans? Who can say? But every now and again, a little light breaks through the chink in the armour, giving hints. The speech that I enjoyed most was that by the hon. Member for Sunderland, North (Mr. Etherington). It was the type of speech that, once upon a time, would have been set to martial music and howls from the barricades as the guillotines fell on the guilty rich—which basically means anyone who earns rather less than a Member of Parliament. That is the way that some people think about these things.

Once upon a time, that would have been a soaring, martial speech; it is now reduced to a radical whinge on a thin night in the House of Commons, but it was at least honest, because it struck all the things that really matter to the Labour party. Tax the rich. The fact that the figures show beyond doubt that, when one reduces the tax rate on the rich, they make an increased contribution to the tax take, does not matter; the thing is not to generate tax revenue to help people, but to punish them for having the money in the first place.

I say to the hon. Member for Sunderland, North—who has probably gone off to telephone his stockbroker—that his speech, although searingly honest, will not propel him into government if everything goes pear-shaped on 1 May, but it was at least honest.

Some Labour Front-Bench spokesmen have now and again let one or two pearls drop to suggest what life under a Labour Government might be like. The hon. Member for Birmingham, Ladywood (Ms Short) has said that she thinks that people like her could afford to pay more tax and should do—and that was when she was earning a miserable £32,000 a year, before many of our colleagues voted for a substantial pay rise. That shows her attitude to such things.

The national lottery has been an outstanding success. What attitude to it has the Labour party expressed this very day? Give it to a body that does not make a profit. The fact that it is outstandingly successful does not matter two hoots; give it away to someone so that a profit cannot be made.

I do not mind fighting on our record. When, as they have done several times tonight, Opposition Members talk about the general election that will come in the spring, I remember the winter of 1979. I remember what it was like when we could not bury the dead, refuse was piled in the streets and cancer patients queued in the snow because there was no one to take them to hospital. That was the winter before the 1979 general election. I tell you this, Mr. Deputy Speaker: we shall not have that sort of winter before we go to the country in May 1997.

8.53 pm

Mr. Nicholas Budgen (Wolverhampton, South–West): I want to make only one point, about the importance of monetary policy, and to invite the Chancellor to give us a better, more detailed explanation of his monetary policy.

Tonight, we have very reasonably heard many pleas for better treatment. The hon. Member for Dudley, West (Mr Pearson) believes—as no doubt do many members of the Labour party—that the state is the great provider of economic prosperity. He believes that, provided he can

[Mr. Nicholas Budgen]

promise something to the local branch of the Confederation of British Industry, the activities of private individuals are relatively unimportant.

Mr. Pearson: I believe that the state does have a role to play in ensuring the necessary conditions in which companies can compete in a modern economy. I do not pretend to say that the state should do everything; it patently should not.

Mr. Budgen: I am glad that the hon. Gentleman has modified his position, because it seemed to me that, every time he mentioned an activity, he suggested that it could move from poverty to prosperity as a result of state action.

We all know that the role of the state, although much enlarged—many of us believe that it should be diminished—is not the primary factor in deciding this country's prosperity. That is decided by the energy and ingenuity of our fellow citizens.

When we study the overall effect of the Budget and ask how much it decides our future prosperity, we appreciate that the Budget changes are relatively insignificant. The Chancellor tells us that he has taken £1.8 billion out of the economy. That, he says, is a tight Budget, which will mean that it will not, or may not, be necessary to increase interest rates in future.

I wish to emphasise the importance of monetary policy, not only because I believe that it is better that monetary policy should be decided in this country rather than in an enlarged Bundesbank, but because it has an enormous effect on the British economy. As I demonstrated, the effect of the Budget changes is equivalent to a tiny reduction in demand but, as my hon. Friend the Member for Rutland and Melton (Mr. Duncan) said, we are already witnessing considerable increases in asset prices.

In the past 18 months or so, the general level of the value of stocks and shares has increased by 27 per cent. In the past quarter, there has been a 6 per cent. increase in the value of housing in the south-east. In a recent short period, consumer spending has increased by 28 per cent. That means that, when monetary policy is lax, there can be as much as a £2 billion increase in consumer demand in any one month. Lax monetary policy can easily produce a £24 billion increase in demand in a year. The great mistake of the Barber boom and of the Lawson boom was to allow monetary policy to become too lax.

When monetary policy is too lax, it is extremely pleasant for everyone—in the initial period. Asset prices rise; everyone feels richer; the feel-good factor returns; inflation is low; and everything seems lovely. Then it is possible to talk proudly of an economic miracle. It is only later, when interest rates have to be put up—often very high—that we realise the importance of monetary policy.

I say all this because it seems to me that the Chancellor's account of his monetary policy was cursory to the extent of being non-existent. At column 156 in the *Official Report* on 26 November, he makes a joke about Eddie keeping him steady, saying that he intends to "continue to be canny"; but thanks to the new arrangements between the Chancellor and the Governor of the Bank of England, we can read the continuing dialogue between them. The Bank has said many times that it is concerned about the rate at which the money supply is increasing. I dare say that, even if my right hon. and learned Friend had not wanted to include a description of monetary policy in his statement, his officials would have obliged him to do so; but on pages 46 and 47 of the Red Book we do find such a description. Page 47 clearly shows that both important monetary indicators are miles over their targets.

It is therefore not enough, I respectfully suggest, to make a joke about the dialogue between the Chancellor and Eddie; it is necessary for the Chancellor to tell us whether he is a monetarist. He certainly never was one before. I have had many conversations with him over the past 30 years. He was an unrepentant supporter of the Barber and Lawson booms. We should like to know whether he has learnt from those mistakes, whether he now believes that monetary policy is important and whether he believes that it should continue to be controlled from this country and by the House.

I suggest that the Chancellor's cursory discussion of monetary policy in his Budget statement is highly damaging to him. We want to know whether he is serious about those money supply targets. We want to know whether he has a monetarist view of controlling the economy. I repeat: in deciding the prosperity of this country, monetary policy is often far more important in volume terms than the relatively small changes that can be made in any Budget.

9 pm

Mr. Tim Smith (Beaconsfield): Looking back 10 or 15 years to past Budget statements, we find that Chancellors of the Exchequer did preface their remarks with long descriptions of the state of the world's economy and of what had happened to the United Kingdom economy over the previous 12 months. They often included a great deal of detailed information about monetary policy, too. Not only were the public bored—so were Members of the House of Commons. The fact that the Chancellor referred only briefly to monetary policy in his Budget statement does not mean that he does not take the issue seriously. Indeed, the fact that he has taken the trouble to publish the minutes of his meetings with the Governor of the Bank every six weeks is a sign of how seriously he takes monetary policy.

I have said before in the House—my view is confirmed by this latest Budget—that I think we have in our present Chancellor one of the most successful Chancellors since the second world war, in terms of the judgments that he has had to make. He has had to make some finely balanced judgments, and he continues to make them. My hon. Friend the Member for Wolverhampton, South–West (Mr. Budgen) referred to a number of factors which suggest inflationary pressures in the economy, but my hon. Friend the Member for Colne Valley (Mr. Riddick) referred to other factors suggesting that inflationary pressures are not as great as some would claim. In the minutes of the Chancellor's meetings with the Governor, these various factors are set out. In the end, someone has to weigh them up and judge whether it is necessary to increase interest rates. It is thus not true to say that my right hon. and learned Friend is unconcerned about monetary policy.

This was an excellent Budget. I also thought that the Secretary of State for Health made an outstanding speech this afternoon, in which he explained that the

Government—I fully agree—attached the highest importance to three areas of public spending: health, education, and law and order. He said that the Government have committed themselves to increased real terms spending on health year in, year out. Why will no Labour Front Bencher make the same commitment? My right hon. Friend was right to expose the Labour party's inadequacies in this respect.

The Budget gives priority to target areas of public spending. It also reduces public borrowing and, to some extent, taxation. The Financial Secretary knows that I have campaigned long and hard for tax simplification, so I was pleased to hear in the Budget statement that the Inland Revenue is set to take the tax law rewrite programme forward. I welcome the fact that my noble Friend Lord Howe will chair the committee that will oversee that programme. Finance Bills have become far too big and complicated and at last something will be done about that.

I have always favoured the idea of a broad tax base and low tax rates. If we are to achieve those, we cannot afford to have leakage, and clearly there has been leakage. The Chancellor was right to place new emphasis on securing the tax base through a number of measures that appear in the Budget, such as phasing out profit-related pay and introducing 6 per cent. capital allowances for long-life assets.

The Opposition have suggested that the Chancellor does not care about people on lower incomes. However, the Red Book shows how the reductions in income tax have been allocated. Whereas the cost of reducing the basic rate of income tax to 23p is £1,250 million on a non-indexed base, the cost of increasing personal allowances by £200 over indexation is more than that, at £1,290 million. More money has been devoted to taking people out of the tax net altogether than to lowering the standard rate. That is the same balance as in last year's Budget. The Chancellor could have reduced the standard rate by 2p in the pound, but he chose not to do so. He reached a sensible balance, which benefits all taxpayers, but which greatly benefits taxpayers who pay relatively small sums in tax and takes quite a few people out of the tax net altogether.

Like my hon. Friend the Member for Teignbridge (Mr. Nicholls), I read the story in *The Sunday Times* yesterday with incredulity. Every time we buy a Sunday newspaper, we read a new story about Labour's tax plans. One week, we read that there will be a 10p starting rate; yesterday, we read that everybody on up to £35,000 a year will benefit from a huge increase in the higher rate threshold from about £30,000 to £35,000, at a cost of £1.4 billion. From where will all the money come? We already know that the Labour party has tremendous spending commitments of £30 billion, and we now have all those tax promises on top—another £10 billion, making £40 billion in all. It is incredible.

If anyone wants to know what is really likely to happen if we ever have the misfortune to have a Labour Government, I remind him of what happened last time Labour was elected. On the first Budget day in 1974, Tuesday 26 March, Mr. Healey—

Mr. Stuart Bell (Middlesbrough): Lord Healey.

Mr. Smith: He is Lord Healey now, but he was plain Dennis Healey then.

Mr. Healey announced that all income tax rates would be increased by 3p, taking the basic rate to 33p, except for the top rate, which was increased from 75p to 83p in the pound. National insurance charges were increased for both employers and employees. He said that VAT at 10 per cent. was to be charged on petrol, taking the typical price of a gallon of four-star from 50p to 55p. VAT was also to be applied to previously exempt sweets, ice creams, crisps and soft drinks. In 1975, Mr. Healey added another 2p to income tax, taking it to 35 per cent.

As one of my hon. Friends said, there has never been a Labour Government who have not increased the standard rate of income tax. Anybody who wants to know what is likely to happen if we have the misfortune to have another Labour Government can simply look back at the appalling record: Labour Governments always increase taxes.

9.8 pm

Mr. Edward Leigh (Gainsborough and Horncastle): As time is short, I shall simply say that, naturally, I congratulate my right hon. and learned Friend the Chancellor on a prudent Budget at this stage in the cycle. I fully support my hon. Friends in their attacks on the Labour party. Perhaps their comments can be read into my speech so that I do not detain the House.

In the few minutes available, I want to deal with the married couple's allowance, with which my right hon. Friend the Member for Selby (Mr. Alison) dealt earlier in the debate. During his Budget speech, my right hon. and learned Friend the Chancellor said:

"The tax system does recognise marriage, contrary to popular belief."—[*Official Report*, 26 November 1996; Vol. 286, c. 171.]

It is true that the tax system recognises marriage, but it is a fairly grudging recognition. The cash value of the married couple's allowance is to be raised from £268.50 to £274.50, an increase of £6 a year or 11.5p a week. That, by any measure, is a very small increase indeed.

I do not want to be churlish. At least the Chancellor has reversed the freeze on the married couple's allowance that existed for five years. He has reversed that policy, and my only purpose in making this speech is to encourage him in his next Budget to go further and to ensure that the married couple's allowance is fully uprated.

An increase of £6 a year is not enough to convince the nation that we want to reward marriage in the tax system. Every study on the subject proves the value of marriage in raising children. I do not need to quote all of them. Professor Halsey, a well-known member of the Labour party and author of "English Ethical Socialism", has written:

"children of parents who do not follow the traditional norm . . . are thereby disadvantaged in many major aspects of their chances of living a successful life. On the evidence available such children tend to die earlier, to have more illness, to do less well at school, to exist at a lower level of nutrition, comfort and conviviality".

Those are the words of Professor Halsey, a well-known socialist.

Everyone who writes on the subject accepts that we should use the tax and benefits system to encourage marriage, but over the past 30 years, as the former deputy chairman of the board of Inland Revenue, Leonard Beighton, has made clear, the tax system has gradually shifted away from the recognition of marriage. He writes:

"In broad terms the combined effect of the changes has been to increase the tax burden on married couples and others with family responsibilities, particularly single earner couples and to reduce—in relative if not absolute terms—the burden on single people including cohabiting couples without children".

It is necessary to give examples to prove that the tax system disadvantages marriage. A married couple with two children and gross earnings of £250 a week will take home just under £200 a week; a single person with no children on the same gross pay takes home just over £180; but a lone parent with two children on £250 gross pay takes home almost £209—over £9 more than the married couple. The married couple with two children will therefore have £9 a week less than the lone parent to support four people rather than three, and just over £19 a week more than a single person to support four people instead of one. Whichever way one looks at it—in replying to the debate the Minister may by all means answer this point—the evidence is clear that the tax system discriminates against marriage.

In his 1993 Budget speech, my right hon. and learned Friend the Chancellor described the married couple's allowance as "something of an anomaly". I am glad that he has changed his mind. He is a successful politician and it is right that he has changed his mind.

It is disturbing, however, that the Labour party does not seem to have changed its mind on the married couple's allowance. A Labour spokesman can reply on this point. The Commission on Social Justice appointed by Labour called for the married couple's allowance to be scrapped for those under 55. It calculated that £2.5 billion could be raised by abolishing the MCA, and the money could be used to extend nursery education or increase child benefit by £5 a week. The logic of increasing child benefit in that way is perverse and profoundly anti-marriage. Married couples would be taxed so that child benefit could be raised; the only net gainers would presumably be cohabiting couples and lone parents. I hope that, in framing its plans for the general election, Labour will scrap the proposal advanced by its commission.

Both parties should ensure that we right the fundamental injustices in the present tax system. We should ensure that the tax system does not discriminate against married couples and does not provide financial disincentives for the wife who wants to stay at home. The way to achieve that is through transferable allowances. At present, a wife's personal allowance can be used only if claimed against income. If the wife wants to stay at home and raise a family, the state treats that as a matter of personal choice. The state's financial incentives are for a woman to go out to work. At present, there is no way in which a personal allowance can be transferred and shared between husband and wife; nor can a husband and wife have joint assessment.

Transferable allowances are a perfectly sensible idea. They operate in Denmark, Iceland and Italy. Joint assessments operate in Germany, Spain, Ireland and the United States of America. Many countries operate systems that are much more favourable to marriage than our system. Ultimately, there is no reason why we should not move to transferable tax allowances, and I urge my right hon. Friends on the Government Front Bench to consider them.

9.14 pm

Mr. Jacques Arnold (Gravesham): My right hon. and learned Friend the Chancellor of the Exchequer set out his Budget at the beginning of the debate against the best economic background that we have seen in this country for decades. We have the lowest inflation for 50 years, the longest period of low interest rates for 30 years, high growth—the highest in Europe—and, in contrast with the remainder of Europe, falling unemployment. In my constituency of Gravesham, unemployment is at its lowest level since early 1991 and is continuing to fall.

Why has that come about? It is because Britain has had to set its own economic policies since "white Wednesday" in autumn 1992. After all, that is what we were elected to do—we were not elected to pass the buck. We have had to grasp the nettle, and it has been extremely painful for people and for business. Our local government councillors have paid a fearful electoral price for that process, but we have put in place Tory policies that have brought Tory successes.

This Budget builds on those successes. We now have a 23p in the pound standard tax rate, which is the lowest level for 60 years and is 10p lower than the 33p in the pound rate under the last Labour Government. The Budget extends basic allowances by 3.5 times inflation and the 20 per cent. band has been extended by twice the rate of inflation and is double its limit at the last general election.

The Budget favours particularly the working men and women of Britain. Its overall impact is: "Steady as we go." It is not the razzmatazz of soundbites that are understood by Labour spin doctors, but it is an election Budget. Basically, the British people are not fools. They know that Budgets give absolutely nothing: Budgets take. They take in tax in order to pay the Government's bills.

What affects the British people is the economy, because strong growth, low inflation and falling unemployment mean better incomes for all. This Budget underwrites that. It reduces pressure on interest rates, which is good for industry and jobs and for mortgage borrowers. A significant increase in interest rates would not only be bad for those sectors but put upward pressure on the pound. That would be bad for exporters, for industry and for jobs. My verdict is, "Well done, canny Ken." I hope that my right hon. and learned Friend will continue to exercise his fabled judgment in his meetings with the Governor of the Bank of England.

In some ways, the Budget is a first instalment of what I would like to see: a Budget for the family. The measures that I mentioned earlier are good for the working man of this country and for his family. We have indexed the married couple's allowance for the second year—although, as my hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) pointed out, it is only a small amount. I ask my right hon. Friends on the Front Bench to consider their next Budget, when strong growth should give more scope for tax reductions. I hope that that Budget will facilitate the transfer of personal allowances of non-earning mothers of young children to working fathers. That would cost some £1 billion, but the impact on those families could be enormous—£1,200 per year.

Almost all newly wed couples work in this day and age. However, when their first child arrives, they face the considerable costs of coping with the child and the loss of the wife's income together with her personal allowance. In too many cases—particularly at the lower earning levels—the wife returns to work. That is not the best way to nurture the next generation of young people in this country. It leads to child-minders and to latchkey children, with all the associated problems. Young children need the full-time attention of their mothers—that is better for a child's development. Giving mothers the incentives and opportunities to stay at home with their children would have the side effect of releasing jobs to the many unemployed young males who would benefit from an earned income and from increased self-esteem, which is lacking in far too many cases. It would strengthen the family. Indeed, I remind my hon. Friends that Benjamin Disraeli identified the Conservative working man as the chap who led a decent working life and cared for his family, its well-being and its future. We in the Conservative party should take up the challenge of our inheritance and back the Conservative working man.

Earlier, my right hon. Friend the Secretary of State for Health spoke of the private finance initiative and the pioneering of new hospitals. I welcome the fact that Darenth Park hospital, which will serve my constituents, is in the forefront of the programme with its £102 million project. I noted, as I am sure my constituents will, the hostility of the right hon. Member for Derby, South (Mrs. Beckett) towards the PFI and, indeed, towards Darenth Park hospital. The right hon. Lady spoke for real Labour. I noted also that she made no commitments to the funding of my constituents' hospital.

I welcome especially the measures that have been announced for small business. Small companies' rate of corporation tax will fall from 24p to 23p. I welcome another cut in employers' national insurance contributions and the increase in the threshold for VAT registrations. Above all, I welcome the freeze on rates bills for 1.25 million smaller properties, including 400,000 small shops. The measure will be especially welcome in the town centre of Gravesend.

I offer one word of caution to the Minister, my hon. Friend the Member for Fylde (Mr. Jack). I ask him to examine carefully his "spend to save" programme. It will be wonderful if he gets a factor of eight to the cost involved, but I hope that he will ensure that the Inland Revenue and Customs and Excise inspectors do not drive millions of legitimate business men mad by interfering in their businesses.

The Budget's message is that we are doing well. When a Conservative Government run the nation's economic policies and take responsibility, we make an impact. The lessons of the recent past are perhaps that the Government have tried to pass responsibility to others. In the 1980s, our economy was anchored to the deutschmark. We then joined the exchange rate mechanism. Both those policies had disastrous effects on our economy and caused a massive downturn, which has done so much damage.

There is now the threat of that sorry story being repeated. The sirens of Europe are luring Britain back into an ERM and, inevitably, into a euro currency. For my part, I would much rather Britain be a small rowing boat with our hands on the oars than be looking for some mythical safety in a large galley in which we are chained to our particular oar to row. It may be a larger vessel but we are entirely reliant on that chap upstairs. If he makes a mess of it, we are in dead trouble, being chained to our rowing position. I would prefer Britain to continue with its solo rowing in the difficult, stormy seas of the world economy. The Government have shown that they are worthy oarsmen.

9.23 pm

Mr. Alan Milburn (Darlington): It has been a good debate. It has put the Budget to the test and has found the Budget to be wanting. Indeed, hardly had the Chancellor of the Exchequer resumed his place from his stint at the Dispatch Box last Tuesday than his Budget began to unravel.

First, it was said that the right hon. and learned Gentleman had introduced a tax-cutting Budget. It is now clear that it was a Budget to raise taxes. One of the noticeable features of the debate was the virtual absence of references to tax by Conservative Members.

We were then told that it was a prudent Budget. It is now clear, however, that it was a Budget that failed to make amends for the past and failed to equip our country for the future. Conservative Members' final defence was that, if nothing else, the Budget increased spending on essential services, but it is now clear that it was a Budget of cuts, not investment. My hon. Friends' probing during the debate has unearthed the truth: it is a Budget of broken promises from a Government of broken promises.

We heard much about the health service earlier in the debate. The Budget promises to increase spending year on year above the rate of inflation. Indeed, it is the Prime Minister's pledge. The Budget detail, however, gives the game away. In the year after the general election, overall health spending will be cut by 0.7 per cent.

Mr. Dorrell: Every time that Labour repeats that untruth, somebody on the Conservative Benches will rise to challenge it. It is not true to say that the Government plan to cut NHS expenditure in year 2 of the public expenditure survey. That is why the Red Book sets out clearly a growing budget for the national health service—in year 1 of PES, in year 2 of PES, and in year 3 of PES. That gives expression to the Prime Minister's commitment that that will happen year on year under a continuing Conservative Government.

Mr. Milburn: The Health Secretary says that he is not guilty. He claims to have found a new alibi. He said as much earlier in the debate—transferring community care funding from his Department to the Department of the Environment. The problem is that his defence does not stand up to examination. Department of the Environment figures for the same year—the year after the general election—also show an overall cut in funding, and we have no details about how allocations within its budget are to be spent.

Mr. Dorrell: Will the hon. Gentleman confirm that the Red Book has a quite specific line for the national health service, and its spending figure shows a growth in years 2 and 3?

Mr. Milburn: The only remaining defence that the Secretary of State for Health has is trust. He asks us to

[Mr. Milburn]

trust him. A plea for trust is all that he has to fall back on. How can we trust this Government—of all Governments—on health?

Mr. Dorrell: I am simply asking the hon. Gentleman to read the figures in the Red Book from which he is quoting, on page 123, under the heading "Health" and the line below, which says "of which NHS". Our commitment is to increase the resources available to the national health service. It is a commitment that we have always delivered and will continue to deliver.

Mr. Milburn: It was hardly worth my while giving way, and I shall not do so again.

I have read what the Red Book says, and the truth is that nobody will believe the Secretary of State for Health. We have heard what he and the Government have to say on health. The Government promised that the introduction of the market into the national health service would make the NHS leaner and fitter. It is not. It is fatter with bureaucracy. There are 20,000 more managers and 50,000 fewer nurses. That is his legacy to the national health service.

The Government promised last year—just as they promise this year—to make good the planned cuts in public capital spending through increased private finance initiative spending. I well remember what was said last year. In the Budget debate, Ministers, the Chancellor of the Exchequer and the Health Secretary announced a £35 million PFI deal to modernise two hospitals for the South Buckinghamshire NHS trust. A year later, that deal has still not been signed. Indeed, we are still waiting for the first brick to be laid on any major PFI new hospital project.

Meanwhile, NHS capital spending has been slashed by almost £500 million in the past two Budgets. Even when account is taken of PFI projected growth in expenditure, capital spending overall in the national health service is being cut by £150 million in the year of the general election. The Government's promise of more cash for new hospitals is illusory, and their own figures prove that. This is not a Budget for the national health service. It undermines the national health service. The public will be right to conclude that the Tories cannot be trusted on the health service.

As my hon. Friends the Members for Glasgow, Rutherglen (Mr. McAvoy) and for Dudley, West (Mr. Pearson) rightly said, the Tories cannot be trusted on tax either. The Budget promised to cut tax, but instead it has raised tax. It may have given a little with one hand, but it has taken away more with the other.

There are extra taxes on the family—on insurance, on air travel and on petrol. A family's council tax bill will increase. The Budget even takes from the sick by increasing prescription charges. By the time of the next general election, a typical family will have paid an extra £2,120 in tax since the last general election. I know that Conservative Members are fed up hearing that, but they will hear it endlessly—day in, day out, until the general election—to remind them of their broken promises. As my hon. Friend the Member for Sunderland, North (Mr. Etherington) rightly said, typical families are paying more of their income in tax than they were in 1992.

The agony is not yet over. The Red Book confirms that the Tories plan to increase the tax burden year on year—every year—until at least 2002. That is the future Tory tax bombshell for decent, hard-working families. All of this from a Prime Minister who promised tax cuts, but then increased taxes 22 times. He told the House on 28 January 1992 that he had no plans to raise the level of national insurance contributions, but two years later did just that. He said that he had no plans to increase VAT or to extend its scope, but then slapped VAT on heating bills. All that from a party that made tax the key economic issue facing Britain.

We will judge the Tories on their record. The Conservative party is not the party that cuts taxes; it is the party that raises taxes. We should not forget that only Labour prevented the Conservatives from extending VAT on gas and electricity to 17.5 per cent. The Tories still harbour ambitions of doubling VAT on heating, whereas Labour is pledged to cut it to 5 per cent. That should have been done in this Budget: it will be left to Labour to do so in our first Budget. We will do that, because it is the fairest tax cut of them all.

It is no surprise that the Tories are in retreat on tax. They have given up arguing that they have lowered the overall tax burden in 17 years. That argument is lost. The Red Book makes it clear that, as a percentage of national income, taxes will have risen from 34.25 per cent. in 1979 to 36.25 per cent. next year. They now seek refuge in a new argument—a new defence—which was best expressed by the Prime Minister at the Dispatch Box last Thursday. In reply to my right hon. Friend the Leader of the Opposition, he said:

"We have kept direct tax down".—[*Official Report*, 28 November 1996; Vol. 286, c. 459.]

The Conservative party's latest campaign poster also features the Prime Minister. He is billed as honest John saying, "As promised—lower income taxes." That argument holds no more water than any other Tory argument on tax. Even if we leave aside all the hikes in indirect taxes and the cuts in mortgage interest relief at source that the Conservatives have introduced in recent years, typical families still pay more in taxes on income—direct taxes—than they paid in 1992, at the time of the last general election.

Figures supplied to me last week by the House of Commons Library show that a typical family on average earnings will pay more of their income in direct taxes in 1997-98 than they paid in 1992-93. Typical families in every income group will pay more in direct tax. I refer Conservative Members who do not believe me or the House of Commons Library to what the Chief Secretary to the Treasury said on the Jonathan Dimbleby programme this weekend. I have the transcript. Mr. Dimbleby asked the Chief Secretary whether he conceded what was in that day's newspapers and confirmed by the Treasury, that on income tax, apart from overall tax, a person on average earnings was now £50 worse off than he was in 1992. The Chief Secretary replied:

"I think that's broadly right. You have to, I think, include national insurance contributions because we had to put them up in, I think, it was 1994."

At least he was right about the year, but what an astonishing admission. The Chief Secretary to the Treasury has blown the gaffe on what the Prime Minister

has been telling the nation in the Chamber and on the posters. Direct taxes are going up, not coming down. Those Tory posters should come down and the Conservative party should apologise to the British people for its dishonesty on tax. The last defences of the Tory party on tax are shot through with holes. They are not defences at all because the Tories have no defence. There is no defence for a party that promises to cut taxes but repeatedly raises them. Its only answer to broken promises has been to make more promises. *[Interruption.]*

Several hon. Members *rose—*

Madam Deputy Speaker: Order. Hon. Members know the rule when the hon. Member on his feet does not give way.

Mr. Milburn: Over the hullabaloo I said that the Conservatives' only answer to broken promises has been to make more promises. The problem for Conservative Members is that they will not be believed because they are not trusted, and they are not trusted because they have landed Britain with the biggest tax hike in its peacetime history. Above all, they are not trusted because they have not delivered on their economic promises.

At the last general election the Prime Minister promised that if people voted Tory on Thursday the recovery would begin on Friday. But since then almost 10 million people have experienced at least one spell of unemployment as insecurity became the new scourge of the 1990s. My hon. Friend the Member for Cunninghame, South (Mr. Donohoe) made that point about his constituency. The Tories promised that they would balance the nation's books, but by the end of this financial year they will have borrowed £66 billion more in the five years of this Parliament than they said would be needed in the Budget immediately preceding the last general election.

Taxes and borrowing have been at record levels for one simple reason. They have risen because of the Government's failure on the economy. Now, of course, they say that everything is well, that everything in the garden is rosy. It is strange, is it not, that in Britain under the Tories our country is always on the verge of a new economic golden age. The economy, they say, is poised for an unprecedented period of growth. They say that Britain is the enterprise centre of Europe, thanks to their policies. We have heard the soundbite repeated endlessly during the debate. High growth, falling unemployment, low inflation and Britain leading the world would certainly be welcome, but the Tories have neither delivered such a record in the past nor are they capable of delivering it in the future.

Mr. Duncan: What about unemployment?

Mr. Milburn: Let us look at unemployment, which the Government say is falling fast. Let us ignore the fact that it is still double the 1979 rate and disregard the Government's 30 fiddles of the unemployment count.

Instead, let us consider the labour force survey—a Government survey. The picture is not quite so rosy when we consider that survey, is it? No one is earning a wage in one of five households of working age in Great Britain, and the percentage is one in four households in London, Strathclyde, Tyne and Wear, Merseyside and Glamorgan. There are 1.5 million children growing up in families in which there is no breadwinner.

The Tories have made dependency a way of life for millions, and now the Budget proposal to abolish the child benefit top-up for working lone parents will trap even more people on benefit, when all they want to do is to go out to work and earn a wage. The proposal will result in more young people being dragged down, when they should be helped up.

Taxpayers can no longer afford the cost of unemployment. They needed—as the unemployed needed—this Budget to deliver Labour's programme to move people from welfare into work. The Budget failed that test. It will be for Labour to introduce a windfall levy on the excess profits of the privatised utilities, to get 250,000 of our young people back to work. It does not matter an inch how much Conservative Members yell, it does not matter how much the utilities lobby and it does not matter how often the Conservative party sponsors debates in the House about the privatised utilities, there will be a windfall tax on the excess profits of the privatised utilities.

Unless we move people off welfare and into work, we will not have a sustainable recovery and a strong economy. Inflation and investment are already heading in the wrong direction, and the cracks are already appearing in the so-called "second Tory economic miracle in 10 years".

Last month, there was the biggest monthly increase in inflation in six years, and millions of homeowners are already feeling the pinch because of higher interest rates. Those rises mean that Britain is now only 11th out of 15 European countries for inflation and interest rates. But one economic indicator is falling—it is falling fast—and the Financial Secretary should pay attention to it, because it is the investment level. It is falling, but it should be rising. Since 1979, the Tories have given Britain the worst average investment record of any nation in the Organisation for Economic Co-operation and Development. Moreover, investment is growing more slowly than in any recovery this century, as my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) said.

Mr. Jack: Will the hon. Gentleman give way?

Mr. Milburn: I am winding up.

In the past quarter, manufacturing investment recorded the biggest yearly fall for 15 years. The truth is that there was nothing in this Budget to help equip Britain for the challenges that lie ahead, in an increasingly competitive global market, and the Government's failure to equip our country for the future is the real reason why this recovery is built on sand. We should be the enterprise centre of Europe, but we are not. National income in France and Germany in a downturn is higher than it is in Britain in a supposed upturn.

The Conservatives have betrayed all their promises. There are higher taxes, greater insecurity and fewer jobs since the Prime Minister took over in 1990. They have failed to equip our country for the future, and they should be judged on that record.

9.43 pm

The Financial Secretary to the Treasury (Mr. Michael Jack): I had planned on extending to the hon. Member for Darlington (Mr. Milburn) the courtesies

[Mr. Michael Jack]

that one extends to someone coming to the Dispatch Box for the first time in a Budget debate. However, I shall have to delete the word "debate", because so many of my hon. Friends wanted to ask sensible and probing questions of the Opposition, but Opposition Members would not give way and answer.

The only thing in which the hon. Member for Darlington took pride was his party's absolute commitment that were the Labour party—God forbid—ever to form a Government, it would increase taxes. The only thing to which he is committed is a windfall tax—a raid on the value of the pension funds which hold the shares of our utilities and an attack on the employment and investment of those great enterprises. The hon. Gentleman was proud of that boast.

What does the hon. Gentleman think is fuelling what is now the fastest growing major economy in western Europe? The answer is investment, which is up 6 per cent. on last year. The projected total investment is predicted to be up nearly 10 per cent. for next year. The hon. Gentleman should examine my right hon. and learned Friend the Chancellor's proposals.

The trouble is that Opposition Members have been through a cloning process, a form of brainwashing. They get an idea in their head—never mind the facts—and keep churning it out, but eventually the battery will run down. My right hon. Friend the Secretary of State for Health made it extremely clear that our pledge of a real terms increase in spending on health year on year is well met. He proved it conclusively, using the figures in the Red Book.

I remind the hon. Member for Darlington, who now seems more concerned with his pile of papers than with the facts, that there is £1.6 billion extra for patient care next year. That is a real terms increase. The shadow Chief Secretary to the Treasury may shake his head, but last Thursday night he almost admitted something about Labour's plans for health. When I challenged him on "Question Time", he could not make up his mind about whether Labour's proposals were a pledge, a promise or yet more waffle. He retreated rapidly, just as the hon. Member for Darlington has done, except on the windfall tax. We know why—it is because he has secretly signed up to £30 billion-worth of spending pledges and he knows where the money has to come from. Labour will need not £3 billion or £5 billion but £10 billion from the windfall tax. It is not telling us the truth.

There was some sanity in today's debate. Not only did we have a superb opening speech from my right hon. Friend the Secretary of State for Health but my right hon. Friend the Member for Selby (Mr. Alison) and my hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) reminded us of the importance of the family in our Budget considerations. I shall say more about that in a moment.

My hon. Friend the Member for Rutland and Melton (Mr. Duncan) drew our attention to an important point—the falling proportion of Government spending in terms of gross domestic product—which is one of the Chancellor's major achievements. My hon. Friend the Member for Colne Valley (Mr. Riddick) rightly reminded us of how strong the overall economy is. He sagely pointed out that, although the Opposition are claiming that there have been 22 changes in tax, we can top it because 25 is a bigger number than 22 and that is the number of tax reductions that we have introduced.

I congratulate my hon. Friend the Member for Beaconsfield (Mr. Smith) on his continued support for our plans to simplify tax. He reminded us of Labour's appalling record in government. It is indeed the party of high tax; we see that locally. The only tax that it is prepared to talk about tonight is the windfall tax, which confirms its position as the party of high tax.

My hon. Friend the Member for Teignbridge (Mr. Nicholls) drew our attention to recent newspaper reports about Labour's further ideas on tax, to which I shall return in a moment. The newspapers must have got those ideas from somewhere.

My hon. Friend the Member for Gloucester (Mr. French) took up the theme of health and mentioned long-term care. I shall study carefully what he had to say. My hon. Friends the Members for Ryedale (Mr. Greenway) and for South–West Bedfordshire (Sir D. Madel) also drew our attention to the local government settlement and the whingeing that we have come to expect from Labour authorities and their apologists in the House. They will know of the millions of pounds of uncollected council tax and the £1.2 billion of borrowing in Manchester—so much for proper finances. I see that the hon. Member for Sheffield, Attercliffe (Mr. Betts) is here, but I shall not embarrass him too much by repeating facts about Sheffield and its finances. The voices off about the council tax will come from the same councils that need to put their own financial houses in order.

My hon. Friend the Member for Gravesham (Mr. Arnold)—

Mr. Pearson: Will the Minister give way?

Mr. Jack: I want to deal with the point raised by my hon. Friend the Member for Gravesham. We have heard enough from the hon. Member for Dudley, West (Mr. Pearson) for one evening.

I congratulate my hon. Friend the Member for Gravesham on his stalwart campaigning for the Darenth Park hospital. I am glad that he was able to speak in glowing and positive terms about the progress that has been made. He was right to remind the House that it was further down the list of priorities for private finance initiative projects. It has made excellent progress and is now coming rapidly towards the finishing line, just like the Norfolk and Norwich hospital. How can the Opposition deride a hospital programme worth nearly £200 million that will bring better patient care to hundreds and thousands of people in Norfolk? They just rubbish it. That is their commitment to the NHS. We provide progress; they provide criticism.

Let us look at what others have said about our Budget. I remind Opposition Members that the chairman of ICI said that this was a Budget

"for economic growth, which is essential in today's world."

The chairman of the Siebe engineering group said:

"I rejoice for our UK employees, as it will put a bit more money in their pockets."

The chairman of GKN said:

"This is an appropriately prudent Budget which is good news for business."

The lack of business experience among Labour Members tells. They cannot see what is good for business because so many of them have never been in business.

The inescapable statistics that the Opposition cannot run away from are those relating to the effect on living standards. Whatever dust storms or dubious tax statistics they put up, they cannot run away from the fact that the tax cuts in the Budget are worth £120 a year to the average family, taking all direct and indirect taxes into account. The average family on average earnings will be another £370 a year better off—£7 a week—taking into account all taxes and inflation. We have heard so many spurious statistics because the Opposition are plain embarrassed at what we have done. That builds on the fact that we are now £20 a week better off since the last election and £100 a week better off since 1979. What was the record of the last Labour Government? The best that they could manage was £1 a week.

Mr. Pearson: On the issue of being embarrassed, I thank the Minister for his reply to me, due on 7 November, which he finally got round to giving me late this evening. He admits that his failure to close the tax loophole involving special dividends and share buy-backs cost the Exchequer £400 million last year. I thank him very much for that admission, but he has still got his sums wrong. Will he go back and do them again? He will find that far more taxpayers' money is wasted.

Mr. Jack: Is that the best that the hon. Gentleman can do when we have taken action to block tax loopholes? That goes along with the rest of Labour's claims that we have dismissed this evening.

My hon. Friend the Member for Teignbridge drew our attention to some interesting comments in the newspapers. We read in *The Sunday Times* that Labour is to cut taxes for middle classes—another uncosted pledge by the Opposition. Where is the money to come from? As with the £8 billion or £10 billion for the 10p starting rate, we do not know. They accuse us of dishonesty, but they are playing with the emotions of the British people.

Looking at some of the finer print in the article, we begin to see a hidden agenda that builds on an existing Labour pledge to remove the tax relief on private medical care. The article tells us that Labour will look for what is described as a hit list. What will be on the hit list? I invite Labour Members to remove the air of mystery. I suppose that the 4.5 million people with TESSAs, the 2 million people with PEPs and the 2 million stakeholders, of whom we hear much from Labour Members, are in line for the removal of their reliefs. That is what it says.

A further article in the *Daily Express* on 2 December is headed:

"Labour wrapping tax cuts in a mystery."

Finally on this revelation, *The Guardian*, which I thought was on Labour's side, tells us:

"Last night some shadow cabinet ministers viewed the tax plans with alarm".

I am not surprised. I have already totted up that about 6 million people are going to be up in arms at this dawn raid on their sensible tax reliefs.

The hon. Member for Darlington was not very nice to my right hon. Friend the Chief Secretary to the Treasury. Because of that scurrilous attack, I want to clarify what my right hon. Friend said. Yesterday, he put out a statement to make entirely clear the points that he was making. He said:

"When people earn more they pay more tax"—

that point has rather escaped the Opposition. Our stewardship of the economy, by putting more people back to work, increasing the opportunities for tax, tightening tax loopholes and making the tax system work better, brings in more tax revenue, but perhaps the Opposition had not observed that. My right hon. Friend went on to say:

"and that is what I confirmed yesterday. But the fact is"—

the hon. Member for Darlington should listen to this, because he is in for a lesson—

"that next year a family on average earnings will pay £88 less in direct taxes than if the Government had simply left the tax system unchanged since 1991/92."

He went on to reiterate the points that I put before the House about rising living standards.

I shall say a little more about where some of our increased revenue is coming from in the "spend to save" package, which many of my hon. Friends have supported. It is not just a package based on what the Inland Revenue is producing. Its corporate technical review and analysis of avoidance, income tax compliance and action on the shadow economy will produce just short of £2 billion of the £6.7 billion scheduled.

The work by Customs and Excise on compliance and avoidance and on fraud and evasion, particularly in the context of the single market, is scheduled to yield about £2.2 billion. The work by the Department of Social Security on fraud and ensuring that benefit claims are appropriately and properly made will yield another £2.2 billion. Also the Foreign and Commonwealth Office, the Home Office and other Government Departments are playing their parts in that "spend to save" package.

Some of the tax loopholes that we plan to close will also make their contribution: stopping abuse in terms of foreign tax credits; the artificial recovery of value added tax on property transactions; and closing the loopholes on finance leasing. Some of those are new schemes and it has taken time to track them down and deal with them, but that is what we are doing.

In terms of yield, the figures are realistic. The Inland Revenue compliance work cost £270 million last year, but yielded £5.2 billion, which is nearly 20:1 in terms of return. The "spend to save" package gives a yield of about 8:1, so it is an entirely realistic area for us to be aiming at.

In spite of the fact that we have one of the strongest economies in western Europe, with one of the most flexible labour forces—not burdened by the social contract—and are the No. 1 for inward investment in Europe, we heard no praise for the contribution of people who have worked hard in this country, for example, the contribution of Rolls-Royce, which is in the constituency of the right hon. Member for Derby, South (Mrs. Beckett). There was not a mention—no pat on the back for the hard work that they have undertaken there. There was no reflection of the fact that it is not merely the Government who are predicting higher levels of investment. The Confederation of British Industry is predicting a 7.5 per cent. increase in manufacturing investment in 1997. We heard nothing of that from the right hon. Lady. We also

[Mr. Jack]

heard nothing about the efforts that my right hon. and learned Friend the Chancellor of the Exchequer is making to reduce the public sector borrowing requirement. All those things are positive.

We certainly did not hear anything about the interview with the right hon. Member for Derby, South on the windfall tax. Any privatised company is now fair game in Labour's attempts on the windfall tax.

What we did hear was a lot of bleating on the subject of local authorities. It is worth just reflecting for a moment on the state of some of Britain's local authorities. For example, Southwark is owed £26 million in rent arrears; Birmingham is owed £25 million in council tax; Manchester is in debt to the tune of £1.2 billion; Hackney spends £377 per head just to service its debt; and dear old Islington is in debt by almost £5,000 per head. That is the track record of Labour in government—high-spending and high-taxing local authorities—yet the Opposition have the nerve to attack us about local government.

This has been a Budget for the next five years, not the next five months. It will secure the long-term growth of the British economy and it will continue to put more people back into work. It will sustain lower inflation and maintain vital spending on our public services, on schools and education; and, as my right hon. Friend the Secretary of State for Health has said, it will provide a real terms increase in spending on the health service.

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

TRADE AND INDUSTRY

Ordered,

That Mr. Michael Stephen be added to the Trade and Industry Committee.—*[Mr. Dunn.]*

Community Care (East Kent)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McLoughlin.]*

10 pm

Mr. Roger Gale (North Thanet): I am grateful for the opportunity to raise an issue that is of considerable concern to a number of my elderly constituents and, for different reasons, to those who run residential homes as businesses.

When I was elected to Parliament in 1983 I first came into close contact with residential and nursing homes, of which Herne Bay and Thanet have a large number. I was impressed by the standards of care and dedication in some and quite appalled by the lack of care, trained staff and attention in others. The phrase "granny farming" was used revoltingly but graphically to describe some of those establishments. It was that exploitation of the elderly that led me and a number of colleagues to press for changes in the legislation.

The Registered Homes Act 1984 did a great deal to weed out the villains and to generate real considerable investment in improved facilities and fire precautions and in the numbers and training of staff employed per resident. The inspection of licensing procedures was tightened considerably, and I hope and believe that we all saw a real and dramatic improvement in the living standards of the many elderly people in north Thanet who for a variety of reasons either chose or found it necessary to live in retirement homes.

The programme of improvement in facilities and investment continued through the 1980s and in the early part of this decade. Then came community care and care in the community. The concept of community care is absolutely correct. In the past I have met many elderly constituents who perhaps having lost their partner and because of advancing years and frailty have been compelled, against their will, to move from a home that means everything to them and contains all their memories of family happiness into a residential nursing home. That kind of move is traumatic and sometimes avoidable, and experience suggests that it often precipitates death. With support from the right team of professionals, who can provide care and help daily, and with the benefits of care and repair schemes, which maintain the fabric of homes, many elderly people are now able to end their days in a manner and in the surroundings that they wish. That is an estimable achievement and it is right that it has been brought about through considerable investment on the part of the Government and local authorities. Community care is not a cheap option. As with most projects, there is a downside in community care, and it is to that that I now wish to turn.

My own support for community care was founded in the fond belief that it would extend the choice available to elderly people. I believed that by providing support from within the community in the form of home aid where necessary, home help and meals, those who were previously left without an option would be re-enfranchised.

I did not expect—nor, I believe, did many others in the House—that community care would, through the imposition of rigid eligibility criteria, often deny the elderly the right to choose of their own volition to move

into a residential home and to receive support to enable them to do so. It was inevitable that the introduction of community care would have an impact on residential and nursing homes. Clearly, if we are to keep more people in the community in their own homes, there will be fewer people to occupy the capacity of residential and retirement homes. It was therefore self-evident that, as surplus capacity was generated, some homes would close.

I must express considerable unease at the manner in which the Government first introduced high standards of residential care and stimulated considerable investment—often of borrowed money—in good facilities, only to move the goalposts and deny those businesses the clients on which they are dependent. While all business ventures are at risk, that has for some been a harsh adjustment.

The imposition of contracts for residential places has not merely exerted a downward pressure on costs, which is clearly desirable for the taxpayer, but has in some cases meant charges that do not meet the costs of servicing investment or payment for food and staff—that way lies bankruptcy. Equally, the placement by the authorities of a few clients in a number of homes has meant that more are struggling than is perhaps necessary. If no one home is able to enjoy the critical mass necessary to survive financially, we may expect a further wave of bankruptcies. There is a concern that, perversely, we may be left with insufficient places to meet the demand.

The funding of clients for community care in their own homes or in residential care is a bone of contention. Until now, funding has been ring-fenced, but, as money becomes tighter, so the option of community care, which was never intended to be cheaper, becomes more desirable, and the criteria for residential care are likely to become more, not less, rigid. That will have a still greater impact on freedom of choice.

It has also become clear that, while social services departments may decree that adaptations to homes, approved by occupational therapists, are necessary, and while architects may draw up plans, turning those promised adaptations into reality can take an eternity. Local authorities simply do not have, or are not making available, the necessary funding for even those minor works to be carried out. The ends may have been decreed, but far too often the means are not forthcoming.

There are built into the system hidden costs that are not sufficiently well recognised. When those in residential care become ill—frequently in winter—they are generally cared for within the home. When similarly afflicted, those living alone in their own homes tend to gravitate immediately to hospital upon GP referral. Those who, like my hon. Friend the Minister, are looking for an explanation for the sudden rise in hospital accident and emergency admissions over the past couple of years, might look no further than that for the cause.

I had to spend three weeks of days and nights visiting the excellent Queen Elizabeth the Queen Mother hospital in Margate last Christmas. That hospital was overworked and bursting at the seams with elderly patients suffering from the sort of chest infections, influenza and seasonal diseases that one might expect. I do not believe that, a few years ago, that number of patients would have been admitted in that way.

The entire system was congested as valiant nursing and medical staff battled around the clock to tend to patients who might otherwise have been looked after in residential care. The cost, not simply in terms of pounds, shillings and pence, but in terms of cancelled, much-needed but non-acute operations, has been—and I fear this winter again will be—enormous. We shall face full wards, empty operating theatres and lengthening waiting lists. A senior health service employee told me that hospitals are being used as social hotels, which cannot be right.

One further aspect of community care gives me growing cause for concern. In Kent, and I suspect elsewhere, about two thirds of domiciliary care is contracted out to independent providers. I have no quarrel with Kent county council staff, who are, I understand, fully trained and screened before being let loose on their elderly charges. But some of the independent providers also undoubtedly offer an excellent service and a high standard of care. I am assured that the social services department runs a check on its contracts with those firms.

What is clear, however, is that the domiciliary care business is unregulated. There is no system in place to ensure that each and every domiciliary carer is fully and professionally qualified, or that they have been security screened. Yet those people are in positions of great trust, deal with a potentially vulnerable section of the community and, by the very nature of their jobs, have access to people's homes.

I do not seek to cast aspersions on the characters of the many people working in this field, who are totally honest, hard-working and dedicated. However, it worries me that, although we have gone to great lengths, through the Registered Homes Act 1984, to regulate the residential end of the market, we have allowed the freelance care agency to develop by default, without checks and balances built into the system. That is a circumstance that is wide open to abuse. It is in the interest not only of the clients, but of the carers who might otherwise face unsubstantiated allegations, that the problem is addressed and remedied as a matter of urgency.

I believe that a good concept is at risk of failing in the realisation. Unfair burdens and judgments are being placed on care managers who, without medical qualifications, might find themselves charged with the implementation of a rigid set of criteria for admission to residential homes, perhaps against their own better judgment and instincts.

Good residential home proprietors capable of providing a caring home are being denied clients who wish to use their services. Some of those elderly clients—the very people whom community care was designed most to benefit—are being denied the choice to opt for the security of a residential home, and are instead compelled to while away the gaps between hurried domiciliary visits in isolation and sometimes in distress.

I urge my hon. Friend to take on board my comments, which are born of my day-to-day experience as a constituency Member of Parliament, I hope that he will seek to fine-tune the community care system, so that real freedom of choice is restored.

10.11 pm

The Parliamentary Under-Secretary of State for Health (Mr. Simon Burns): I congratulate my hon. Friend the Member for North Thanet (Mr. Gale) on his success in securing this debate on community care in Margate and Herne Bay. I am pleased to have the opportunity to respond to several important issues that he

[Mr. Simon Burns]

raised. From correspondence with my hon. Friend, I am fully aware of his concerns on a number of points, and I intend to try to deal with all of them this evening.

First, I want to put the issue into the context of private sector and local authority provision of community care. Last week in the Budget, my right hon. and learned Friend the Chancellor of the Exchequer announced next year's settlement for local government. We have kept our commitment to fund community care fairly, and have provided Kent county council with an additional £9.7 million, earmarked for spending on its new community care responsibilities next year. The total resources provided for social services in Kent next year will be more than £218 million.

That is a huge amount, which needs to be put into context. It is more than three times as much as Kent county council's net spending on social services 10 years ago, and more than double the resources available at the start of this decade, in 1990-91. What other department of the council can boast increases on that scale? Those increases bear testament to the Government's intention to fund social care appropriately. It is now up to Kent county council to ensure that those massive increases in resources are used efficiently and effectively for the benefit of those who need the help of social services and community care in the county.

In deciding to continue with a special transitional grant in 1997-98, I was aware of the representations made by many care home owners from around the country, and by my hon. Friend in his correspondence earlier last month. They showed that care home owners have little confidence in some local authorities' willingness to choose the independent sector's good-quality, cost-effective services in preference to their own more expensive in-house provision.

As a Government, we believe in a flourishing independent care sector. I am not yet fully convinced that that has been established in both residential and domiciliary care markets. For that reason, we are again attaching two conditions to the special grant. The first states that it must be spent on community care services. The second requires local authorities to spend 85 per cent. of the grant in the independent sector. That has become known as the "85 per cent. condition", and was extended for a fifth year by my right hon. and learned Friend the Chancellor last week.

To ensure that it is satisfied by additional expenditure in the independent sector, the condition has a cumulative effect. Each year, local authorities must show that their community care expenditure in the independent sector in that year is in addition to the amounts required to meet the condition for the past years. In 1997-98, the cumulative effect will be applied to the past three years. In Kent, the county council will be required to spend a minimum of £49 million in the independent sector. I hope that those measures will reassure care home owners throughout that county.

Many local authorities have already proved that they can purchase reliable, good-quality, cost-effective services in the independent sector at a lower cost than their own in-house provision. They are able to place people in residential care homes that are cheaper than their in-house provision. They are also able to purchase domiciliary care from the independent sector at less cost than their own home care services. Yet many local authorities continue to limit the purchase of services from the independent sector to the requirement of the independent sector condition of the special transitional grant.

In its report "Balancing the Care Equation: Progress with Community Care", the Audit Commission drew attention to the accounting practices of local authorities making a false separation of those funds from their own historic base budget for community care services. It said:

> "Resources need to be managed in an integrated way and merged into a single commissioning budget. Authorities should treat their services in a similar fashion to independent sector services, through the use of service agreements and contracts within a mature contracting framework."

Some local authorities could make substantial savings if they used more of their historic community care budget to purchase services from the independent sector. Local authorities should use their budget to purchase community care services to meet the needs of their local communities irrespective of sector, not according to their historic budgetary arrangements. They need to see their role as that of enablers rather than providers of those services.

We have compared costs of in-house and private provision. Kent county council has advised us that the cost to a prospective resident of an in-house placement is £272, and that an independent sector place purchased by Kent county council averages about £230. A place in the independent sector is therefore about £42 cheaper. Sadly, that difference in cost is greater than in other parts of the country. It clearly shows the scope for substantial savings by some local authorities.

Where the comparison of quality is the same—the independent sector is often better—people who are self-funding will choose their residential care home taking cost as a main factor. Local authorities need to make a similar judgment between providing in-house services at a higher cost and purchasing good-quality care at a lower cost from the independent sector.

Local authorities insist on perpetuating their own services regardless of cost that could achieve significant savings for their communities if they also made more effective use of independent sector domiciliary services. They are often used only as a stop-gap to provide the services that local authorities find it difficult to operate. If the independent sector has proved its reliability in achieving savings for local authorities in difficult cases, could not more savings be made by allowing the independent sector to compete for more of the core service provision?

As my hon. Friend said, the choice as to whether a person should remain at home with a domiciliary care package or be put in a residential care home depends on assessments. The latter are critical to determining what is in the best interests of the individual. The whole point of the community care policy is that people should be allowed the dignity and quality of life that come with remaining in their own home for as long as possible—obviously with the support services that they require. When that is not feasible, for a variety of reasons, they should be placed in the residential home of their choice.

It is as a result of the community care reforms that people now have more choice of services tailored to their needs. But that choice is effective only if it provides the

care that people really need. That is why assessment is at the heart of our community care reforms; local authorities decide in the light of local needs and priorities how to meet people's assessed needs. In making this crucial assessment, local authorities should involve any other appropriate professionals, including health professionals, so that a complete picture of a person's needs can be built up before any decision is taken.

The assessment process ensures that people's needs come first and that the services they receive are carefully tailored to them—that is critical. If the real needs are not being met, resources are wasted. Equally, if needs are being met in ways not appropriate to the case in question, devoting resources to that case may deny other people the help they need.

The choice we want to give people must therefore be matched to the assessment of the individual case. It is one of the successes of the reforms that many people have been enabled to stay at home, with the relevant services, instead of having to be admitted to inappropriate residential or nursing care because of a lack of care packages to meet their real needs in the community.

That also makes good sense economically, given that day centre placement costs £24 a day, and a visit from a home care worker or a care manager costs £6 and £18 an hour respectively. The combination and frequency of these will often mean that the care package costs considerably less than the residential care placement, at £230 a week.

The reforms have opened up the use of more innovative care packages, which have enriched the lives of those needing help and allowed them to receive the care they need, when feasible, in their own home.

My hon. Friend also mentioned the fact that domiciliary care is currently unregulated—an extremely important point, because there are at present no checks on all residential care workers. But, as my hon. Friend will be aware, the Burgner report recently produced a consultation document for my right hon. Friend the Secretary of State for Health recommending further regulation of domiciliary care, to ensure the highest possible standards and the best quality of care for those who need it.

My hon. Friend will be pleased to learn that, although the consultation process is still under way, as an interim measure the Secretary of State has accepted that advice from the Burgner report, and we shall seek to introduce legislation, at the right time, as part of a wider package of regulations to safeguard the people who rely on domiciliary care. Because they are the most vulnerable and frail members of society, they need the best possible care, with the maximum number of checks and regulations to ensure that they get what they are entitled to. In an unregulated market, there may be problems with quality of care and other ancillary matters. I trust that my hon. Friend will be reassured by the Secretary of State's decision.

I have sought during this short debate to show that, when community care was introduced in 1993, we understood that it would take about 10 years to bed down the system and iron out some of the problems that would inevitably arise in introducing a new way of looking after the elderly, the frail and the vulnerable in our society. We are now beginning our fourth year, and great strides have been made in raising standards, protecting the independent sector and ensuring that the elderly and others in community care receive the best possible standards of care to which they are entitled.

For that reason, I am pleased that the Chancellor announced in his Budget statement additional resources next year of £335 million for community care, which shows our commitment to providing high-class services for those people. Our commitment to a flourishing independent sector is also clear, as we are continuing the special transitional grant and the independent sector condition in order to protect the independent sector and allow it to continue to flourish while providing a valuable service for the elderly, as it has over the past decade or so. That needs to be matched by the commitment of local authorities like Kent to obtain full value for money, irrespective of sector, in providing those services.

I look forward to local authorities and the independent sector working in partnership to achieve those aims, because, as my hon. Friend amply demonstrated this evening, the highest-quality provision of care for the most vulnerable and frail in our society must be paramount. They have the right to choose whether to live in their own homes, where that is feasible, with a package of care and support, or to live in residential care. It is important to ensure that they are allowed the dignity to live their later years with maximum care, which they so rightly deserve.

My hon. Friend has, for a long time, been a champion on behalf of his constituents in seeking centres of excellence and the right provision of the highest quality of care. I am extremely grateful to him for bringing before the House such an important and sensitive subject.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes past Ten o'clock.

House of Commons

Tuesday 3 December 1996

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

KING'S COLLEGE LONDON BILL [LORDS]

Motion made, and Question proposed,

That the Promoters of the King's College London Bill *[Lords]* may, notwithstanding anything in the Standing Orders or practice of this House, proceed with the Bill in the present Session; and the Petition for the Bill shall be deemed to have been deposited and all Standing Orders applicable thereto shall be deemed to have been complied with;

That if the Bill is brought from the Lords in the present Session, the Agents for the Bill shall deposit in the Private Bill Office a declaration signed by them stating that the Bill is the same, in every respect, as the Bill which was brought from the Lords in the last Session;

That, as soon as a certificate by one of the Clerks in the Private Bill Office, that such a declaration has been so deposited, has been laid upon the Table of the House, the Bill shall be read the first and second time (and shall be recorded in the Journal of this House as having been so read) and shall be ordered to be read the third time;

That no further Fees shall be charged in respect of any proceedings on the Bill in respect of which Fees have already been incurred during any previous Session.—[*The First Deputy Chairman of Ways and Means.*]

Hon. Members: Object.

Debate to be resumed on Tuesday 10 December.

Oral Answers to Questions

HEALTH

Capitation Funding

1. **Mr. Whittingdale:** To ask the Secretary of State for Health what progress has been made towards full capitation funding of district health authorities; and if he will make a statement. [5611]

The Parliamentary Under-Secretary of State for Health (Mr. John Horam): The health authority revenue allocations announced last Thursday show that in 1997-98, the next financial year, considerable progress will be made towards that goal.

Mr. Whittingdale: Is my hon. Friend aware that North Essex and South Essex health authorities are further away from their capitation target than any other health authority in the country? I thank him for recognising that by announcing an increase of 2.6 per cent. in real terms in this year's settlement, but is he aware that that will still leave North Essex some £14 million short of its capitation target? That is likely to cause real difficulties. Can he therefore give me an assurance that, in future years, he will concentrate on giving extra resources to authorities that remain below their capitation target?

Mr. Horam: I am sure that it is not a great comfort to my hon. Friend to know that there is another health authority worse even than North Essex in terms of its distance from the capitation target. None the less, he will be aware that, in this settlement, we have achieved another £16 million towards a total of £370 million for North Essex, which brings it to 3.77 per cent. below its capitation target. I certainly give him the assurance that we will continue to make progress in that direction. Indeed, given what the Prime Minister and my right hon. Friend the Secretary of State for Health have said about real resources over the next few years, if another Conservative Government are elected, we will certainly make progress towards that end.

Ms Coffey: If the Minister is introducing a more equitable distribution of resources to health authorities, why is he introducing a challenge fund for the care of the elderly? Is it not a fact that all that will happen is that money will go to the best bidder and not necessarily to those with the most need? Is that not just another example of the Government's lottery of care for the elderly?

Mr. Horam: I am glad to be able to tell the hon. Lady that, as a result of the fairly small changes to the capitation formula, which we will incorporate in next year's figures, no less than 86 per cent. of total capitation funding will be related to needs.

Mr. John Greenway: Does my hon. Friend agree that hospital trusts operate within a number of former health districts that still receive below the national average for health funding? In particular, and as my hon. Friend knows, Scarborough district and Scarborough and North East Yorkshire Healthcare NHS trust have a deficit. Can my hon. Friend reassure me and my many constituents,

and those of my hon. Friend the Member for Scarborough (Mr. Sykes)—[HON. MEMBERS: "Where is he?"]—that their needs will be met from the enormous increase in funding of £1.6 billion, which the Government announced last week?

Mr. Horam: Perhaps I can reassure my hon. Friends inside and outside the Chamber that, as a result of my right hon. Friend's decisions, North Yorkshire is now only 0.5 per cent. away from the target funding. I am sure that we will eliminate that shortfall in the next year of a Conservative Government.

Hospital Deficits

2. **Mr. Bayley:** To ask the Secretary of State for Health if he will make a statement on NHS hospital deficits last year. [5610]

The Minister for Health (Mr. Gerald Malone): Financial information for 1995-96 will be available later this month, following analysis and validation of the trust audited annual accounts by the national health service executive.

Mr. Bayley: Does the Minister recall that the most recently published NHS accounts listed 13 NHS trusts in non-technical deficit and said that the NHS executive would take action to remedy those deficits? Is he further aware that, of those 13 trusts, 11 were still in deficit the following year and that the aggregate deficit had gone up from £10 million to £20 million? Is that not an indication that the internal market is putting trusts into deficit? What action does he intend to take to stop the closure of more trusts such as the Anglia Harbours NHS trust?

Mr. Malone: I recognise from the question an article that appeared in a newspaper close to the hon. Gentleman's constituency setting out his concerns, which I do not regard as justified. His concern is that those trusts that have a deficit cannot manage their way out of it.

In 1994-95, 16 trusts recorded real retained deficits; 10 of them remained in real deficit in 1995-96 and five forecast deficits in 1996-97, so the point that the hon. Gentleman tries to make is wrong. He would do better to remember his own advice, which is that if he wants to do something about all that, he should encourage those on his Front Bench to increase spending in the health service in real terms, as the Government have done. The hon. Member for Islington, South and Finsbury (Mr. Smith) tried this morning, but palpably failed.

Mrs. Roe: Does my hon. Friend agree that the Secretary of State's announcement of £23 billion for health authorities last year may go some way to deal with a projected deficit slightly in excess of £100 million?

Mr. Malone: My hon. Friend is right. I repeat what my right hon. Friend the Secretary of State said when he was questioned in the health debate last week about first quarter returns for trusts: there is an estimated surplus this year of about £60 million. That proves, as my hon. Friend suggests, that this is a well-managed service with an increasing resource that has been given by the Government.

Rev. Martin Smyth: There has always been pressure on finance in the health service. In the past, a balance was always achieved. What is the difficulty now? Is the fact that some health authorities are now recording deficits the result of bad management or of someone trying to get ahead of someone else?

Mr. Malone: The hon. Gentleman is right to point to the fact that, over time, trust accounts must be balanced. That is happening. Trusts are obliged to balance their accounts on a following year basis. Trusts that have difficulty have made enormous progress towards eliminating deficits over time. That is precisely what we expect health authorities, which are purchasers, and trusts, which are providers, to do—and it is made all the easier because, this year, every health authority has been given increased spending in real terms.

NHS Spending

3. **Mr. Pawsey:** To ask the Secretary of State for Health what is the current level of spending on the national health service; and what it was in (a) 1979 and (b) 1989 in real terms. [5612]

The Secretary of State for Health (Mr. Stephen Dorrell): National health service total net expenditure in England is planned to be £34.4 billion in 1997-98. At constant prices, the equivalent expenditure in 1978-79 was £19.6 billion, and in 1988-89 was £26.5 billion.

Mr. Pawsey: I thank my right hon. Friend for that very revealing reply, which emphasises, as nothing else would, the Government's continuing commitment to the nation's health. Does my right hon. Friend agree that the evidence for that increase in spending can be found in every trust hospital and every fundholder's surgery and is experienced by every member of the public who goes for treatment?

Mr. Dorrell: My hon. Friend is absolutely right. Those figures represent a 30 per cent. real terms increase since 1990—an increase of three quarters since 1979. Most important for the future is the Prime Minister's commitment to year on year on year on year real terms increases in NHS spending. In this morning's *Daily Mirror*, the hon. Member for Islington, South and Finsbury (Mr. Smith) wrote an article. He said:

"Labour will match the Tories' plan for funding the NHS—we are very serious about that"—

so serious that they will match it for year one. What about year two, year three, year four and year five of the next Parliament?

Mr. Simon Hughes: I believe that everyone will welcome what is a relatively generous settlement for the coming year, which has been secured by the Secretary of State and by the Government. The Secretary of State is correct to say that, even after this morning's speech by the hon. Member for Islington, South and Finsbury (Mr. Smith), the Government's financial commitment is considerably greater than the Labour party's.

If the Government are so committed, why is there not a similar commitment for the following years, which, according to the Chancellor's announcement, do not show any continuing real growth? Is not the truth that the

Government are still always tempted to give tax cuts, such as those that they will vote through tonight, which only Liberal Democrat Members continue to oppose?

Mr. Dorrell: I am grateful to the hon. Gentleman for his recognition of a "relatively generous settlement", as he called it, for next year but, with respect, he is wrong about future years. The Red Book shows a real-terms increase, to which we are pledged, for national health service expenditure in year 2 and year 3. The Labour party refuses to give such a pledge. The hon. Gentleman was too generous to the shadow health spokesman, whose pledge for next year is not to volunteer back to the Treasury health money that this Government have committed to the NHS.

Mr. Dunn: Can my right hon. Friend confirm that the Government's commitment to the national health service allows the people of Dartford—

Mr. Jacques Arnold: And Gravesham.

Mr. Dunn:—to look forward to the construction of a new district general hospital early in the new year? Will he accept my thanks and pass them on to his Ministers and other colleagues who have worked so hard to bring about that result?

Mr. Dorrell: I am grateful to my hon. Friend. I was as pleased as he was by the health authority's decision last Thursday. If and when the hospital is built, as we intend that it should be, I am sure that it will benefit the citizens of both Dartford and Gravesham. I look forward to the day.

Mr. Chris Smith: Will the Secretary of State confirm, first, that he has cut capital spending on the health service by one third in the current year and next year and, secondly, that page 124 of the Red Book, which presents the control totals in real-terms figures, shows that, between 1998 and 1999, there is to be no real-terms increase in planned spending on the health service? Does not that show that the Chancellor has already torn up the promise given by the Prime Minister at the Tory party conference?

Mr. Dorrell: The hon. Gentleman is wrong on both counts. The Red Book makes it clear that the cash plans for the health service in year three are increasing faster than the GDP deflator. [HON. MEMBERS: "Real terms."] We plan for the health service in cash spending, as the hon. Member for Islington, South and Finsbury (Mr. Smith) is also committed to do. The cash spending for the health service in year three increases faster than inflation. Hon. Gentlemen might misunderstand me. Faster than inflation means real-terms growth. That is what the Government are committed to, what they have delivered for 18 years and what this Conservative Government will deliver in the next Parliament. The hon. Gentleman has only to wait and see.

Mr. Duncan Smith: Does my right hon. Friend agree that, notwithstanding the increase in the figures, one of the key points is the way that the service is delivered? It is more efficiently delivered now, so the pounds spent are spent on more people. I am particularly concerned about fundholding practices. The Opposition's position on fundholding is oblique. Will my right hon. Friend make it clear to the House that we seek to increase the number of fundholders, because fundholding has worked?

Mr. Dorrell: My hon. Friend is right to say that fundholding has worked. It is the option that has been chosen by almost 60 per cent. of GPs in England—because they believe that it is in the interests of their NHS patients that they should be come fundholders. My hon. Friend was wrong about the hon. Member for Islington, South and Finsbury. The hon. Gentleman made it crystal clear this morning that he intends to abolish fundholding—[HON. MEMBERS: "Hear, hear."] Hear, hear, Opposition Members say. If they really cared about health service patients, they would take the hon. Gentleman to one side and ask him why he intends, if he is ever given the chance, to deny to GPs working in the health service the option that they think is in the best interests of their patients. That is what the hon. Gentleman announced this morning: he does not care about NHS patients.

Market Testing

4. **Mr. Purchase:** To ask the Secretary of State for Health how many NHS services have been market tested. [5613]

The Parliamentary Under-Secretary of State for Health (Mr. Simon Burns): The national health service executive market testing database has evidence of 86 services that have been market tested or are planned to be market tested.

Mr. Purchase: Does the Minister recognise that the entire exercise has been characterised by a reduction in services throughout the NHS? In my constituency, an organisation called Trident, which was formerly known as Hospital Services, had to change its name to gain new contracts—hon. Members may speculate about why that was necessary. The contract is failing to deliver promised savings and there has been an attempt to reduce the number of hours worked by people in the service. A constituent who works as a cleaner with the Wolverhampton health service has been forced to clean using water with no additives. Does the Minister believe that market testing is justified in those circumstances?

Mr. Burns: I am afraid that the hon. Gentleman utterly misunderstands the purpose and benefits of market testing. He fails to see that market testing is improving standards, particularly in laundry and other hotel services. By enhancing standards, market testing is saving the health service between £100 million and £150 million, which is then used to provide extra health care for patients. The hon. Gentleman should support that initiative. In addition, the trust that has taken out the contract is more than happy with the service being provided. I suggest that the hon. Gentleman gets a better briefing from UNISON, which seems to be misleading him.

Mr. David Shaw: How much has market testing saved us in terms of additional operations in the health service? Have not efficiency savings led to a considerable increase in the number of patients who are treated through the health service?

Mr. Burns: I am extremely grateful to my hon. Friend, who puts his finger on the most important issue. Market

testing is resulting in improved services and, since it began in 1983, it has saved the health service about £1 billion—about £100 million to £150 million a year. That means more hip and cataract operations and more acute service provision in the health service.

Total Purchasing Initiative

5. **Mr. Congdon:** To ask the Secretary of State for Health how many general practitioners have expressed an interest in the Government's total purchasing initiative. [5614]

Mr. Malone: There are 82 national total purchasing pilots comprising 322 practices. We understand that many other sites have expressed interest in such pilots. We will consider how to respond to this in the light of the National Health Service (Primary Care) Bill, which is currently before Parliament.

Mr. Congdon: I warmly welcome the growth in fundholding, and its extension via the total purchasing initiative, which is popular with GPs and patients. Given the success of fundholding, does my hon. Friend agree that it would be quite wrong to abolish it, as is proposed by the shadow health spokesman?

Mr. Malone: My hon. Friend is right. At least we have an end to the equivocation about replacing or evolving fundholding: we now know that the Labour party would abolish it. The advantages that have accrued to patients and to general practitioners from total purchasing pilots would be lost if the Opposition had their way. Unlike fundholding under this Government—which is a voluntary principle carried forward in the National Health Service (Primary Care) Bill before the House—Labour would force general practitioners into commissioning groups. It would become chain-gang commissioning, which is anathema to this side of the House.

Community Health Councils

6. **Mr. Pike:** To ask the Secretary of State for Health what representations his Department has received regarding possible changes in the role and functions of community health councils. [5615]

Mr. Horam: I have received a number of representations regarding the role and functions of community health councils, in connection with the report on the resourcing and performance management of community health councils, which will be published shortly, inviting comments.

I assure the hon. Gentleman that we value the role played by CHCs, as independent statutory bodies, and have no intention of changing either their role or their functions.

Mr. Pike: Is it true that the performance of CHCs will be reviewed? If so, who will conduct the review and how will that be done? Is it not essential that CHCs continue to be the patients' representatives in the national health service?

Mr. Horam: I agree entirely with the hon. Gentleman's assertion that CHCs should continue to be the patients' representatives and put patients' complaints fairly and squarely to the relevant authorities. The review has been completed, and I shall publish the results shortly. There will then be a period of consultation when all can make their views plain on the contents of the report. I should add that the Association of Community Health Councils for England and Wales was represented on the steering committee of the review, and helped to choose the consultants who undertook that review.

Mr. Rowe: Does my hon. Friend accept that one of the functions of CHCs is to help patients to make complaints? One of my local provider trusts sent out 35,000 invitations to households to attend its annual meeting. Only one patient and his wife attended. Does not that suggest that, contrary to the stories peddled by the Labour party, satisfaction with the way in which the national health service is working is very high?

Mr. Horam: Indeed it is. As my hon. Friend will be aware, the settlement, particularly as regards Kent, is another feather in the cap of my right hon. Friend, who has fought continuously for extra funds for the national health service.

NHS Operations

7. **Mr. Hanson:** To ask the Secretary of State for Health if he will make a statement on the number of people currently waiting for NHS operations. [5616]

Mr. Dorrell: Half of all admissions to hospital are immediate. The latest available provisional figures, for 30 September, show that 1,060,150 people were waiting for admission. Of people waiting for admission, four out of 10 will be admitted within one month, half within six weeks and more than two thirds within three months. Fifteen thousand people—one in 70—were waiting longer than 12 months.

Mr. Hanson: Will the Secretary of State take this opportunity to welcome the Labour party's pledge to reduce the number of people on waiting lists—particularly for cancer operations—by 100,000? Will he recognise that that will benefit many of my constituents in north Wales, for which he is not responsible, and those who use Clatterbridge hospital in the Wirral? Will he take the opportunity today to recognise the pledge and support it in the House?

Mr. Dorrell: I do not support the pledge, because everyone who works in the health service knows that what the shadow health spokesman said at the Labour party conference is nonsense. To talk about a waiting list for cancer surgery is to talk about a waiting list that does not exist, and when the Labour party, which voted against the abolition of regional health authorities, talks about £100 million of administrative savings, it convinces nobody. The Government have delivered 25,000 more doctors and 55,000 more nurses to the NHS since 1979. That is why we are treating more patients. We have also cut the average waiting time for waiting list patients from nine months to four months. That is the reality of the Government's record on waiting lists.

Mr. Garnier: Will my right hon. Friend confirm that the three major acute hospitals in Leicester, which serve

his and my constituents, are doing very well at reducing waiting times for patients of all categories? Will he further use this opportunity to scotch the scare stories put around by Labour politicians in and around the city of Leicester that the three major acute hospitals are bound to be reduced to two because of a shortage of cash in the national health service? Will he confirm that there will be three hospitals in the city so long as it is necessary to have them and that, if the number does go down to two, patient care and waiting times will be very much to the forefront of his mind?

Mr. Dorrell: As every Leicestershire Member of Parliament knows—including Labour Members of Parliament in Leicestershire—because we have been told by Leicestershire health authority, there is no proposal to reduce the number of acute hospitals in the city of Leicester. It is blatant scaremongering to suggest otherwise. What is going on is a review of acute service provision in Leicestershire to ensure that we deliver the most effective and efficient health care that we can to the people of Leicestershire. That, I hope, is supported by hon. Members on both sides of the House.

Mr. Barron: My constituent, Mrs. Walker, who lives in Brinsworth, is 85 years of age. She was told in October that she will have to wait until 17 March 1998 for a hip operation at Rotherham General Hospitals NHS trust. Her surgeon told her that

"due to severe financial constraints"

he is allowed to perform only two operations a week. The hospital told me that it is

"currently exceeding the number of orthopaedic operations for which it is funded".

Is that not a direct consequence of the introduction of the internal market? We all know that the internal market uses hundreds of millions of pounds ever year on bureaucracy. Why does my constituent have to wait until 1998, in pain, for a hip replacement when the hospital, the surgeon and other health professionals are there? The only thing that is stopping it happening is the internal market that the Tories have introduced.

Mr. Dorrell: That is the politics of Jennifer's ear. Labour really is bankrupt on health. Now the hon. Gentleman leaps to the Dispatch Box to take up a constituency case. If he writes to me, I will take it up.

Mr. Harry Greenway: May I welcome the progress being made towards the provision of more single-sex wards in hospitals? Will the national health service, in principle, seek to make a single-sex ward available to any patient who asks for one?

Mr. Dorrell: As my hon. Friend knows, we have set out clearly the health service's commitment to move towards single sex provision. It is in the patients charter. It is a clear requirement of the management of the health service to deliver the patients charter. We have monitored that requirement, and we shall continue to do so. I assure my hon. Friend that that is an important priority of the management of the health service.

Regional Health Issues

8. **Mr. Hinchliffe:** To ask the Secretary of State for Health how often he meets the chairs of the NHS regional executive to discuss current regional health issues. [5617]

Mr. Horam: The Secretary of State meets regional chairmen regularly to discuss a wide range of regional and national issues.

Mr. Hinchliffe: Has the Minister raised with the chair of the Northern and Yorkshire regional health authority its failure to honour clear obligations given to Pinderfields hospital to compensate it for the loss of regional neuro-surgery provision to Leeds? The Minister knows full well that my constituents and those of my hon. Friend the Member for Normanton (Mr. O'Brien) were lied to and clearly misled during public consultation on this matter. He is directly responsible: what is he going to do about it?

Mr. Horam: The hon. Gentleman's health authority is over target and has ample resources. It received a further increase this year. The local health trust has a specialist eye unit and a skin graft unit, which are doing marvellous work. Wakefield is in very good shape.

Mr. Jacques Arnold: When my hon. Friend meets the chairman of South Thames health authority, will he pass on the congratulations of the people of north-west Kent on last week's decision to develop the private finance initiative for Darenth Park hospital at a cost of £102 million, which answers my constituents' dreams?

Mr. Horam: I am delighted that Gravesham and Dartford are in such harmony.

Ms Jowell: Will the Minister assure the House that, when he next meets the chairmen of the NHS regional executive, he will set a timetable for making good the Government's promise to patients that they can expect to be treated in a single-sex ward? Does he recall the Prime Minister's admission at the Dispatch Box two weeks ago that the Government had broken that promise to patients? Would he care to explain to the House why a report on the performance of NHS trusts on the patients charter standard on mixed-sex wards—which he promised in April would be published shortly—has still not seen the light of day? Is that report being suppressed because its findings confirm the inhumanity of mixed-sex wards, and offer further proof that Tory promises to patients are not worth the paper that they are written on?

Mr. Horam: I am surprised that the hon. Lady took such a long time to ask a question that had just been answered by my right hon. Friend the Secretary of State. He has made plain the Government's commitment in the patients charter to move towards the elimination of mixed-sex wards. That is clearly in the public interest and in the interest of patients, and I am surprised that the hon. Lady thinks that we would renege on that commitment.

St. Helier NHS Trust

9. **Lady Olga Maitland:** To ask the Secretary of State for Health what recent assessment he has made of health provision by St. Helier NHS trust. [5618]

Mr. Burns: The St. Helier NHS trust provides a comprehensive range of good quality services to more patients than ever before.

Lady Olga Maitland: I thank my hon. Friend for his kind words about the magnificent track record of the St. Helier trust. Is he aware that, despite the Government's commitment of £1.6 billion extra resources to the health service, my local health authority of Merton, Sutton and Wandsworth is deeply concerned about a shortfall of £4 million, of which £1 million affects St. Helier? Will my hon. Friend consider a bridging loan so that we can maintain the excellent services that we have always had?

Mr. Burns: I am very grateful to my hon. Friend. As she will know, as a result of the £1.6 billion secured by my right hon. Friend the Secretary of State, Merton, Sutton and Wandsworth health authority has an increase in cash terms of £11.5 million, which is a real-terms increase of 1.64 per cent. I know that my hon. Friend has written to my hon. Friend the Minister for Health. I assure her that her letter will be examined carefully, although, obviously, I cannot anticipate the answer. However, she may be interested to know that, after the Budget, the director of finance at the St. Helier NHS trust said of the £1.6 billion extra:

"This is at the top end of my expectations. This means we will not have to make any cuts at all."

NHS Managers

11. **Mr. McAvoy:** To ask the Secretary of State for Health how many managers there are in the national health service currently; how many there were in 1989; and if he will make a statement. [5620]

Mr. Malone: There were 26,700 managers in the NHS in 1995—the latest year for which figures are available. The figure includes 6,660 practice managers employed by general practitioners, and excludes managers who need to be qualified health care professionals to do their job. Directly comparable information is not available for 1989.

Mr. McAvoy: Is the Minister proud of the fact that the Government have cut the number of nurses by 50,000 and replaced them with 20,000 new senior managers? Does he accept that that simple fact reflects clearly the twisted priorities of the Government? Does he accept that those twisted priorities are the reason why more than 1 million people are waiting for treatment, dozens of trusts are on the verge of bankruptcy and ever more people are forced to sign up for private health insurance?

Mr. Malone: The Government are proud of the fact that there are 55,000 more nurses and 25,000 more doctors now than when we took office, and that we have cut waiting lists since implementing our reforms. In 1990, 200,000 people were waiting for more than 12 months, and that figure is now down to 15,000. Activity in the NHS is up by 33 per cent., whereas the total management figure, as a percentage of staff, is up by about 3 per cent. The NHS is built on those achievements, and the hon. Gentleman does no good by ignoring them.

Mr. Bill Walker: Does my hon. Friend agree that the resources of the NHS are its staff, its equipment and its buildings? Does he further agree that it is how those resources are managed that will affect patients, and that, unless they are managed effectively and properly, all the qualified people in the world would not be able to assist patients?

Mr. Malone: My hon. Friend is right. He understands that the genesis of the changes to the national health service was the Griffiths report, in 1985-86, which revealed that there was a great management deficit in the NHS. The Labour party seems to think that an organisation that employs approximately 1 million people and has an annual budget in the United Kingdom of about £40 billion per annum can somehow run services on its own. That has proved not to be the case. As my hon. Friend said, more patient care is being delivered today than ever before, because of the structure and proper management put in place by the Government.

Mr. Foulkes: Is it not the case that if health services are reorganised as they were in Ayrshire—where three trusts and one board are now doing what one board managed to do previously—we shall have four times as many managers? Is that not a crazy way in which to run a health service?

Mr. Malone: I will say only that when we reorganised the health service to abolish regional health authorities—to cut out a layer of bureaucratic administration—the hon. Gentleman voted against it.

Health Care, Huddersfield

12. **Mr. Riddick:** To ask the Secretary of State for Health what discussions he had about health care in Huddersfield during his recent visit to Huddersfield national health service trust. [5621]

Mr. Burns: I understand that discussions were concentrated on a number of issues, not least the excellent care provided to users by Huddersfield NHS trust.

Mr. Riddick: Is my hon. Friend aware that my right hon. Friend the Secretary of State was able to see for himself some of the superb developments that are taking place as part of the £10 million investment programme being carried out by the Huddersfield NHS trust? Does that not simply demonstrate the Conservative Government's total commitment to the NHS in Yorkshire? Is he aware that I receive far fewer complaints about the local NHS in my part the world than about my local Labour-controlled council?

Mr. Burns: My hon. Friend is right to identify the £10 million that has been invested over the past 18 months in hospital facilities in the Huddersfield area, including a new neurology ward, the Greenlea oncology suite, a relocated intensive care unit with new dedicated facilities and the refurbished orthopaedic out-patient

department. I am sure that my hon. Friend agrees that it is no wonder that he gets fewer complaints about his excellent local national health service provision than he does about his local authority, because people are fed up to the back teeth with the shroud waving, moaning and carping of the Labour party.

Mr. Campbell-Savours: When the Secretary of State visited Huddersfield and met the impressive team that runs the trust, did he mention page 124 of the Red Book—a page which I am sure that the Minister knows off by heart? In particular, did he mention the lines that refer to health, of which the NHS budget forms a part? The total health budget from 1997 to—

Hon. Members: Reading.

Madam Speaker: Order. I am sure that the hon. Gentleman is not reading, but if he is, I am sure that he will stop it.

Mr. Campbell-Savours: The figure for next year is 33.4. For the year after, it is 33.2. That is a real terms reduction of 0.2 over 12 months, according to the Red Book. Will the Minister explain how it is possible to construe that reduction in real-terms expenditure over 12 months, shown in a Government document, as an increase?

Mr. Burns: The hon. Gentleman is obviously trying to help the hon. Member for Islington, South and Finsbury (Mr. Smith), who failed last night and again this morning. There is a straightforward answer to the question; there is no secret about it. He will see it confirmed if he continues to look through the Red Book. There will be a real-terms increase in spending on the national health service. The fall in the figure—*[Interruption.]* If the hon. Gentleman listens, he will get the answer. The fall in the figure is accounted for by the community care money being transferred to the Department of the Environment budget. If the hon. Gentleman looks at that budget, he will see the money there.

Mrs. Peacock: Is my hon. Friend aware that the Dewsbury Healthcare NHS trust, which serves my constituency, has a long history of low funding? Is he further aware that, since its inception, the Calderdale and Kirklees health authority, based in Huddersfield, has done nothing to redress the balance?

Mr. Burns: I am grateful to my hon. Friend for drawing the problem to my attention. She will be aware of the record increase, in the context of total national health service funding, in last year's budget.—*[Interruption.]*

Madam Speaker: Order. The House cannot hear the Minister unless he uses the microphone.

Mr. Burns: I am extremely grateful to my hon. Friend for drawing the problem to my attention.

Surgery Outcomes

13. **Mr. Gerrard:** To ask the Secretary of State for Health if he will publish information about surgery outcomes on a hospital-by-hospital basis. [5622]

Mr. Malone: We are working with the professions to develop information on outcomes. It is essential that information is robust, meaningful and unlikely to mislead before any decision is taken on publication.

Mr. Gerrard: Is it not about time that we had some patients charter standards on quality? Why is the Minister still considering what to do on the issue when the Scottish Office is already publishing information about clinical outcome indicators on a hospital-by-hospital basis? If the information can be published in Scotland, why can it not be published in England, so that local people can make judgments about the quality of their hospitals?

Mr. Malone: I do not remember Labour Members, who now seem keen about publishing outcomes information, being so keen when we started publishing the information in Scotland. We are piloting and evaluating a range of indicators aimed at giving patients better information about the quality of their treatment. Information will be available within the NHS during next year and will be published in a form accessible to patients in 1998. I hope that the hon. Gentleman remembers that that is only one part of the task on the issue of quality that he raised. We are also looking at clinical audit and effectiveness, investing large amounts of money in improving both.

Mr. Gallie: Does my hon. Friend agree that the move away from the old, unwieldy health boards with 20 or so members to small, compact trust hospital management groups has done much to introduce local factors, which have allowed surgical outcomes to be much improved?

Mr. Malone: That is right. My hon. Friend has touched on an extremely important point. The accountability of the NHS has been improved by the changes that the Government have brought about, and that allows us to look at such quality issues.

Mentally Ill People

14. **Mr. Heppell:** To ask the Secretary of State for Health when he last met the Association of County Councils to discuss services for mentally ill people. [5623]

Mr. Burns: The Secretary of State meets regularly with the local authority associations, including the Association of County Councils. The last such meeting when mental health issues were discussed took place on 18 September.

Mr. Heppell: Does the Minister really believe that the Government bear no responsibility for the number of mentally ill people who are homeless—living on the streets or in hostels—or for the fact that one in every six mental patients who are discharged from hospital are readmitted within 90 days as emergency cases?

Mr. Burns: I am rather disappointed that the hon. Gentleman did not have the grace to acknowledge the

work that is being done through the record increases in spending on mental health—on the rough sleepers initiative, the mental illness specific grant, the mental health challenge funding and all the other initiatives—to help those with mental illness.

PRIME MINISTER

Engagements

Q1. **Mr. Butler:** To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5640]

The Prime Minister (Mr. John Major): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Butler: What advice can my right hon. Friend give to the many constituents of mine and of other hon. Members who are excellently served by innovative and increasingly comprehensive GP fundholders, in the light of Labour's repeated pledge to destroy such practices?

The Prime Minister: My hon. Friend is right about the helpful changes that have been made to the health service over recent years. More than 4 million extra patients have been treated since 1979—a million since the reforms began. There is no doubt that the reforms, including GP fundholding, have been an enormous success. I very much regret that the Labour party cannot accept what is successful and, instead, threaten it.

Mr. Blair: Will the Prime Minister say clearly, without any qualification, that his statement of 3 April on behalf of the Government that at the next election he will not rule out the option of joining a single currency in the next Parliament, remains unequivocally the position of the Government?

The Prime Minister: That remains unequivocally the position of the Government.

Mr. Blair: It is right to give the Prime Minister credit for such a clear reply. Let us see whether we can get another little clear reply. Can he tidy up one small loose end? Does he agree with the Deputy Prime Minister's statement on the radio at lunchtime, when he said of that position:

"We are not going to change our position in the election campaign or in this Parliament"?

The Prime Minister: My right hon. Friend said that; that is our position.

Sir Michael Spicer: The assurances gained by my right hon. and learned Friend the Chancellor of the Exchequer in Brussels yesterday are to be warmly welcomed. Does my right hon. Friend think that it is now important that those assurances are written into the treaty of Rome, given the experiences that we have had with the European Court of Justice and the way in which it has interpreted the treaty of Rome? Will he press for such amendments at the Dublin summit?

The Prime Minister: As my right hon. and learned Friend the Chancellor said to the House the other day, the elements of the stability pact would not affect the United Kingdom unless we were part of stage 3 of economic and monetary union. As my right hon. and learned Friend will tell the House in his statement shortly, our position is legally protected under the treaty, but we intend to ensure that the detailed regulations leave no room for ambiguity.

Mr. Ashdown: Ordinary people in Britain will pay more tax under the Conservatives at the next election than they paid under the Conservatives at the last election. The Treasury figures show that, the Treasury's Red Book confirms it and Treasury Ministers admit it. Why is the Prime Minister the only person left in Britain denying it?

The Prime Minister: I am afraid that the right hon. Gentleman is misleading the House and I shall explain gently to him how. If one earns more, one pays more tax. That is certainly true but, as my right hon. Friend the Chief Secretary made clear, if we had not changed direct taxes at all since before the election, a family on average earnings would have paid more next year under the old regime than they will as a result of our tax cuts. The increase in taxation is a result of increased earnings. Unless the right hon. Gentleman would like marginal earnings to be untaxed, that is inevitable.

Mr. Sumberg: Has my right hon. Friend had the opportunity to read the bulletin of the Bury and Bolton chamber of commerce, which reports a dramatic upturn in business confidence and business activity in my constituency? As it is the chamber's Christmas lunch on Friday, which I shall attend, will my right hon. Friend send my constituents a message of congratulations on that achievement and his best wishes for a new year of greater prosperity under a new Conservative Government?

The Prime Minister: The strict answer to the first point about whether I have read the bulletin is no, I have not, but it clearly provides comforting reading. There is no doubt that the economy is improving, unemployment is falling, growth is continuing and manufacturing is doing extremely well in Bury and Bolton, and across the country. That is the result of the policies that we have been following, and we shall continue to follow them.

Q2. **Ms Walley:** To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5641]

The Prime Minister: I refer the hon. Lady to the reply I gave some moments ago.

Ms Walley: Given that the Government have now been forced to admit, contrary to what the Prime Minister said to the right hon. Member for Yeovil (Mr. Ashdown), that the Budget was a tax-raising Budget, and given that changes to direct tax mean that income taxes have gone up, will he now take down his untrue posters that falsely claim that honest John has given lower income tax?

The Prime Minister: All I can say to the hon. Lady is that she should read the answer I gave to the right hon. Member for Yeovil (Mr. Ashdown) and she will find that the premise of her question is wrong.

Dr. Twinn: Will my right hon. Friend support an inquiry into economic incompetence in local government

and will he start that inquiry with the London borough of Enfield, which in this year alone has failed to spend £5 million on housing maintenance and £1 million of single regeneration budget money, due to be spent on industrial renewal in my constituency? Is that not another example of new Labour, new incompetence?

The Prime Minister: There are many examples of that and it might be difficult to inquire into all of them. In view of my hon. Friend's remarks, I shall draw the situation to the attention of my right hon. Friend the Secretary of State for the Environment.

Q3. **Mr. Betts:** To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5642]

The Prime Minister: I refer the hon. Gentleman to the reply I gave some moments ago.

Mr. Betts: I refer the Prime Minister to the comment of the Chief Secretary to the Treasury on Sunday—that direct taxes have risen during this Parliament—and to his own comment a few moments ago that direct taxes have risen only because earnings have risen. Will the Prime Minister accept the figures produced independently by the House of Commons Library, which show that, during the course of this Parliament, families on average earnings will not only pay more in direct taxes absolutely, by more than £2 a week, but—as a proportion of their earnings—their direct taxes will rise from 20.2 per cent. to 20.7 per cent? Will he now accept that the Chief Secretary was right to make those comments on Sunday, and will he withdraw his statement that the Government have kept direct taxes down, as it is simply not true?

The Prime Minister: People who are receiving larger incomes and are moving up the tax bands of course distort the figures. The reality is that people will be £1,100 better off next year, allowing for tax and inflation, than they were before the last election. The hon. Gentleman and his hon. Friends do not like that and, under Labour, no one would be richer but everyone would still have to pay more tax, as is inevitably the case under a Labour Government. Everyone knows that there would be higher tax rates under Labour, and I do not know how the hon. Gentleman has the effrontery to pretend otherwise.

Q4. **Mr. John Marshall:** To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5643]

The Prime Minister: I refer my hon. Friend to the reply I gave some moments ago.

Mr. Marshall: As First Lord of the Treasury, my right hon. Friend is responsible for providing much of the finance for local government. Is he aware that many local authorities with high council taxes give poor services to their constituents? Does he agree that those who cannot run Islington or Hackney are incapable of running the country?

The Prime Minister: New Labour hopes to produce a revolution in government, but I am astonished that it has utterly failed to do so in the element of local government that it already controls. There are a large number of examples of inefficiency that one could give, including a council that has not collected 20 per cent. of its council tax, is owed £16 million in arrears, has a debt of more than £800 million, pays interest of £91 million, has the sixth-highest council tax in the country and has the worst education results. That council should be well known to the Leader of the Opposition—it is his council in Islington.

Q5. **Mr. O'Hara:** To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5644]

The Prime Minister: I refer the hon. Member to the reply I gave some moments ago.

Mr. O'Hara: The Prime Minister boasts about 25 tax cuts. Will he confirm that, to qualify for them, a taxpayer must—among other things—be a small company, drive a vintage car and be dead?

The Prime Minister: The hon. Gentleman is very amusing, but wrong.

Q6. **Mr. Matthew Banks:** To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5645]

The Prime Minister: I refer my hon. Friend to the reply I gave some moments ago.

Mr. Banks: Will my right hon. Friend confirm that my right hon. and learned Friend the Chancellor of the Exchequer has cut some 25 taxes in the previous two Budgets, and that, since the last general election, the average family now have some £1,100 more to spend? Do not such facts show the contrast between the Conservative and Labour parties?

The Prime Minister: I agree with my hon. Friend. The reality is that the basic rate of income tax is at its lowest level for 60 years. *[Interruption.]*

Madam Speaker: Order. The hon. Member for Ceredigion and Pembroke, North (Mr. Dafis) will remove himself for the remainder of this day's sitting—I will have order in this Chamber—I am cautioning the hon. Gentleman. I will have no more of that in the Chamber.

The Prime Minister: As my hon. Friend the Member for Southport (Mr. Banks) intimated, we now have the lowest basic rate of income tax for 60 years and people's living standards are rising. There is no doubt that Labour's appetite for European-style regulation would provide European-level taxes.

Q7. **Mr. Mackinlay:** To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5646]

The Prime Minister: I refer the hon. Member to the reply I gave some moments ago.

Mr. Mackinlay: Can we cut out all the claptrap? The top 10 per cent. of earners in this country have done very

well, and people earning more than £64,000 are not paying higher taxes under the Tory Government. But the poor people—the most disadvantaged in our society—have seen their incomes fall and their tax demands go up. Is that fair? Should not the broadest backs bear the heaviest burden?

The Prime Minister: If the hon. Gentleman wants to cut out claptrap, he should remain seated in future. The reality is that, as they were at between 83p and 98p when the Conservative Government came to power, it is hardly surprising if those upper rates of taxation have fallen. At the moment, one in four taxpayers—28 per cent., to be precise—now pay tax at only 20p in the pound and we seek to bring more people within that rate, so that the basic rate becomes 20p in the pound. That is a fair tax system, and we are delivering it.

Dr. Spink: On a day when the Palace is graced with the presence of the forces' sweetheart, Dame Vera Lynn, will my right hon. Friend send a message of good will to everyone in the British armed services who will be serving abroad over Christmas, and will he pay tribute to our armed services, which are the most professional in the world?

The Prime Minister: I am happy to pay tribute to our armed forces, both abroad and at home, and I am delighted to see that, on this issue at least, I have the whole-hearted support of those on the Opposition Front Bench.

Economic and Finance Council

3.30 pm

The Chancellor of the Exchequer (Mr. Kenneth Clarke): With permission, I should like to make a statement about the Council of Finance Ministers meeting in Brussels that I attended yesterday.

The Council considered at some length a new lending remit for the European investment bank. We considered and approved a report on employment policy to be submitted jointly by ECOFIN and the Social Affairs Council for consideration at the forthcoming European Council at Dublin. We transacted a number of other items of routine business that I shall report to the House in due course by written answer, in the usual way.

We carried forward political preparations for the anticipated discussion at Dublin of economic and monetary union. Finance Ministers have been charged by the last European Council at Florence with preparing a progress report on preparations for EMU. Progress was made, but no final conclusions were reached, mainly because of outstanding issues that remain to be resolved on the operation of the proposed stability pact and, in particular, on the definition of an exceptional and temporary deficit for the purpose of article 104(c).

I made a constructive contribution to the debate in an effort to achieve the widest possible measure of political agreement in preparation for the summit meeting. I made it clear at the outset of the discussion that my agreement, while in line with Government policy, was subject to a parliamentary reserve and could not commit the Government until parliamentary discussions had been completed. The Irish President of the Council confirmed that my parliamentary reserve would be reported and printed on any document laid before the Dublin Council.

Only two of the texts of the draft regulations that are currently subject to parliamentary scrutiny and were the subject of my statement to the House last Monday featured in the discussions at ECOFIN yesterday. They were the regulations on the legal framework for the euro under article 235 and under article 109(l)4 of the treaty.

There had never been any question of legislative decision on economic and monetary union being taken at yesterday's meeting. The two regulations were considered and drafts will probably be attached to the eventual report to Dublin.

The Council of Finance Ministers is at present agreed that there will be no final agreement on the operation of EMU or the text of any regulations until all the negotiations are completed. ECOFIN and all member states are working on the basis that nothing is agreed until everything is agreed. I anticipate that no final agreement on any binding legislation on economic and monetary union is likely before, at the earliest, the planned European Council meeting in Amsterdam in June next year.

The draft article 235 regulation causes no problems to the British Government as it now stands. We would like to see it progressed as quickly as possible, to give greater legal certainty to existing commercial contracts in English law denominated in ecu or in currencies that might go into the euro.

The article 109(l)(4) regulation might have caused concern in this country as some people might have claimed, mistakenly, that the legislation to be enacted in due course by the member states of the euro zone would be directly applicable to all member states in a way that contradicted the British opt-out. That interpretation would have been incorrect. However, I was able to obtain the agreement of the Council to amendments to article 17 of the draft regulation, and consequential changes to the recitals of the regulations, that make the position clear and beyond doubt on the face of the document. The amendments make the application of the regulation subject to protocol 11 of the treaty. The amendments also make it clear that the protocol stipulates, among other things, that article 109(l)(4) shall not apply to the United Kingdom unless we move to the third stage.

I have also obtained agreement to changes to any text of the report that ECOFIN may eventually submit to the Dublin Council on progress towards EMU. I have obtained clear statements that membership of the proposed ERM 2 for states outside the euro will be voluntary. I have obtained explicit statements that the Council can make only non-binding recommendations under article 103 to member states outside the euro and outside ERM 2 when carrying out surveillance of economic policies.

We have, of course, been committed to economic and monetary co-operation and convergence of economic and monetary policies that have been necessary for the further development of the Community ever since we signed the Single European Act. The present treaty and practice commit us only to seek to ensure that our domestic policies are geared to price stability and sound public finances and to seek to avoid an excessive deficit. No sanctions can be applied to this country for any failure to take effective steps to achieve that unless and until we move to stage 3.

The report will deal with budgetary discipline in stage 3. The draft now states:

> "Euro area Member States will be obliged to submit programmes and will be subject to agreed sanctions for failure to act effectively on excessive deficits. In the surveillance procedure, other Member States will be obliged to submit convergence programmes only. In the excessive deficit procedure, sanctions cannot be applied to them."

I shall ensure that such statements remain in any report that may eventually be submitted to the Dublin Council. Such statements are not being challenged by any other member state or the Commission.

The outstanding matters to be resolved relate to the circumstances in which a member of the euro may not be subject to the excessive deficit procedure and possible sanctions if a deficit is only exceptional and temporary.

The preparatory work in ECOFIN is therefore proceeding precisely on the legal and political basis that I and my hon. Friend the Exchequer Secretary and others have frequently described to the House.

Mr. Gordon Brown (Dunfermline, East): Will the Chancellor confirm that the full two-day debate that the Government promised on Europe will take place, with one day allocated, as previously suggested, to discussing these important economic issues?

Unusually for a statement to the House, particularly the first oral statement by a Chancellor after an ECOFIN meeting, the Chancellor has sought to concentrate on decisions that have not been made or that have been deferred rather than on those that have been made. He

[Mr. Gordon Brown]

says that final political and legislative agreement has not been reached, but also that only two issues are outstanding: the definition of excessive deficits and sanctions on temporary and excessive deficits. Will he confirm that we are right to conclude that there was political agreement yesterday on some very important specifics: not only on the nature and legal status of the euro, but on the nature of the new exchange rate mechanism and on most of the detailed agreements on the stability pact and convergence? I hope that he will give the details of those to the House in these exchanges.

Will the Chancellor assure us that the outstanding questions that he mentioned will not be tied up at the Franco-German summit next Monday without a significant British input, but will remain genuinely open until discussed at the next Finance Ministers meeting next Thursday?

Will the Chancellor confirm that the Government's position yesterday was to raise no objections to the proposals on the euro? On exchange rate policy, will he confirm that while the guarantee that he mentioned confirms that economic advice from the Commission to the outs will not be binding, the Government's position as expressed by him yesterday at the summit is to raise no objection to the more central proposal that the exchange rates of the outs will be monitored and assessed?

Will he confirm that the purpose is that the Commission should ensure that Britain and other countries will avoid real exchange misalignments, and that surveillance on such market-sensitive areas will be published by the Commission? While we already knew that membership of ERM 2 was voluntary, does the Chancellor agree that he accepted a statement yesterday that member states with a derogation could be expected to join the new mechanism?

While the Chancellor has always been right to say that countries outside the euro cannot be fined, and while, as he has announced today, he has added a new stipulation that there be no legal obligation for the outs to avoid excessive deficits—something understood by everyone else in every other country before last week—will he confirm what he has failed to tell us: that the convergence programmes, which are obligatory as per the agreement made yesterday, should be developed along the same lines as stability programmes? Will he confirm that, under that agreement, convergence plans will have to be submitted by Britain every year, that they will form the basis of public comment by the Commission and that Britain then may be rebuked for failure to take necessary action?

Does the Chancellor agree with us that the difference between the Labour party and the Conservative party is that, while we and he can support the principle of monetary union, Labour is able to admit something that the Chancellor must deny for internal reasons: that, whether we join or not, monetary union will have a significant and direct impact on Britain—something that must be taken into account in any decision that we make?

Last Monday, the Chancellor sought to reassure his Back Benchers. Then last Thursday he called on them in a radio interview to come to their senses. Yesterday, in another wobble, the Prime Minister tried to appease them. Today he is trying to correct that statement. Today we have a very unusual statement from a Chancellor concentrating on decisions that have not been made rather than telling us about the decisions that are being made.

Is it not true that, for this Government, with different ministerial briefings on Europe, a day is now a long time in politics, and that we may soon have the "Today" policy, the 1 o'clock news policy, the 6 o'clock news policy and the 9 o'clock news policy? Struggle as the Chancellor does to reconcile his party's interest with the British national interest, it is time for us to insist that the national interest comes first.

Mr. Clarke: I can confirm that there will be a two-day debate. I assume, subject to agreement through the usual channels, that one day will be devoted to economic and monetary union and the other to the intergovernmental conference.

I always report back on ECOFIN meetings, not usually in this form, but by written answer. I am always ready to come here if anyone wishes to hear about ECOFIN meetings. Sometimes, rather bizarre accounts of those meetings appear. I answer parliamentary questions on the subject. I put explanatory memoranda before the Scrutiny Committee. I appear before the Select Committees of both Houses. I do not think that there is any detail of the process that I have not shared with anyone on either side of the House who is seriously interested in listening.

Occasionally, the right hon. Gentleman puts to me points that he appears to have picked up from my speeches. I have lost count of the number of times that I have pointed out that economic and monetary union is of enormous importance to Britain, whether or not we join. It is not a new discovery by the right hon. Gentleman. He knows perfectly well that, as at present we are prospering because we are in the single market and the single market is extremely important to us, it matters to us a great deal how the euro zone works, whether we join it or not. That is why I keep attending the meetings.

It is true that there are only two outstanding issues in the draft report to go forward, but I have made the whole report subject to a parliamentary reserve, as I described. I have already set out the issues in my statement. All the details of any other aspect on which the right hon. Gentleman wishes to press me in these exchanges or elsewhere are in the explanatory memoranda. The ERM 2 mechanism is described. It will be a hub-and-spoke mechanism, as opposed to ERM 1, which works on a different basis. At every stage, it has been clear that membership of ERM 2 is voluntary, and the Prime Minister and I have always made it clear that we cannot foresee circumstances in which Britain will join ERM 2.

It is right that the document states that members with a derogation can be expected to join, but this country is not, strictly speaking, a member with a derogation—we have an opt-out under our separate protocol 11, to which I referred.

Nothing will be decided at the Franco-German summit, any more than anything was finally decided at the Anglo-French summit that I attended, or at the Anglo-German summits that I attend. In fact, any idea that yesterday's meeting involved some sort of Franco-German axis against the rest of the members is a complete illusion. I am glad to say that the 15 Ministers from 15 member countries were all defending their national interests and no such cross-alliances emerged.

It is certainly true that exchange rates will be a matter of common concern. That was established in the treaty—it has been the position for 25 years, since we signed the treaty of Rome. The right hon. Gentleman's sudden and horrid realisation of that aspect of the argument is, I think, a little belated.

As for the submission of convergence programmes, we have been submitting such programmes for at least three years. We have been declared to be in excessive deficit and we have been made subject to non-binding recommendations, along with, I think, 12 other member states, which are all currently in excessive deficits. Those recommendations are not binding—I could walk away saying, "I do not agree with those recommendations, thank you very much." In fact, the recommendations are entirely in line with this Government's policy of getting rid of an excessive deficit and putting the public finances into a healthy state.

That is the position. This is the second statement that I have made in a week and I look forward to debating the subject with the right hon. Gentleman. The reason why these matters are not debated on the Floor more often is that the Opposition have never asked for a Supply day debate on the issue. It is the right hon. Gentleman who runs away from discussing the issue, because it is he who has not had any moments of clarity with his Back Benchers. I look forward to seeing the right hon. Gentleman on the spot, explaining precisely where he agrees with me, where he disagrees with me and what he is going to say about it to some of his own Back Benchers.

Mr. Norman Lamont (Kingston upon Thames): Is the Chancellor aware that there is total support for the view that the convergence criteria should not be fudged? However, does not that also apply to this country? Will my right hon. and learned Friend confirm that it is a provision in the Maastricht treaty that, in order to qualify for EMU, a country has to join the exchange rate mechanism? Is not that the reason why Italy has rejoined the exchange rate mechanism in the past few days?

If my right hon. and learned Friend thinks that exchange rate stability should be judged post hoc, because the ERM does not really exist, will he confirm that he has taken the Law Officers' opinion on that point? Will he tell us from what central exchange rate the criteria for stability will be judged over the next two years?

Mr. Clarke: At the moment, we have a floating exchange rate, not a central exchange rate. The treaty was drafted at a time when the ERM narrow bands were the normal margins for currency fluctuations. No one has reinterpreted the treaty since those members still in the ERM have been moving within broad bands, and there are differences of opinion about that aspect of the treaty.

If one examines the treaty, one finds that it will eventually be for the Heads of Government in the Council to decide whether the member states comply with the conditions necessary for going ahead with stage 3, which go beyond the convergence criteria and enable them to address wider issues. I certainly agree with my right hon. Friend that it is extremely important that, if and when they move to that decision, they decide to go ahead with membership only in a euro zone of countries that are genuinely convergent, in which the criteria are not fudged in any important respect. Otherwise, I would think that that was, in itself, a reason for insisting that the United Kingdom ought not to join—regardless of other problems that might arise at the time.

It is a question not only of hitting those magic convergence criteria figures for the calendar year 1997, but of countries putting themselves into a position where they will maintain stable fiscal conditions in their economies for the foreseeable future. That matter has still to be judged and it is currently extremely difficult to forecast what our position will be.

Mr. Malcolm Bruce (Gordon): Will the House take note of the fact that the Opposition's explanation of their obscure position on economic and monetary union took nearly as long as the Chancellor's explanation of the Government's obscure position on economic and monetary union?

Will the Chancellor acknowledge that, as long as the United Kingdom remains a potential or aspirant member of economic and monetary union—which is the Government's position—we shall be bound by convergence criteria that will inevitably be determined by the details of any stability pacts agreed by members of the euro zone? Given his robust defence of the Government's position, which those on these Benches respect and admire, will the right hon. and learned Gentleman also tell the House that he would not stay in a Government who undermined his position by declaring that they would not under any circumstances join economic and monetary union—something which, in any case, is not in the Government's gift to offer?

Mr. Clarke: Unlike the Labour party, the Government not only have a clear position, but restate it rather frequently. We cannot be criticised for the number of occasions on which various members of the Government keep setting out in unequivocal terms what our policy is. We are also pursuing that policy in some detail. I hope that the House's sudden interest in frequent statements on progress will take forward a little the understanding of where we are.

It is certainly true that, within the single market, convergence has always been important. As I said, the Government signed up to all that in the late 1980s—in 1986, I believe—with the Single European Act. If there were unstable conditions throughout the single market, and countries were getting into fiscal problems of one kind or another, or there were wild fluctuations in exchange rates caused by unsuitable fiscal policies, the pattern of trade would be disrupted and every member state would suffer.

We have been submitting convergence programmes. We submit them to the House and they are approved by the House. Then we go through the surveillance procedure and make recommendations that match what we wish to do. We take part in the surveillance procedure of other member states, and urge them to take similar action to get their fiscal policies in order, so that stability in the market can be maintained for all of us.

Mr. John Redwood (Wokingham): Having agreed to a regulation that will make the euro legal within the European Community, how does the Chancellor propose to make it legal outside the Community? Does he agree that one of the recitals in the proposed regulation serves

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to undermine the legality of the currency outside Europe, in that it invites people to realise that it has not been made properly legal outside the member states? Does he believe the legal advice in the Community that there would need to be legislation in countries such as America and Japan, to make it legal compulsorily to convert their deutschmarks and ecu into euros?

Mr. Clarke: The European Union can legislate only for the convertibility of the currency inside the Union and the impact on contracts within our jurisdictions. When such a change takes place, other member states may have to address any legal problems arising in those countries, but that is not a matter for the European Union.

I should make it clear that the most important aspect of the regulation on the legal basis of the euro is to ensure continuity of contract. It will not make legal any contract that would otherwise be unlawful; what we seek to avoid is any question of people's trying to frustrate existing contracts by saying that circumstances have changed if the ecu becomes the euro, or if other currencies go into EMU.

I believe that my right hon. Friend, with his knowledge of such matters, will discover that many people in the City of London want us to get on with the regulation, because they want to avoid the litigation and uncertainty that might otherwise result.

Mr. Peter Shore (Bethnal Green and Stepney): Is the Chancellor aware that, if we had been subjected to the stability pact and its penalties over the past four years, since he became Chancellor, Britain would have had to pay to the European central bank more than £11 billion? Does he consider that such a penalty would be a proper reflection of his incompetence as a Chancellor, or does he think that an £11 billion penalty would be excessive, and that there were circumstances to justify his excess borrowing requirement over the past four years?

Mr. Clarke: We have not finally settled the level of penalties, but I am glad to say that yesterday everybody agreed that we should put a cap on them. We have not yet settled the circumstances in which penalties might arise if there were an economic downturn of an exceptional or temporary nature. In any event, everything will depend on a political decision to be taken by the Council of Ministers, if such a process is put in hand against any member state of the euro that starts to get into fiscal difficulties.

Looking back over the history of deficits in every other country does not help. If we look back over the 1980s, across the whole continent, we see that deficit financing was—

Mr. Nigel Spearing (Newham, South): Yours?

Mr. Clarke: We would find that practically every member state might have been subject to penalties, under some of the drafts now being produced.

What is happening is that all member states and all sensible Governments in the world are getting away from heavy deficit financing, and they are having to do so. If one compares this country with the continent, one can see that we are well ahead in getting our deficit properly under control, down to an acceptable level, and moving it towards a balance. We have made all the structural changes in our labour market and elsewhere that other countries, such as France and Germany, are now having to get through to make themselves competitive.

Mr. Ray Whitney (Wycombe): May I congratulate my right hon. and learned Friend on the constructive way in which he has projected and protected our national interest at the ECOFIN discussions? Will the Chancellor assure the House that, in the months before a decision must be taken about entering into the single currency, be it at Amsterdam in June or subsequently, he and the rest of the Government will make every effort to disperse the fog of misinformation on the single currency that has been deliberately created?

Mr. Clarke: I agree with my hon. Friend. I am grateful for the opportunity to set out the stage that we have reached in a process of work that has been going on for some months. I trust that the more we debate the issue on the Floor of the House, the more the logic of that position will get across to those on both sides of the House, because it matters to us, as my shadow said a few moments ago, whether we eventually exercise our option to join or not. There are arguments on both sides of that option that we shall have to judge when the circumstances have made it the right time to make that judgment.

I have brought back a report on a meeting of ECOFIN of a kind that I previously reported by written answer because no one was interested in having a debate on the Floor of the House. I do not come back here to say that, yesterday, I discovered some dragons and slayed them—there were no dragons. I have, however, got on the front of more documents statements of the obvious truth, acknowledged by other Ministers and by the Commission. The only query that I had at one stage was from another Finance Minister who asked, "Why do we have to make the document longer by putting this into it when it is already obvious what it means?" I have done a bit of that, and I will do more of it.

Mr. Giles Radice (North Durham): Could the Chancellor tell the House how many countries will qualify under the Maastricht criteria for the single currency when the time comes?

Mr. Clarke: When I produce a Budget statement, I make many economic forecasts, but it is always wise not to add to them. At this stage, I would not like to say whether a sufficient number will qualify by what date. At the moment, a large number of member states expect to go into economic and monetary union before the turn of the century. That prospect exists as a real possibility behind all our discussions.

Mr. John Butterfill (Bournemouth, West): Will my right hon. and learned Friend confirm that, whether or not the Government decide to join the euro in the first wave, it is vital to this country's interests that the euro should be a successful and robust currency? Does he agree that it is therefore essential that the terms under which the euro is managed are as robust as possible? Does he further agree that it would be entirely undesirable for countries

to be able to cheat on the way in and then subsequently cheat on the management of their economies once they were members of that currency?

Mr. Clarke: Those countries are likely to comprise some of our most important customers in the world, and the single market remains our most important market for the export of goods and services. When it does well, we do well; when it does badly, we slow down. It is therefore important that, within a market that we shall share with those countries, whether we join the euro or not, stability and the right conditions are sustained, which lead to the growth of trade and investment. That is the whole basis on which we are taking part in the discussions at the moment. It would be folly to walk away from them.

It is also important to ensure that, when the new arrangements go ahead, and if there is a euro zone, it does not divide the Union in other ways. It is extremely important that the countries that do not join the euro zone are not put into a situation where the procedures make them second-class members, excluded from decision making. I have to say, however, that it is bound to be the case that those who join the euro zone will be the principal movers and shakers of most of the political developments in the Union.

Mr. Tony Benn (Chesterfield): Did the Chancellor congratulate the French Minister on the constructive role played by the French Government in bringing about a settlement of the lorry drivers' dispute in France, which has led to higher wages, shorter hours, retirement at 55 and higher safety standards? Does he not accept that that is the sort of model for European co-operation that would be welcome across all the European Union?

Mr. Clarke: Employment policy is not a European matter. There is no European Community competence in employment matters, which are entirely a matter for the nation state, and so they should remain; so I certainly do not comment on French industrial disputes.

I know an awful lot of French politicians and business men who agree that France must go through the process of reform and structural change, especially in its labour market, that the British so painfully went through in the 1980s. We are now benefiting from the changes that we have made, in rising employment, falling unemployment and healthy prospects. The French are going through the same process. I do not join the side of those in France who seek to resist it so far as to drive up industrial costs there to an unacceptable level.

Mr. Robert Jackson (Wantage): Does my right hon. and learned Friend agree that the financial and economic policies that the stability pact is designed to sustain are all policies that a sensible and prudent Conservative Government would in any case wish to pursue?

Mr. Clarke: Yes. Although those convergence programmes impose no binding recommendations on us, the recommendations come to us in a form that any sensible Conservative would say was the basis of a sound fiscal and economic policy. If anything, they are a bit generous. I believe that this country should move towards balance in the medium term and that our aspirations for inflation should be to match, if possible, the best of our competitors in western Europe.

Mr. George Stevenson (Stoke–on–Trent, South): The Chancellor will know that, of the three proposed regulations—governing the status of the euro, preparation for the use of the euro and the stability pact—two regulations are subject to article 104, which means that we have opt-outs, and the other is subject to article 103, which means that we have not. The Chancellor talked about clarification being contained in the annexe to the report document. Can he confirm that the proposed regulation on the stability pact, and therefore the convergence information, which is under article 103 and therefore not subject to opt-out, will be subject to opt-out?

Mr. Clarke: I had better read the hon. Gentleman's question when it appears in *Hansard*. I would also invite him to read my statement, which dealt with those attachments. I do not say that disrespectfully. Because of a minor matter of a fire in my Department, I had to write it myself, so I am more familiar with it, but it is not altogether clear until one reads it twice.

We shall attach two draft regulations to the report. They are two of the draft regulations that are currently subject to scrutiny in the House. I have, as set out in the report, had amendments made to article 17 of the regulation under article 109(l)(4), to make it clear that in this country we have no binding consequences from that because of our opt-out from article 109.

I have set out the position as clearly as I can in the statement and the explanatory memorandum. If we stay out, we have to produce convergence programmes, we are subject to surveillance and we can have non-binding recommendations made against us. That has gone on for years. We accepted all that in the Single European Act, when my right hon. Friend Baroness Thatcher was Prime Minister and I was a member of the Government.

If we joined the single European currency, we would have no opt-out from the sanctions, which is why it is so important that the details of that are argued by British Ministers. Yesterday I took a very active part in the debate, because it is important for everyone that we get that right.

Mr. James Couchman (Gillingham): Further to the question by the right hon. Member for Chesterfield (Mr. Benn), did my right hon. and learned Friend have a chance to discuss with the French Finance Minister what the impact of last week's ruinous settlement will be on that country's eligibility to join EMU? For without France, surely EMU will have to be postponed.

Mr. Clarke: I did not have such an opportunity except conversationally, which obviously I would not report, but I follow events in France with interest and I agree with my hon. Friend that the whole thing will not happen unless France can achieve the convergence criteria.

I agree with those who say that achieving the convergence criteria means putting the interpretation on it that my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) did a moment ago—strict compliance with the convergence criteria, so that the country is likely to be able to sustain a healthy financial position. But it is for the Government of France to address their internal problems and to ensure that, first, they can achieve that standard if they wish to enter EMU, and secondly, they can make themselves competitive with

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other countries in northern Europe, which they will face on very level terms if they enter economic and monetary union with them.

Mr. Dennis Skinner (Bolsover): Is the Chancellor aware that one of the reasons why he is here today to speak about ECOFIN, as opposed to providing written answers or attending the Scrutiny Committee, is that 18 members of the Cabinet do not agree with it? My right hon. Friend the Member for Dunfermline, East (Mr. Brown) asked whether the Chancellor still agreed with economic and monetary union, not because my right hon. Friend particularly wanted an answer for himself, but because he wanted the Chancellor to tell the Euro-sceptics on his Back Benches that he is still in the same place as before.

The problem, as the Chancellor knows only too well, is that large numbers of people in Britain know that, to meet the criteria, up to £18 billion-worth of public expenditure would have to be cut, which would mean throwing more people on to the dole. That is why there are strikes in France and other Common Market countries. Workers there are saying, "So far, but no further."

Mr. Clarke: Whether or not I appear before the House is a matter for the usual channels. I am but the servant of the House, and I am always happy to appear before it. I do not regard the shadow Chancellor as a simple inquirer after truth. He may have other motives when he seeks answers to questions.

The path that I have taken in ECOFIN is in pursuit of the Government's policy, clearly restated, accepted collectively by the Cabinet and reiterated by every member of it, as my statements repeatedly make clear.

On the matter of controversy, the hon. Gentleman's description of the consequences of pursuing sound fiscal policies is bizarre. No country can prosper by running up huge public deficits, incurring huge debts in proportion to its gross domestic product and allowing inflation to rise.

Mr. Skinner: You should know.

Mr. Clarke: No, the hon. Gentleman should know. He supported Labour Governments who tried that and should have demonstrated to the rest of the world that it was pure folly.

Mr. Tony Marlow (Northampton, North): Can my right hon. and learned Friend say whether article 3 of the convergence protocol—the one dealing with ERM—is operative? Are there circumstances in which European institutions can take legal action against the United Kingdom if they perceive that we have devalued in a competitive way?

Mr. Clarke: I ask my hon. Friend to refer me to the particular article in clearer terms, and perhaps to put his question in writing. I shall try to give him a clear reply.

It is not true that if we opt to remain outside the euro zone, we can be made subject to sanctions. We can be made subject to non-binding recommendations under article 103, but as the term implies, we are free to disregard them. Article 189 of the treaty makes it clear that the recommendations are non-binding.

Rev. Martin Smyth (Belfast, South): In his statement, the Chancellor said that nothing would be agreed until everything was agreed. That expression is usually used to give reassurance. Whom was it intended to reassure? In the discussions in which I was involved several years ago, nothing was agreed and that was the end of the understanding. Those who disagree will walk away, and those who want to move on will keep moving on, until someone gives in. Do the Chancellor's words imply that the majority veto will be given away, or are they intended to reassure a particular group?

Mr. Clarke: I realise that the hon. Gentleman has experience of negotiations on matters of the most fundamental importance, which gave rise to the idea that nothing is agreed until everything is agreed. In less emotively charged but extremely important negotiations such as those in which we are engaged, it is a perfectly sensible rule to apply, so that agreement is steadily produced, with give and take on all sides and everyone reserving the right to revisit the whole if a new issue arises.

However, these negotiations are not proceeding on that basis. No one wishes to get rid of vetoes; the whole process is based on the treaty. No Minister and no one in the Commission seeks to reopen the treaty base or to extend the treaty's provisions. Although everyone reserved their position last night when we finally left the meeting, we were reduced to discussing pretty obscure details of precisely what kind of economic downturn could give rise to a deficit that might be described as excessive and temporary. A great deal of feeling is expressed on the matter and there is a wide divergence of views. However, ultimately it is not likely to destroy the whole process.

Mr. Iain Duncan Smith (Chingford): In answer to a question from my right hon. Friend the Member for Wokingham (Mr. Redwood) on 25 November, my right hon. and learned Friend gave an undertaking that he would seek copper-bottomed reassurances about the use of article 103 for those who remained out under recital 13. I have listened to my right hon. and learned Friend, but I still cannot see the difference between what he said on 25 November and his comments today. Is not the key to using article 103 the fact that it allows the court to be used at some point for possible infraction proceedings? Is not the best way of copper-bottoming it simply to say, "Let us take recital 13 out of the use of article 103," which would then solve the problem?

Mr. Clarke: Article 103 is concerned solely with the provision of information. In so far as regulations are made under article 103, they are procedural rules. The only way in which they can give rise to sanctions is in the theoretical manner that one can be made subject to infraction proceedings for any non-compliance. However, that has not yet given rise to any fines and it would be rather bizarre to go to infraction proceedings on procedural points. Although people occasionally make statements that imply otherwise, it cannot give rise to any proceedings against a member state for failing to comply

with economic surveillance recommendations, for example, because the treaty expressly provides that those recommendations are non-binding.

Recital 13—the regulation to which my hon. Friend referred—did not come up yesterday because the regulation was not addressed. I think that it will come up at a meeting of ECOFIN some time in January or February next year—I am not sure when we shall face it next. As my hon. Friend knows, I do not agree that recital 13 has the effect that some people fear. When we come to it, I shall address it in the way that I addressed the two regulations yesterday and the report that we had, and seek to get on the face of the document clarity as to its meaning. The recital cannot alter the nature of article 103.

Yesterday I had not the slightest difficulty in getting statements made: my colleagues regard them as bald statements of the obvious truth. We are fairly familiar with the treaty, having spent many hours of our lives discussing it together. I shall seek to come back from discussions on that regulation with a statement that makes it clear. Recital 13 will not matter in the slightest once we see the regulation to which it refers: the regulation that will bring up to date the convergence procedures for those who do not go into the euro zone. According to the latest information that I have, that regulation is not even drafted yet and it has certainly not been tabled by the Commission.

Mr. Denzil Davies (Llanelli): The Chancellor has emphasised the importance that he attaches to convergence, not only on 1 January 1999, but thereafter if there is a euro. Will he confirm that, while the stability pact applies to Government deficits, it does not apply to Government debts? If that is the case, after 1 January 1999 there will be no sanctions to prevent divergence from national debt.

Mr. Clarke: That is not finally settled—some versions include debt and some include deficits only. The argument is that, in setting fiscal policy, the fiscal deficit for each year is most immediately within Government control. If a Government achieve fiscal deficits that are below the rate of growth of GDP, the total stock of debt as a proportion of GDP is bound to come down. The argument for concentrating on deficits is: if one gets the deficit right, the debt problem will be resolved in consequence.

I see the right hon. Gentleman nodding; he is very well informed and expert in such matters. I respect his judgment and I look forward to hearing his views. I am merely explaining the reason why everyone is concentrating on deficits rather than debt at present.

Mr. John Wilkinson (Ruislip–Northwood): Can my right hon. and learned Friend explain why there is such preoccupation with budget deficits? One understands the treaty commitment and the pursuit of convergence, but has not experience on the continent shown that convergence of itself brings pain and grief—notably high unemployment and recession, especially in France and Spain? As a sovereign independent country, should we not place greater emphasis on other economic criteria, such as levels of employment, investment, competitiveness and technical innovation?

Mr. Clarke: I realise that healthy public finances are not the only thing that matter in economic policy, but they matter quite a lot. Their relevance in this context is that modern states, sovereign nation states, have limited freedom in this area because they are subject to the discipline of today's unregulated markets. If a Government get their fiscal policies wrong, they are rapidly punished by the reaction of the markets. The difficulty if one goes into a single currency or economic and monetary union is that if one member of EMU gets it wrong, all the members are punished by the markets. There is a tendency to weaken the currency or drive up interest rates—not necessarily, but they will tend in that direction—if one of the member states gets into a fiscal problem. That is why there is so much concentration on that subject.

The treaty refers to other matters that should be taken into account. I am not sure that unemployment levels are much of a guide, but flexibility in other respects, including flexibility in the labour market, is highly relevant. If countries agree that they can combine their monetary policies so that shocks that might occur—which previously had been absorbed by changes in the exchange rate or interest rates—have to be absorbed in other ways, one has to be clear that they can be absorbed in a way that does not cause excessive strain.

In the end, countries that go into a single currency will find that the main pressure on them is rapidly to make themselves more competitive with one another, and it will step up the overall pressure on all of them to make themselves more competitive. That will help them to develop their own economies and help them in their competitiveness with the outside world.

Mr. Ieuan Wyn Jones (Ynys Môn): Can the Chancellor clarify the reply that he gave to his predecessor, the right hon. Member for Kingston upon Thames (Mr. Lamont), about whether it will be necessary to rejoin the ERM? If the Government were ever to recommend to the House that the United Kingdom should join the final stage of EMU, is it his policy that we would not of necessity have to join the ERM first?

Mr. Clarke: I am one who asserts and believes that it is not necessary first to join the ERM. That matter will be resolved, with every other application for membership, if they occur, if in 1998, or whenever, somebody applies for membership of economic and monetary union and has not joined the ERM. The whole matter will then have to be resolved by the European Council or by the Council of the Heads of Government, which will have to see whether the country satisfies the conditions in totality, set out in the treaty.

Mr. Graham Riddick (Colne Valley): Surely the Maastricht treaty says that countries that wish to participate in the single currency will have to have been within the ERM for two years before joining. If that is so and, as my right hon. and learned Friend said today and also in his letter of 22 November, this country will not rejoin the ERM, surely it means that no Conservative Government can take this country into a single currency. [HON. MEMBERS: "Hear, hear."] If that is indeed the case, let us say so.

Mr. Clarke: I do not think that it is the case. My hon. Friend has got near to the treaty, but he has not

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used the precise words, which, off the cuff, I cannot guarantee to get precisely right myself. He quotes from the test of exchange rate stability, and one of the tests is about being within the normal range of movement of the exchange rate mechanism. At the time that it was drafted, it referred to the narrow bands, which collapsed at least three years ago, so it is extremely arguable whether it is any longer remotely relevant as a test to decide whether sufficient exchange rate stability has been developed by a member state.

All those matters, and many more, still have to emerge if and when we reach a process whereby member states contemplate going into EMU and this country has to decide whether to exercise its opt-out or opt in. That is some way ahead, and I think that an awful lot of things will happen between now and then to make the position much clearer and to make the position of many other countries much clearer, as well as our own. At the moment, we do not even know which countries might be joining and when, and there are equally important details beyond that to be resolved before we can take a judgment.

Mr. Nigel Spearing (Newham, South): The Chancellor referred to the procedures of the House. Is it not a fact that, between now and Friday week, he must table a motion on these topics, which, together with any selected amendments, will be taken and voted on forthwith? As there is to be a debate next week on the motion for the Adjournment—presumably for about six hours before 10 o'clock—would it not make good sense to take the forthwith motions and any amendments immediately afterwards? Can the Chancellor persuade his right hon. Friend the Leader of the House to take that step, for the Chancellor's own reputation, for the Government's reputation and for the reputation of the House and its procedures?

Mr. Clarke: As the hon. Gentleman knows, the tabling of business and the procedures of the House are matters for my right hon. Friend the Leader of the House to deal with on the Government's behalf, and are not matters for me. At an appropriate time, we shall table whatever scrutiny motions are necessary. We shall require a parliamentary scrutiny reserve until such time as we have completed the proper processes.

Precisely what is forthcoming at Dublin remains to be seen. I have already made it clear that any definitive legislative action is unlikely to take place before June next year at the earliest. The documents, about which hon. Members were very concerned 10 days ago, are likely to go through further negotiation. The revised form in which they emerge could be liable to further scrutiny. I hope that the hon. Gentleman will allow me to leave such matters to the expertise of my right hon. Friend the Leader of House, who will clarify the position in due course.

Mr. William Cash (Stafford): Unless my right hon. and learned Friend has found that the textual amendments to which he referred were burnt in the Treasury fire this morning, would he be good enough to allow the House to see them before the debate?

Will he answer the question that he did not answer last Monday, and that the Prime Minister did not answer the following day? I asked for an absolute guarantee that the regulations would be amended to ensure that, on the assumption that we were out of a single currency, and that countries would be fined for having cheated their way into the system or having failed because of incompetence, United Kingdom taxpayers would not, as net contributors, have to pay one way or another for the default of others.

Mr. Clarke: I referred to an amendment to the regulation in paragraph 17 of article 109(l)(4). Because of a variety of circumstances, the only copy that I had to hand this morning was the one that I was carrying in my pocket. The document will eventually be published by the Irish presidency. The draft regulation will then be laid before the House, so that we can all see it.

I also referred to the emerging text of the report that may be put before the Dublin summit if it is agreed by then. At the moment, it is still an emerging report, the text of which has not been finished. I said that I would ensure that my points were included, and I think that I can give that undertaking, because nobody resisted them yesterday. I do not know whether we shall finish the report in time for Dublin. It is for the Irish presidency to decide when the document will come into the public domain.

There is a mountain of paper, and what is published is rapidly overtaken. There is no attempt to hold anything back from the House; it is a matter of keeping pace with events, and with the sometimes vast quantities of paper that the House is given to scrutinise as much as it wishes.

I do not agree with my hon. Friend's description of the penalties procedure. Penalties arise if a country goes into economic and monetary union, incurs an excessive fiscal deficit contrary to its obligations, and then fails to take any effective steps to reduce it. In my opinion, the purpose of the penalties is to act as a deterrent, and to ensure that Governments do not get themselves into that position. That is why we negotiated to have those penalties in the Maastricht treaty.

Mr. Mike Gapes (Ilford, South): Does the Chancellor agree that if the euro goes ahead and this country stays out, our exporters will face greater uncertainty because of the possibility of continuing transaction costs and of speculation against our currency, and the possibility—or the likelihood—of higher interest rates? Has he noticed how interest rates in Italy and Spain have been falling in expectation of their joining? Can he tell us why our interest rates are not falling?

Mr. Clarke: I agree that those arguments can be made, but if the hon. Gentleman was fair, he would also concede that there might be some downside arguments as well. A great deal depends on how well the project is put together and how it progresses. However, those who are pursuing economic and monetary union believe that they will achieve a strong currency, stable economic conditions and low interest rates, as the hon. Gentleman described. It is certainly

the case that we have higher long-term interest rates than most of our competitors because of our history of devaluation and fiscal deficits.

Mr. Nicholas Budgen (Wolverhampton, South–West): Will my right hon. and learned Friend confirm that the other countries of the European Union regard our floating exchange rate as conferring upon us a grossly unfair advantage? Will he tell us whether he achieved anything in his negotiations this week that will protect us from retribution from the other countries?

Mr. Clarke: If they do regard it as that, I think that they are wrong. We have a floating exchange rate, which my hon. Friend has always been in favour of—and I am in favour of it.

Mr. Budgen: Now.

Mr. Clarke: Now, yes; because the attempt to manage it did not work. I concede that to my hon. Friend; we have had this discussion before. The result is that our exchange rate goes up and down. Whether that is an advantage remains a matter of argument. Currently our currency is strengthening very strongly, and many British industries are beginning to worry that we might get too strong. That is a floating exchange rate. I do not think that member states have complete control over those exchange rates in the way that some people imagine. The market—as my hon. Friend would be the first to agree—determines such things.

Mr. Budgen: What about sanctions?

Mr. Clarke: No sanctions would be taken against us; the single market does not lend itself to the imposition of trading penalties on a country that has the misfortune of having its currency weakened excessively. There are simply no ways in which the single market obligations can be undone, and there is no way in which any fiscal transfers can be demanded.

Mr. Ken Purchase (Wolverhampton, North–East): The hon. Member for Wolverhampton, South-West (Mr. Budgen) does not agree.

Mr. Clarke: My hon. Friend may not agree, but I wish that he would refer me to any fears that anyone is striding forward with such threats to us.

Several hon. Members *rose—*

Madam Speaker: Thank you. We shall now move on to the next business. No doubt, had questions been asked and answered more briskly, I could have called more hon. Members. I am sure that the House is with me on that.

Points of Order

4.27 pm

Mr. Paul Flynn (Newport, West): On a point of order, Madam Speaker. May I ask for your help—as you are the defender of Back-Bench privileges—in the deplorable deterioration of the parliamentary answers that we have been receiving? I have received an apology from the Northern Ireland Office for giving me entirely wrong information, and an apology from the Department of Social Security for telling me that an answer was in a leaflet in the Library. That leaflet did not yet exist, and it was not printed until a month later.

However, those answers pale into insignificance compared to one that I received to a question that I tabled on 19 November 1996. I was astonished to receive, on the same day, a telephone call from a journalist, who said, "That is a huge sum." I had not yet received the answer. The question was:

"To ask the Secretary of State for the Home Department what was the total cost of the police participation in the state opening of Parliament."

The journalist told me that the answer was £284,000.

Later that day, I received a holding answer. The next day, I was told:

"As my right hon. Friend the Prime Minister stated in his reply to the hon. Member . . . any additional costs of police staff who took part in the ceremony are not separately costed."—[*Official Report*, 20 November 1996; Vol. 285, c. *621*.]

I am holding a letter that was sent from one department of the Metropolitan police to another. The heading is "Parliamentary question: Mr. Paul Flynn, Newport, West." The letter contains the answer that was reported to the Metropolitan police committee, on 15 November—three days before—and provides not only a detailed answer and the total cost, but even further details. It is one of the fullest answers that one could receive.

The Home Office, however, has not yet answered my question, and it has deliberately withheld that information from the House. The Department's reply is a deliberate, calculated untruth. If I were speaking outside the House, I would describe it as a lie.

It is outrageous to treat Back Benchers in that way, forcing us to ask question after question to get information and then deceiving us. I hope that the House can inquire into that, and will consider the Metropolitan police's comment that the spending is excessive and unnecessary.

Madam Speaker: I have listened with care to the hon. Gentleman's point. He seems to have an argument with the Minister concerned. It is not a point of order, but I am concerned by the issue that he has raised. I hope that those on the Treasury Bench have noted the matter. If the hon. Gentleman gives me the information, I shall see what I can do about it.

Mr. Alan Duncan (Rutland and Melton): On a point of order, Madam Speaker. During Prime Minister's questions this afternoon, there was a disturbance in the Gallery, which was echoed by confusion on the Floor of the House, as a result of which you exercised your authority from the Chair. I was not able to see exactly what took place amidst that confusion, but will you confirm that your ruling was that the hon. Member for Ceredigion and Pembroke, North (Mr. Dafis) was

[Mr. Alan Duncan]

expelled from the House for the rest of today's sitting, following which you reprimanded and cautioned those other hon. Members, including the hon. Member for Banff and Buchan (Mr. Salmond), who also broke into applause?

Madam Speaker: The hon. Gentleman has not quite got it right.

Mr. Alex Salmond (Banff and Buchan) *rose—*

Madam Speaker: Hold on. I can deal with this.

The hon. Gentleman has not quite got it correct. I was cautioning hon. Members—there were more than one of them—who were applauding an interruption. I do not approve of hon. Members applauding an interruption to the proceedings of the House. I gave a caution. I did not use the Standing Order. I am rather more ferocious than I thought I appeared to be. The hon. Member for Ceredigion and Pembroke, North (Mr. Dafis) seemed rather intimidated and got up and went out. I wish that hon. Members would do that more frequently. I have not expelled him from the House for the remainder of the day. I cautioned him.

Mr. Salmond: Further to that point of order, Madam Speaker. My interpretation of what you have said is that you were giving a yellow card rather than a red card. As one of those who has had a red card in the past, I appreciate the difference. In terms of order, even in unparliamentary terms, I can think of worse things in the House than applause for a small nation that is suffering genocide—one is school sneaks on the Conservative Benches.

Madam Speaker: I disapprove of interruptions to the proceedings of the House. Now we are going to move on.

Mr. Andrew Faulds (Warley, East): Further to that point of order, Madam Speaker.

Madam Speaker: There can be no further points of order. I have dealt with the matter.

Mr. Faulds *rose—*

Madam Speaker: Order. If the hon. Gentleman has another point of order, I shall take it.

Mr. Faulds: It is the same issue.

Madam Speaker: In that case, we must go on with the ten-minute rule motion.

Local Authorities (Youth Expenditure)

4.32 pm

Mr. Andrew Rowe (Mid–Kent): I beg to move,

That leave be given to bring in a Bill to require local authorities to take into account the priorities of young people in allocating expenditure.

The Bill addresses one of the important political issues of our day. While we here debate the management of the great public services such as health, education, housing or social security, a silent revolution is occurring which, if left unnoticed for much longer, could destroy this place and render all that we do here of no effect.

The young people of the nation do not feel involved in the government of the country. Not only do they despise us politicians; they refuse to vote in elections. At the last general election, the number of 18 to 24-year-olds who did not vote rose to 45 per cent. There are signs that they will be joined in their indifference by the succeeding cohort of first-time voters. If those trends continue, the claim of this place to represent the nation will be badly undermined.

While we spend much of our time here passing laws to regulate in finest detail the acceptable materials for building houses in areas of special landscape importance or the breeds of dog that can or cannot be bought in pet shops, the future of our democratic society is coming into question. Our young people are steadily marching away from electoral involvement. The aim of the Bill is to arrest that desertion.

Under the Bill, local authorities would be required to set aside a proportion of their revenue support grant income for expenditure requested by young people. Unlike existing arrangements for funding the youth service, for example, the money could be spent only in response to proposals submitted by young people. If they knew that some of their ideas were assured of funding, they would have an incentive to connect with the political process. At the moment, only a tiny handful of would-be career politicians and a slightly larger number of single-issue enthusiasts see any purpose in taking part in politics.

Wherever I go, I meet young people who ask why politicians pay no attention to them. "You never ask us what we think. Even if you occasionally do, you don't pay any attention to our ideas, and nothing changes," they say. The younger generation have no desire to run society, but they want to be taken seriously by those who do.

In May, an ad hoc organisation, Heirs to the Millennium, which I chair, set out to collect young people's ideas for party manifestos, and submitted them to the party leaders. The young predicted that nothing would come of it. They will all be mightily surprised if they are taken seriously by the party policy-makers, and even more surprised if any effort is made to tell them what part their suggestions played in the discussions. Their justified cynicism is one reason why I am introducing the Bill.

Some local authorities are beginning to think about how consultation might be introduced. In Croydon, for example, an alliance of the mayor and Madam Speaker's predecessor—it is no surprise that it was my right hon. and noble Friend Lord Weatherill who set up the Speaker's commission on citizenship—has established

a forum for young people, which is beginning to have some influence on how the authority creates policy. Leeds and York have taken some steps, and I understand that a group in Edinburgh is trying to establish a youth parliament. In Birmingham, the city council convened a young people's group to discuss the budget and was salutarily asked by one 17-year-old how it had managed to lose several million pounds that was unaccounted for.

In my experience, young people nearly always have valuable ideas to offer and new insights to bring to the problems that bedevil us all. Most local authorities have no idea how to involve young people, and actually could not care less. If local authorities had a sum of money that could be spent only in response to ideas submitted by young people, they would undoubtedly facilitate the creation of channels for collecting and evaluating such ideas.

The matter is urgent. With every year that passes, we are pushing the age at which young people become self-determining adults further and further into middle age. For many of the most able and creative people in Britain, the age at which they feel welcome to play a responsible part in adult society is beyond the age at which Pitt became Prime Minister, and close to the age at which Alexander the Great died. Add to that the pressures on them when they first enter work, which discourage them from taking an active role in the cumbersome and time-consuming structures through which we normally work, and it can be seen how huge is the swathe of people whose opinions and experiences we disregard.

I use the word "experience" advisedly, because there are many areas of modern life in which the young alone have any serious "street cred". Who, for example, knows about drugs in the playground or the disco, or gangs or bullying—the young, who experience such things every day, or Members of Parliament, councillors and local government officials? For most of us, the youth culture that creates so many tensions in our communities is a closed book. If we are lucky, it may be selectively opened for us by our children. We have virtually no first-hand experience of its dangers and opportunities.

I believe that, if we required local authorities to hypothecate a sum of money to be released solely on the application of young people, we would kill several birds with one stone. We would encourage young people to make sensible plans to improve the communities in which they live; we would give them a sense of ownership of what was done as a result; we would find all sorts of new ways in which to approach some of our problems or be reassured that we were not missing obvious tricks.

I have no doubt that many councillors and council officers will panic at the idea and claim that, with all the many claims on council resources, there is no scope for any other activity, and they will be paranoid about the chance of some of the money being wasted. To argue thus is to argue mindlessly.

Everyone in the House can quote appalling examples of spectacular wastefulness that has been incurred by the very people who are the quickest to refuse to give responsibility to others. I have little doubt that the cost of meetings called simply to monitor the runaway expenditure on the British library exceeds any sum that is likely to be made available to young people if my Bill were to become law.

I am not suggesting additional expenditure. Indeed, I would be out of order to do so in a ten-minute Bill. I merely suggest that some of the money currently spent would be at least as well spent at the instance of young people. I believe that, if young people were given the responsibility for putting into practice ideas that they themselves had put forward and could call on the sort of support available to councillors, we would see a cost-effectiveness in delivering those projects that would be the envy of many local authority auditors.

We have to find new ways to make our young people able and willing to share in the governance of this land. After all, they will inherit it. They will have to pick up our mistakes, and will have to look after us in our old age. If we leave them on the outside and dismiss their hopes, fears, ideas and aspirations as irrelevant to the serious business of politics, we may wake up one day to find this place and all its local authority creations up and down the country sent packing by a generation whose views of our meanderings would echo Oliver Cromwell's.

My Bill is a tiny step towards demonstrating real interest in the younger generation and a small attempt to enlist their enthusiasm, experience, competence and idealism in solving the problems that we here find so hard to deal with. I hope that the House will give me leave to introduce it.

Question put and agreed to.

Bill ordered to be brought in by Mr. Andrew Rowe, Mr. David Alton, Mr. Hugh Bayley, Mr. Tim Devlin, Mr. Simon Hughes, Sir Jim Lester and Mr. Stephen Timms.

Local Authorities (Youth Expenditure)

Mr. Andrew Rowe accordingly presented a Bill to require local authorities to take into account the priorities of young people in allocating expenditure: And the same was read the First time; and ordered to be read a Second time upon Friday 7 February and to be printed [Bill 46].

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [26 November].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.—[*Mr. Kenneth Clarke.*]

Question again proposed.

Budget Resolutions and Economic Situation

[*Relevant document: European Community Document No. 9002/96, concerning the Council Recommendation to the United Kingdom with a view to bringing an end to the situation of an excessive government deficit in the United Kingdom, prepared in accordance with Article 104c(7) of the Treaty establishing the European Community.*]

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): I must tell the House that Madam Speaker has selected amendment (d) in the name of the Leader of the Opposition to the first Ways and Means motion. It may be convenient if at this stage I also announce that Madam Speaker has selected the amendment in the name of Leader of the Opposition to motion number 2 on public expenditure which is being debated with the Budget resolutions. I call Mr. John Prescott.

Mr. John Prescott (Kingston upon Hull, East): I do not mind speaking first, but I think it is the other way about.

4.42 pm

The Deputy Prime Minister (Mr. Michael Heseltine): The House has been treated to an interesting revelation by the deputy leader of the Labour party, who said that he did not mind speaking first. He will not take the slightest notice of the facts I shall put before the House. He is not interested in the truth of my arguments, because he has a propaganda handout from Walworth road that he intends to inflict upon us. It is kind of him to allow me to put the arguments and facts on the record first.

The House has now been debating the Budget proposals for almost a week, and the debate has shown starkly the difference between the successful policies of the Government and the lack of any credible alternatives from the Opposition. There are two basic reasons why I make such a claim. I shall start with some of the most authoritative independent opinions.

For example, the Organisation for Economic Co-operation and Development says that, because of the Government's programme of structural reforms, we have

"a more flexible and less inflation-prone economy".

The International Monetary Fund says that, in the United Kingdom,

"recent economic performance has been enviable."

I accept, of course, that both the IMF and the OECD are academic economic authorities, so perhaps we should concentrate on the views of the people whose investment decisions are measured in hard terms—the bosses of the world's most enterprising companies.

The chairman of Phillips says that the United Kingdom is the most competitive country in Europe today. The chairman of BMW described the United Kingdom as

"by far the most attractive place to invest in Europe."

The chief executive of Siemens has praised the pro-business environment that exists here. Those are the comments that have been made, not by some member of the Government and not even by citizens of the United Kingdom, but by people who have a totally detached view and are responsible for giving their best judgment and backing it with their money. I accept that those opinions are but quotations, so let us talk about some of the facts.

From every quarter of the globe, the world's great companies are pouring money into the British economy. They are putting money into our economy to bolster tomorrow's industries, whether manufacturing or service. Hyundai has made a £2.4 billion investment in Scotland. Lucky Goldstar has made a £1.7 billion investment in south Wales. Siemens has invested £1.1 billion in the north-east. Fujitsu has invested £800 million in the north-east. Toyota and UPS are each investing some £800 million in the east midlands. BMW and Jaguar are each investing around £400 million in the west midlands.

The City of London is the world's largest centre for foreign exchange. It is larger than New York and Tokyo combined, with more foreign exchange banks than any other city in the world, and a stock exchange that is the world's largest centre for foreign equities.

Other industries tell the same story. The tourist industry pulled in a record 24 million overseas visitors to the United Kingdom in 1995, earning around £12.1 billion and, in the process, it arrested and reversed the decline in market share that had happened over many years. If I may borrow a phrase from one of our most successful privatised industries, we are in truth the world's favourite economy.

The biotechnology industry has sales already in excess of £4 billion, and that figure is set to more than double by the end of 1998. Our aerospace industry, to which the privatised British Aerospace is central, is going from strength to strength, with a 20 per cent. stake in US Air's decision to buy up to 400 airbuses in a deal worth £11 billion. We have an enormous new order for Hawk from Australia.

We have seen British Telecom's price for calls within the United Kingdom fall by 40 per cent. in real terms since 1984. That privatisation led to the deregulation of the industry and the explosion of activity that followed.

We are going further. From the end of this month, any company that wants to run international calls in and out of the United Kingdom will be allowed to do so.

Britain is the first country in the world to open its international telephone traffic to anyone who wants to provide a service. The consequences of that were accurately reflected in *The Independent* recently:

"In a world where manufacturing (and increasingly service) technology crosses national boundaries in a matter of weeks, achieving a comparative advantage in international telecommunications is the most important thing any government can do."

We have done it, and we have done it in the industries of tomorrow.

Every statistic that is published offers growing proof that the British people are responding to the most exciting economic prospects that we have seen for a generation. Unemployment is down by almost 1 million. Housing starts are up. House prices are up. We have heard much from the Opposition about negative equity, but the latest figures show that the number of households affected by negative equity is now down more than 80 per cent. on the 1992 peak.

In the first quarter of 1996—*[Interruption.]* The deputy leader of the Labour party knows that housing starts have started to rise again. I know that the Opposition are totally uninterested in any facts or figures—*[Interruption.]* The right hon. Member for Kingston upon Hull, East (Mr. Prescott) did not know that I was going to include this subject in my speech, but he may have time to get the figures before he gets to his feet. Housing starts are on the rise again, as shown in the last quarterly figures published.

We hear nothing now from Labour about negative equity, just as we hear nothing now about unemployment. In the first quarter of this year, the Department of the Environment estimated that about £2 billion of negative equity was outstanding. In the second quarter, that figure fell to £1.5 billion, and I can now tell the House that the latest estimate for the third quarter is that negative equity has fallen to about £600 million. Today's newspapers state that the Halifax building society is reporting that house prices have risen since the last figure was released, with the result that negative equity is now almost a thing of the past.

Mr. John Garrett (Norwich, South): The Deputy Prime Minister has failed to mention that the Housing Corporation's budget has been cut from £1.8 billion two years ago to £600 million in the coming year. He has also failed to admit that the total number of houses built for rent will be some 20,000 in the coming year, and fewer in later years—despite the fact that the Government's own target was for 60,000 a year.

The Deputy Prime Minister: The hon. Gentleman is fully aware that we have re-created the private rented sector in the teeth of opposition from the Labour party. Today, there is a wide range of privately available homes for people on low incomes who are supported with housing rental subsidies.

We introduced those subsidies in an attempt to change the emphasis of housing support—again, in the teeth of Labour opposition. It is no good for the hon. Gentleman to select one aspect of the housing programme from the whole market. The Government have provided the widest choice of tenure in the housing market seen in this country since the early post-war period. We have been successful in increasing the availability of housing, particularly at the lower end of the marketplace.

It is not surprising that confidence has returned to the housing industry, as it has to the high street. Retail sales figures are up by 4 per cent. on a year ago, and we have the best growth of any major European Union economy. Let no one believe for one instant that these privileges are somehow restricted to a limited section of society. Looking at the effect of the growth in our economy and the spread of wealth in terms of what it has done to provide real opportunities for real people, the figures are startling.

In the early 1980s, 73 per cent. of households had a telephone. Today, the figure is well over 90 per cent. When the Government were elected, only 47 per cent. of the population had a freezer. Now, the figure is 88 per cent. Some 58 per cent. had central heating—it is now 84 per cent.; 60 per cent. had a car—it is now nearly 70 per cent. In 1979, 55 per cent. of dwellings were owner-occupied. By last year, that had gone up to 67 per cent.

We must add to those figures the fast-growing numbers who are taking advantage of new modern technologies. Some 75 per cent. of the population now have a video recorder. Some 64 per cent. have a microwave oven, and 24 per cent. have a home computer—one of the highest incidences anywhere in the world.

These are the irrefutable facts that show the extent to which widely available improvements in living standards have been created by the growth policies achieved by the Government.

Mr. Alex Salmond (Banff and Buchan): From the way the Deputy Prime Minister talks, one would think that he had installed all that central heating personally. He said a few seconds ago that the United Kingdom's growth rate was the fastest of the major EU economies. Does he accept that—according to the OECD figures for this year—the United States, Australia, the Czech Republic, Finland, Ireland, Mexico, New Zealand, Norway and Turkey all have faster growth rates than the United Kingdom? Does he further accept that the Irish growth rate—achieved by an EU country—is more than three times that of the United Kingdom?

The Deputy Prime Minister: I referred to major European growth economies, and I do not see the point in the hon. Gentleman giving a long list of non-European economies. The European economies are the ones with which it is realistic to compare our performance—for no other reason than the fact that 55 to 60 per cent. of all our trade now goes to the EU. Therefore, we are interlinked with the success of that part of the world trading economy. It is within that comparison that the statistics are meaningful, and it is against the standards of those like economies that the Government's policies have proved to be so successful.

Mr. Matthew Carrington (Fulham): The only serious economy mentioned by the hon. Member for Banff and Buchan (Mr. Salmond) was the United States, which has a high growth rate and a successful economy because it

[Mr. Matthew Carrington]

has deregulated and encouraged private enterprise—just as the British Government have been doing. In other words, the hon. Gentleman was suggesting that we should follow the line of the US, not the line advocated by Opposition parties.

The Deputy Prime Minister: I wholly agree with my hon. Friend; it is the deregulated and low-tax economies with large and vibrant private sectors that have been successful. It is because we have followed our policies—all in the teeth of opposition from the Opposition parties—that we have proved to be such a success.

It is therefore no surprise that next year, taking into account the latest Budget judgments, a family on average earnings will be £1,100 better off than they were five years ago. On the same basis, the average family will receive an increase of nearly £370 in the coming year, after allowing for inflation and tax.

Mr. D. N. Campbell-Savours (Workington): May I ask the Deputy Prime Minister a question about exchange rates? I do not want to draw him on interest rates, as I am sure that he would have every reason for not answering me directly. Is he worried about the rise in the value of sterling, and its implications for competitiveness in British industry?

The Deputy Prime Minister: One can argue the case both ways. The post-war successes of Japan and Germany have been co-incidental with—or possibly have caused—rising exchange rates. They have invested sufficiently to achieve the productivity to enable the advance to proceed. It can be argued all ways. We know that exchange rates are a reflection of market decisions, and those concerned self-evidently have confidence in the British economy for such an increase to be taking place.

The vital challenge we now face, given the excellence of the circumstances we enjoy, is how to keep this economic recovery in place. Our record of achieving those results, and the alternative policies from the Opposition, are the matters on which the election campaign will undoubtedly be fought.

It is important to ask a simple question. What exactly are the policies of the Labour party? Has anyone known, on any one day in any week in any month during the past few years? An hour or so ago, I heard the right hon. Member for Dunfermline, East (Mr. Brown), the shadow Chancellor, referring to Government changes of policy for "Today", the 1 o'clock news, "PM" and "News at 10". But nothing could more simply describe the Labour party's view than the way in which, by nods and winks, it has sought to produce its policies over the past few years. Any pressure group, any protest, any wandering journalist—implicit commitments to spend money will be made, or a nod given here and a wink there.

Let us have some idea of what it all could lead to. I ask for the figures, and it is up to the deputy Leader of the Labour party to answer factual questions on the commitments that Labour has given to overseas aid.

Mr. Campbell-Savours: Which commitments?

The Deputy Prime Minister: Labour said in "New Labour, New Life for Britain":

> "Labour will start to reverse the decline in UK aid spending . . . We will strengthen and restructure the aid programme."

Labour has also said:

> "In government, Labour will: start to reverse the decline in UK aid spending"

and:

> "Overseas aid from the Government is slipping . . . It is a very worrying time and Labour is committed to reversing the trend."

Clearly, the implication is that more money will be spent. How much more? Or are those commitments a fiction? Until Labour starts to answer those questions, we will continue to believe that the bills we have published are right.

Let us look at Labour's proposals for the railways. Is this or is this not a commitment:

> "We will give Britain a publicly owned, publicly accountable BR"?

Mr. Campbell-Savours: When?

The Deputy Prime Minister: When? At the Labour party conference a few months ago. The speaker was the leader of the Labour party.

Mr. Campbell-Savours: I was asking when we—

Mr. Deputy Speaker: Order. The hon. Gentleman must settle down and not get too excited.

The Deputy Prime Minister: Thank you, Mr. Deputy Speaker. I can understand the excitement that the hon. Gentleman gets from my speech, and he is right, because over months—indeed, over years—Labour has implied that it will spend money on programme after programme. How can the leader of the Labour party say that he believes in a publicly owned railway, without facing the fact that it costs money to renationalise railways?

We have made it clear that, in our view, the Labour party's commitments are vast. We have published our calculations, and the easy way for Labour Members to deny them is to give the alternative figures that they have worked out; if they have not worked out the figures, they should withdraw all the commitments.

Labour Members clearly believe that Labour Governments can achieve what they want without spending money: they can give teachers sabbaticals and pay for it out of existing resources; they can renationalise the railways—that is what the leader of the Labour party said—for nothing; and they can have a minimum wage and save money by doing it. Perhaps, by adding a lot of people to the unemployment queue, as Labour's deputy leader believes would happen, some money could be saved, but that is a harsh way of doing it.

The Labour party has made 89 spending promises, and everybody knows that, in the end, all Labour Governments put up taxes. We can see why that is the case, as Labour spokesmen make commitments that would lead to higher taxes if ever they got to power. They suggest that—in their language—a windfall tax could pay for their commitments, but that tax is yet another phoney implied promise. How can cash be taken out of the pockets of British companies without either putting up prices or cutting investment? How can investment be cut without destroying jobs?

New Labour means new taxes—and a lot of them. There is the tartan tax; or has Labour abandoned that? It is committed to a tartan tax, but why should the Scots pay more than the rest of us, for the privilege of trying to buy off the Scottish National party? There is to be a telephone tax, called a windfall tax, and a teenage tax, as child benefit is withdrawn. All those taxes are clearly set out in commitments made by the Labour party.

We were promised details once the Budget was over. The right hon. Member for Dunfermline, East (Mr. Brown) clearly said that he would produce the details, but all we heard was a new commitment to lower the rate of value added tax on domestic fuel. [HON. MEMBERS: "Hear, hear."] I hear the support for that proposal from Labour Members and from the hon. Member for Banff and Buchan (Mr. Salmond), the leader of the Scottish nationalists, who is ahead of the game and knows what I am about to say, because his party made exactly the same proposal in 1994.

At that time, no less a figure than the hon. Member for Edinburgh, Central (Mr. Darling), the shadow Chief Secretary—I hope that I am not offending him, because I quote only from *Hansard*, which I assume to be accurate—said that the proposal to cut VAT on fuel, which is now official Labour party policy, was a

"cynical ploy from an increasingly opportunist and desperate party."—[*Official Report*, 23 January 1995; Vol. 253, c. 49.]

That is the shadow Chief Secretary's verdict on the shadow Chancellor, and they are still in opposition. I know that there were plenty of arguments between the leader of the Labour party and his deputy, but this is ridiculous.

Mr. Alistair Darling (Edinburgh, Central) *rose—*

The Deputy Prime Minister: No, no, no. Why should we have the monkey when we can have the organ grinder? The hon. Member for Edinburgh, Central is to wind up for his party—perhaps he is wound up—so he will have every chance to speak.

Mr. Prescott: You named him.

The Deputy Prime Minister: Very well, then—I give way to the hon. Member for Edinburgh, Central.

Mr. Darling: I am extremely grateful to the Deputy Prime Minister, who has reluctantly given way. Some people read *Hansard*, so perhaps I should take the opportunity to set him right.

I accept that I criticised the leader of the Scottish National party in 1995, and I stand by every word of what I said. The House will recall that, at that time, the issue before us was whether to support the Labour amendment to reduce value added tax to 8 per cent.; the success of that amendment depended on getting Tory rebels, which we did. What the nationalists did then was cynical, but we are extending our commitment to protect people who have to pay more VAT on domestic fuel as a result of broken Tory promises.

The Deputy Prime Minister: Any time that I can give way to the shadow Chief Secretary, give me the chance to do so. I have never heard such humbug in my life. It was perfectly all right to try to con the Scottish nationalists and a few Tory Back Benchers in order to pursue some devious device four years ago, but it suddenly becomes totally reprehensible when it is done today. That is new Labour in its starkest, clearest clothing. I dare say that the hon. Member for Edinburgh, Central would not have said what he did, and revealed exactly what sort of shadow Chief Secretary he is, had the shadow Chancellor been here.

The truth is that the shadow Chancellor has gone further in his suggestions about what can be announced by way of policy. He has been quite specific about the 5 per cent. VAT, so why can he not answer the other questions? If he has done the calculations and knows how much he has to allow for by way of lost revenue on VAT, he must know where the balancing figures are to come from. He has done his homework and has the figures, and there is a vast range of subjects on which he could be specific, so why does not he tell us about them?

Perhaps the shadow Chancellor has been talking to the deputy leader of the Labour party, who said that nothing would be announced before the general election—apart from the good news. He was perfectly prepared to announce the 5 per cent. VAT, but any fool knows not to announce the bad news, such as what is to happen with occupational pension schemes, contributions to personal schemes, corporation tax, employers' national insurance and a range of other taxation issues, all of which, I assume, a prudent and cautious shadow Chancellor—as, we are told, the right hon. Member for Dunfermline, East is—must have worked out before coming up with the cynical announcement he made, despite all the vagaries of the shadow Chief Secretary's views.

The House and the country will not be fooled. We all know that every Labour Government increase taxes. Some of my right hon. and hon. Friends were here in 1979 when we went through the Lobbies to force the dying Labour Government to reduce income tax from 34p to 33p in the pound. We have been in power for quite a long time since then, and the standard rate is down to 23p in the pound and falling; today, 7 million people pay only 20p in the pound. Nobody seriously believes for an instant that any of that would have happened under a Labour Government.

I see that the shadow Chancellor has returned to the Chamber. He may be interested to know that the shadow Chief Secretary has just explained why his latest plans to set VAT at 5 per cent. were described as a

"cynical ploy from an increasingly opportunist and desperate party."—[*Official Report*, 23 January 1995; Vol. 253, c. 49.]

I believe that he was the shadow Chancellor at the time, so perhaps he will want to have discussions later behind the Speaker's Chair about his future relationship with the hon. Member for Edinburgh, Central.

Between 1974 and 1979, inflation was on average 15.5 per cent. Today, we have the best inflation record for a generation: less than 4 per cent. for more than four years.

Mr. Robert Sheldon (Ashton-under-Lyne): The Deputy Prime Minister will be aware that, over the past 12 months, the pound has risen by 14 per cent., which has made imports much cheaper and exports much dearer, creating problems for our manufacturing industry. Cheaper imports will obviously reduce inflation and bring down the retail price index. Goldman Sachs assumes that the reduction will be about 1 per cent., so 2.5 per cent.

[Mr. Robert Sheldon]

inflation would have been 3.5 per cent. if the Government had not increased the value of the pound. That success has been achieved at the expense of our manufacturing industry.

The Deputy Prime Minister: I am trying to work out whether the right hon. Gentleman is complaining. Is he against the pound being strong? Would he like it to be run down? The simple way to depreciate the pound is to threaten people with a Labour Government. Go back to the old days of high inflation and see what that does to our currency. The statistics we use have been common to all parties, and show that we have the best inflation record for a generation. I know that that sticks in the throat of the Labour party, as do all the figures of success.

Our exports are at a record high, despite the pound's appreciation. Does the Labour party favour that? The shadow Chancellor has had to try to find ways to add to his campaign to undermine Britain's performance. The way in which he constantly seeks to undermine British industrial capability and British service industries is an insult. He has to find the worst conceivable examples of any exceptions.

The other day, he found an extraordinary survey that put our education record 42nd in the world. Some of his surveys are interesting. I have done some homework. The survey he cited shows that Turkey is second for equal opportunities, and placed the policies of the French Government ahead of those of the United States for their grasp of economic realities. So that we do not get carried away, the survey put Britain below China for the openness of national culture.

No serious commentator would take a blind bit of notice of such surveys. The Labour party cannot stand the truth about the success of the British economy. Again, these are not Government statistics, but on my desk yesterday I had some figures from the Chartered Institute of Purchasing and Supply, which has nothing to do with the Government or the Conservative party. It helpfully set out the Government's record, right from start to finish, and that of the previous Government.

The figures show that annual growth in manufacturing output under the previous Government was minus 0.5 per cent.; since 1979, it has been 0.7 per cent.—despite the recession. The annual growth in manufacturing productivity under the previous Government was 1.5 per cent.; under this Government, it is 3.4 per cent. The most important test of competitiveness is enhanced productivity.

The figures then consider annual growth in manufacturing exports—the test of what foreigners think of our products. In 1974-79, it was 2 per cent. per annum; under this Government, it is 4.6 per cent. per annum. That is the clearest possible indication of the success that we have enabled British men and women at work to achieve in the marketplaces of the world, despite the toughening competition that everyone knows exists.

The challenge we face today is to preserve the economic disciplines that enable our economy to grow faster than those of our European competitors and faster than it has characteristically grown in the post-war world, and to pursue policies that will contain inflation and enhance our competitiveness. Everyone who has commented—I mean commented seriously—on the changes of recent years knows that it is the success of our economic and structural policies that has led to our remarkable inward and self-generated national investment.

We now have the highest inward and outward investment, relative to gross domestic product, of any G7 country. Since 1979, business investment has increased by more than 50 per cent. Whole-economy investment under the previous Government grew by 0.3 per cent. a year; it now grows by 1.7 per cent. a year—six times as fast, and faster than any other major European Union country.

That achievement is, of course, greatly reinforced by the remarkable success of the nationalised industries now that they are in private hands. In one case after the other, there have been massive improvements in investment: British Telecom, £27 billion since privatisation; the regional electricity companies, £1 billion a year; and Railtrack, the new success of privatisation, expects to spend more than £8 billion on infrastructure to April 2001.

The answer of the Labour party is to give us a publicly owned, publicly accountable British Rail. The leader of the Labour party said that only a month ago. Nothing is more calculated to restore indifferent services and inadequate investment in the railways than taking them back into public ownership. Of course, we all know that they could not dream of affording to do it. It is only another sop to the unions upon whose support Labour depends.

So the story continues. I have talked about the need to keep the disciplines necessary to preserve our economic success. Equally, in other vital areas of the economy, on which the Budget has concentrated, we must preserve disciplines to improve standards. That is nowhere more true than in respect of our education system.

The Labour party cannot face the simple but inescapable truth that we can improve education only by accepting that the same head teachers, in the same schools, with the same teachers and the same children, have to improve their performance. We have shown that the right, and only, way is to insist upon a national curriculum, testing and the publication of results, and to give teachers and parents maximum discretion over their own budgets.

Of course there are people in the education world who resist the changes; of course the Labour party resisted every one of them. Labour does not like the publication of results, because it foresaw, with precisely the clarity that we did, that, once we let the public in and trusted people with information, the public would insist on raising standards in our schools. That is why standards are rising.

Everyone knows that one in three of our young people today go into higher education, against one in eight when Labour was in power. People know that a record 53.7 per cent. of pupils achieved five or more GCSEs at grades A to C this year, and that the A-level pass rate this year was nearly 86 per cent.—up from 68 per cent. in 1980. But the Labour party proposes to reverse all the proposals that have brought about those changes by putting local authorities back in charge: the very people who presided over the decline in the first place.

Labour wants to abolish the assisted places scheme—one of its most vicious proposals. It is a piece of social engineering in keeping with its decision to abolish choice

in education in the 1960s. It thought then that it would benefit the inner cities by closing the grammar schools, some of the best schools in the country. It is little surprise that it did not work. Parents with the ability to choose chose to leave the inner cities and move their children from inner-city comprehensives to suburban ones.

No one knows that better than the leader of the Labour party, because he is the epitome of what happens if one tries to imprison children in schools that their parents believe to be of inadequate quality. Parents take their children away, just as he did; but now he wants to stop other parents doing precisely what he believed to be right.

It is characteristic of the Opposition that, on every gesture and policy, they are hellbent on reversing the changes that have made Britain the enterprise centre of Europe.

They are going to put Labour councils back in charge of the business rates. We all know what will happen: up will go the business rates. They are going to impose new, unwanted, unnecessary costs on local taxpayers and local industries in authorities in Scotland, Wales, London and the English regions.

The Labour party has no concept of the increased global competition to which the British economy and all others are increasingly subject. To meet that competition, we have delivered a Budget that is another courageous step forward in building the most exciting economic prospects that any of us have seen for Britain.

We as a Government deliver what we promise. We said that we would deliver higher standards. As promised, the average family has £700 more to spend after tax and inflation this year than at the time of the last election. We said that we would get inflation down. As promised, the underlying rate of inflation has been below 4 per cent. for longer than at any time in the past 50 years. That has helped us to bring mortgage rates down to their lowest for 30 years.

We said that we would re-create a flexible labour market. As promised, more jobs have been created. We have the lowest unemployment rate of any major European Union economy. We said that we would cut tax on earnings. As promised, we have made progress towards the goal of a 20p basic rate for all. We have increased the 20p band and cut the basic rate by 10p to 23p since 1979. Now one in four income tax payers pay tax at only 20p.

We said that we would control public spending and the size of the state. As promised, public spending as a share of gross domestic product is on a downward trend. It peaked at 47.25 per cent. in the 1970s. We are set to get it below 40 per cent. and keep it there. As promised, we are laying the foundations for five more years of low inflation, rising employment, improving living standards and lasting prosperity, but we will also deliver the essential prerequisite for five more years of success, and that is five more years of Conservative government.

5.21 pm

Mr. John Prescott (Kingston upon Hull, East): I beg to move amendment (d), in paragraph (c), after "chargeable", insert:

"other than an amendment for the reduction to five per cent. of the rate chargeable on fuel and power for domestic or charity use".

We have heard a characteristic speech from the Deputy Prime Minister. By a generous interpretation, 15 minutes of his 40-minute speech were devoted to his Government's Budget. Naturally, he wanted to ask us what we would do, but I should point out to him that the debate, like the debates that we have had all week, is about the Government's Budget, and we intend to discuss it.

This debate follows the debate on the Chancellor's statement on the ECOFIN meeting. We congratulate the Deputy Prime Minister and the Chancellor on the way in which they appear to have ambushed the Prime Minister today, thereby showing once and for all that the Prime Minister is weak and at the mercy of one faction one day and another faction another. The facts appear to be correct. We have a Prime Minister who gets pushed from one day to another. That is exactly what we saw from the Chancellor's report on the ECOFIN meeting.

Mr. Peter Luff (Worcester): Will the right hon. Gentleman give way?

Mr. Prescott: I hope to give way shortly, but I should make a start.

The Deputy Prime Minister and the Chancellor have made clear the Government's case for the Budget. I put it to the House that it is not an honest Budget to help ordinary, hard-working families but an unfair Budget for the few and not for the many. It does not strengthen the economy or equip Britain for the future. On the contrary, it discourages investment. That is the charge that we lay against the Budget. It is based on the old Tory formula—give with one hand and take with the other, mortgaging our future to pay for their economic incompetence. That proves once again to the British people that they are worse off under the Tories.

The Deputy Prime Minister gave a litany of proposals. Why is it that the country at large does not recognise the record that he described to the House? It is not recognised, whether it is put to the test in elections or in opinion polls. People do not believe what the Tories say about the economy. The people of Britain will judge the Government not on one week or five years of government but on 18 Budgets over 17 years.

The purpose of Tory Budgets was set in 1979 by Chancellor Howe in his first Budget. He said that the aim of the Tory Government was to end the relative decline of the British economy. The Deputy Prime Minister has sought to show that they have achieved that. The Chancellor said last week:

"The British economy is in its fifth successive year of steady, healthy economic growth . . . These are the best circumstances we have faced for a generation . . . It is a Rolls-Royce recovery and it is built to last."—[*Official Report*, 26 November 1996; Vol. 286, c. 154.]

That is what he told us, and that is the point that we are asked to debate here today.

The Deputy Prime Minister made a great point of saying how much was paid in overseas aid. If the economy is as successful and strong as he says and we are doing so well, it is a disgrace that the Budget contains even further cuts in overseas aid, which is desperately needed in many parts of the world.

What is the real truth of this matter? On Wednesday the Chief Secretary to the Treasury gave us a selective comparison of unemployment among the G7 countries. It was the only statistic from the G7 that he used. If he widens his horizons, he will find that overall the last

[Mr. Prescott]

Labour Government had a better record on employment and unemployment than the Tory Government, whether the figures are relative to other countries or absolute. That is not a matter that is contested. If the Deputy Prime Minister wishes to contest it, I am prepared to give way to him.

The Chief Secretary to the Treasury (Mr. William Waldegrave): As the right hon. Gentleman is interested in history, can he remind me whether any Labour Government ever left unemployment lower than they found it?

Mr. Prescott: I am sorry. I did not hear the right hon. Gentleman.

Mr. Waldegrave: With the exception of the Labour Government in power at the time of demobilisation after the war, there has never been a Labour Government who left unemployment lower than they found it?

Mr. Prescott: As a matter of history, since the right hon. Gentleman is interested in history, the Labour Government were the first ever to sustain full employment in the British economy. We maintained full employment following Tory Governments and sustained it for two decades. The level of employment was always greater under us. Most Governments can claim that because there is an increase in population during their period of office. However, the Tory Government have claimed that somehow unemployment is far lower in Britain than in other countries and that they lead the way in putting people back to work.

We have had mention of the G7 countries. As the Chief Secretary said, we are third-out of the seven in terms of unemployment. That may be so, but we are sixth in the European Union and 14th in the 22 OECD countries. That is hardly a good record. That it is middling along is the best that can be said for it. Our position is certainly worse than under the Labour Government, whether one contrasts relative, average or absolute figures.

It is absolute nonsense for the Tories to claim that they have a better record on unemployment, particularly when we have 1 million more unemployed than in 1979, after 17 years of Tory government. So let us hear no more silly nonsense about the Tory Government's contribution to reducing unemployment.

The Chief Secretary chose to point out the G7 figures on the level of unemployment, but if he had chosen inflation, he would have found that we were sixth and falling. We are sixth in terms of interest rates and falling and we are at the bottom in terms of the level of investment compared with the G7 countries. I should have thought that those figures and indices were of equal importance to any successful economy.

If we look at comparisons with OECD or EU countries, we are not in the top part in any way. We are middling or down at the bottom of the tables. So it is not right for the Tories constantly to give wrong information. The Chief Secretary to the Treasury has not always been careful with his language or his information to the House, but on this occasion it is right for us to point out that he did not give us the entire truth.

The Deputy Prime Minister: As we are quoting international comments and the right hon. Gentleman is talking about inflation, it is worth pointing out that the OECD survey for 1979, talking about a Labour Government, said:

"The most pressing problem is inflation, and its reduction must be regarded as a first priority for economic policy".

The OECD now says:

"inflation performance over the past four years has been remarkably good".

Mr. Prescott: I am quite prepared to admit that, if we look at inflation over a couple of decades, going back to the oil price hike period, inflation is certainly better now. We welcome that—make no mistake, we want low inflation—but if we look at the overall record of the Labour Government elected in 1974, we see that they were successful in reducing high rates of inflation. If we look at the first two years of the Conservative Government elected in 1979, we see that inflation shot up from approximately 7 per cent. to nearly 28 per cent., primarily because they increased the rate of value added tax.

I remind Conservative Members that, in the 1979 election, the *Daily Mail* listed the 10 lies that Labour was telling, and one of those was that the Tories would increase VAT. Despite their continual denials, the first thing that the Tories did when they entered office was to increase value added tax. They continued to deny it and continued to increase it, and this Budget continues down that road.

We can be selective in our use of statistics. Where there have been improvements, we welcome them—why should we not? If we are achieving lower inflation, that is acceptable; but it is right for us to point out that the price of that is higher unemployment and great difficulty in managing the public finances. That is what the Budget has had to contend with, and I shall deal with that point shortly.

After 17 years of Tory government, we have fallen in the international leagues to which the Deputy Prime Minister has referred. We have fallen from 13th to 18th in the world prosperity league. I know that there are arguments about that point—previously, at Question Time, the Deputy Prime Minister has made the case for saying that, in fact, we have fallen only to 15th place. Okay, I accept that; but our position is poor and we are falling further down the league. Despite all that he has been saying about the past 17 years, we have fallen in that league table from 13th place to 15th or to 18th, whatever the right hon. Gentleman prefers.

We languish at 42nd place in respect of education and training—that is an indictment of Tory policies. On investment, about which the Deputy Prime Minister has spoken at length, we are 22nd out of the 25 OECD nations. We are near the bottom of that international league. Even the Chancellor has clearly admitted that investment has tended to flatten out and that he has not achieved the sort of investment levels—especially in manufacturing—that he had hoped to achieve.

On interest rates, we have fallen from fifth to ninth in Europe, with interest rates twice as high as those in Germany or France. That has been true throughout the lifetime of this Government. Our share of world trade has gone down, not up. It has fallen from 5.4 per cent. in 1979 to 4.8 per cent. today. Those are not the indices and signs of success. We can all agree that the economy faces

problems—for decades, Governments have had difficulty with the balance of payments, the balance of trade, inflation and unemployment—but the present Government's claim that there have been major and fundamental changes in the economy is not reflected in international indices. That is our point.

The Tories record must be judged in the light of the massive revenues from North sea oil and privatisation—the equivalent of a quarter of a billion pounds a week, every week, for the 16 years that they have been in office. It was always thought that, when North sea oil came on tap, it would be a major advantage for whichever Government were then in office. We would get the virtuous circle that the Tories talk about, because the money would be used for investment, reducing unemployment and getting the public finances in a proper state.

Where has all that money gone? All we ever hear from the Government is what they have done to cut taxes—I shall talk about that in a minute. That is how they have wasted the money. They have not used it for long-term investment, but given it away to their friends, especially those on high incomes. That is the record of the Tory Government.

I notice that the Budget contains every variety of what the *Financial Times* called

"creative accounting and wishful thinking."

There is certainly much evidence of the Government doing that to try to delay or conceal the ways in which we will all have to pay for their incompetence. We realise that the privatisation of the student debt and the Army housing leaseback are ways in which the public sector borrowing requirement can be reduced.

The Government's assumption of falling unemployment is unprecedented. No Government have done that before. This Government have said, year after year, that it is impossible to predict what the level of unemployment will be in future years—why have they given a prediction this year? They did it for one very good reason: they made the prediction so as to enable them to make an assessment of savings on social security and unemployment benefit, which can then be fed into the process of balancing the books on public sector financing. That is the sole reason why it was done.

I have to smile because, in last week's debate on the utilities, the Deputy Prime Minister asked, where would the money come from? The money raised in one year from the utilities could be spent over three or four years. When I suggested that it might be possible to save money by paying people who have been given work, instead of having to pay benefits when they are on the dole, I was laughed out of court—but my argument lies at the heart of the Budget's attempt to save £800 million. We know that, going into the next millennium, we will still have 1.6 million unemployed people, which is 60 per cent. more than Labour had in 1979.

Mr. Edward Leigh (Gainsborough and Horncastle): Will the right hon. Gentleman, as deputy leader of the Labour party, match the Government's commitment to increase spending on health in real terms every year?

Mr. Prescott: Anyone who has read the Budget debate so far will know that that commitment is a contestable point. If it is a promise, I am bound to say that the Government's record on keeping their promises and on predictions of the public sector borrowing requirement and future expenditure is woefully inadequate. I would not believe anything a Tory Government told me about anything. I have to accept statements made in the House, but do not expect me to believe Tory promises—they told us that they would not increase VAT, but they are doing it again. Anyone who looks at the proportion of expenditure that goes to the health service will know that resources have not increased at all.

Let me turn to a measure in which, no doubt, the Deputy Prime Minister played a part—spend to save. That is an interesting term and, from a man who spent a lot of time telling people to delay paying their debts, it is a good term. It is a subject with which the right hon. Gentleman is extremely conversant—spend to save and keep the money going longer.

My right hon. Friend the Member for Dunfermline, East (Mr. Brown) was ridiculed when he argued in favour of closing tax loopholes. Does not spend to save mean the same as closing tax loopholes? The Chancellor called it the politics of "Alice in Wonderland". He said that he was not Santa Claus, but now he is Alice in Wonderland—looking at him now, I have to say that that requires some imagination. The Government have pinched a relevant Labour idea because they are desperately trying to balance the books—something that they have constantly failed to achieve, year after year. I shall come to the public sector borrowing requirement in a second.

Of course, there are doubts about whether it is possible to raise £6.5 billion, which is the figure that the commentators have been writing about. At the end of the day, it all comes down to predictions on public finances, on which the Government's record is poor.

Let us take the public sector borrowing requirement, which is always used when the Government are stating their desire to balance the Budget. In 1992, before the election, they said that the PSBR would be £32 billion in the year to follow; in fact, it was £45 billion. They said that it would be £25 billion in 1993, but it was actually £36 billion. This year, it was supposed to be £6 billion, but it has turned out to be £26.5 billion. The Government may not be especially successful at balancing the Budget, but they are much worse at making predictions—their accuracy is deplorable.

There is a growing fear that the Chancellor will be forced by the markets to raise interest rates to meet his implied inflation figure. The real test of the Budget must be its effect on the real economy.

The Chancellor of the Exchequer (Mr. Kenneth Clarke): The right hon. Gentleman is criticising our record on the public sector borrowing requirement and referring to the Red Book. Is the Labour party committed to keeping to the spending totals for Departments set out in the Red Book? Is Labour forswearing increasing any of those spending totals, given the right hon. Gentleman's concern about our record on public sector borrowing?

Mr. Prescott: The proper reply would be to say that the answer to that question will be made clear at the beginning of next year. The Chancellor has made a fair

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point, but even he will recognise that the projections for public spending raise serious doubts about how the money is to be raised. What he promises now may not be achieved after the election—but that is the old Tory trick. What the Tories promise before the election they have to readjust afterwards. But the debts have to be paid. The promises on public expenditure come now, and they must be paid for later.

Every Chancellor has done the same. I must tell the right hon. and learned Gentleman that what he does is not unique. It is almost what has caused the boom and bust in the British economy, as Chancellors have geared themselves to the electoral cycle rather than to the needs of the nation. That is evident from most of the figures in the Red Book.

Mr. Campbell-Savours: Does my right hon. Friend recall the promises made in the autumn statement of 1991—promises that were reversed the following June? A series of promises, covering all Departments, was made, but every commitment on public expenditure made before the election was withdrawn after the campaign was over. We remember.

Mr. Prescott: Yes, I remember. That was the former Chancellor, the right hon. Member for Kingston upon Thames (Mr. Lamont), who fought me in an election in Kingston upon Hull in the 1970s. People in Hull did not believe him then, and we should not have believed his projections when he was Chancellor of the Exchequer, either. No doubt the present Chancellor has learnt all those techniques, and means to deploy them.

Mr. Kenneth Clarke: They are not techniques. If the Labour party wishes to do better than the Government on public sector borrowing, it must either take public sector spending down or put taxation up. It does not even have a commitment to keep public spending down to where it is now. Will taxation be put up, so as to improve our performance on public sector borrowing?

Mr. Prescott: That is certainly a question posed by the right hon. and learned Gentleman's Budget. It is a question that he would face if he were Chancellor after the election, but we do not think that he will be.

There is another option, and we have it here. It is called a utility tax. We can impose a tax on obscene profits and use the resources to put people back to work. We would not have to pay so much to keep people on the unemployment register, and there would be a different order of priorities within public expenditure. I call that the virtuous circle, although it is not what the Government mean by that term.

Mr. John Townend (Bridlington): The right hon. Gentleman talks about a utility tax. Will he answer a question that the right hon. Member for Derby, South (Mrs. Beckett) refused to answer yesterday? Will he give a copper-bottomed guarantee that the "utility tax" will apply only to companies that have been privatised? If not, does it mean that, if I bought half a million pounds, worth of claret and the price doubled, I would have to pay a windfall tax?

Mr. Prescott: I know that, as an accountant, the hon. Gentleman would like to be accurate about what he thinks the tax would cover. My right hon. Friend the Member for Dunfermline, East (Mr. Brown) made that clear. I do not believe that the hon. Member for Bridlington (Mr. Townend) was here last week when we discussed the utilities under a motion tabled by the Government. We talked about the definition of what constitutes utilities. With regard to privatised utilities, we shall make a judgment at the proper time, talking to the regulators and to the industries.

The idea is not new. I must remind the hon. Gentleman that the 1981 Budget included the banks tax. I think that he was in the House then, and voted in favour. When he voted for that tax he did not ask what it would apply to, or at what rate. He simply agreed to tax an obscene profit—although he would not say that, because Tories would not use those words. He probably said "excess profits". I believe that the Government's description at the time was "fixed fiscal rectitude" or something similar.

None the less, the tax was the same sort of thing. It was a tax on profits. The hon. Gentleman did not ask questions; he simply voted in the Lobby, without knowing. Yet now he is asking us to define something that was not defined when a Conservative Chancellor proposed the bank tax. I shall talk about the utilities tax in a minute.

The important factor in strengthening our economy is increasing the skills of our work force. Everybody agrees that training and education are vital to a modern economy, yet what does the Budget do? The Chancellor has cut the budget for nursery education, for TECs and for capital spending on higher education.

Investment has fallen from 15.5 of GDP in 1990 to 13 per cent. today. Despite all the claims of the Deputy Prime Minister, manufacturing output is still only 2 per cent. higher than in 1990. Productivity has stalled. That is a record not of success but of incompetence—if the Government wish to claim to have had any influence over what has happened.

Even the private finance initiative, which is often mentioned in the House, and which offered such great promise, has come to very little. I believe that, as recorded in last year's Red Book, the Chancellor thought that the private finance initiative panel had identified 1,000 potential projects, worth £25 billion. Yet he now says that the figure is only £1 billion. All the estimates and hopes for the PFI seem to have come to naught.

As the Chancellor knows, I have always been a fan of the idea. Indeed, I was an advocate of public-private partnership before the Government were, and they often ridiculed me for it. I believe that in a document presented by the Deputy Prime Minister when the Cabinet was discussing the financing of the Post Office, the option was referred to as the "Prescott option". It was no surprise that, as I understand it, the right hon. Gentleman led the attack on the "Prescott option". I do not suppose there would have been many votes in Cabinet for such a thing, but—

Mr. Kenneth Clarke: The right hon. Gentleman is right to say that we have often referred to the Prescott option when considering borrowing for capital finance—but we regard what he used to advocate for railway rolling stock and so on simply as borrowing. He could never see why the Government could not just borrow to buy such things.

The private finance initiative is a little more complicated than that. It involves risk transfer from the public to the private sector, in a way far removed from the original Prescott option. Labour Governments were good at borrowing, and no doubt would be again—but the kind of borrowing that the right hon. Gentleman advocates is the kind that gets countries into crisis. Indeed, it is the kind that he was criticising five minutes ago.

Mr. Prescott: It must be said that the present Government are not one characterised by very low borrowing levels, however those are measured. Secondly, perhaps it is because the Government did not adopt the Prescott option that they could not make the system work. I know that the Chancellor himself appointed Sir Alastair Morton to consider the proposals and to break down the resistance of the Treasury. Unfortunately, he could not do that either, so the only claim that can be made for the PFI is to cite it as a reason for increasing public expenditure on hospitals and other things.

I think that everybody agrees that, if some of the Treasury rules were changed, there could be a much more favourable approach. To be honest, I think that the Chancellor is trying to achieve that, or he would not have told us that there were £25 billion, worth of options—although he has been able to secure only £1 billion, worth of those.

I understand that the PFI was to have played a major part in the financing of hospitals, at the rate of one a month. Yet the only hospital that has actually been financed is the one for which the agreement was signed the night before the Chancellor presented his Budget. Clearly there are many difficulties involved, despite the right hon. and learned Gentleman's enthusiasm for the Prescott proposals. I recommend that he reconsiders the old Prescott option, and he might be able to get more of the projects started.

The Government have introduced the PFI in such a way that it fails to boost public services significantly and undermines public servants, and has bemused and frustrated the private sector partners and short-changed the taxpayer. The leasing arrangement for the railway stock in York cost considerably more, because the Treasury got behind it and imposed all sorts of impossible rules. In the end, it would cost much more to do things privately than to borrow from the Treasury, but one could not borrow from the Treasury because it was not prepared to increase taxes or use other ways of raising money to increase revenue.

The Economist described all that as a "dog's breakfast". The much-vaunted plans for a string of national health service projects under the PFI have dwindled down to the single contract that I have already mentioned, and the forecasts have fallen.

I regret the fact that the Government have not been able to use their so-called business acumen, and have turned a good idea into a dismal failure. We could have used that idea to boost public investment and create jobs in a much more ambitious way than has been achieved. I wish the Chancellor well in trying to get something out of it—but there are not many months left for him to do so.

There is one measure that the Chancellor saw fit not to mention in his Budget statement—a proposal dramatically to increase tax on long-life investments. That will especially affect gas, electricity, water and telecommunications companies, because most of their assets will have been in existence for 25 years.

Might that not be a utility tax? It will apply largely to utilities. When the House debated Labour's windfall levy last week, the Deputy Prime Minister became quite upset. I note from *Hansard* that he said:

> "The fact is that windfall taxes, like any other, must come from somewhere . . . prices would go up or investment would be cut . . . There is no loose cash sitting about with no purpose in the pockets of British companies. A windfall tax would affect prices or jobs".—[*Official Report*, 21 November 1996; Vol. 285, c. 1127.]

Will the Deputy Prime Minister explain what will be affected by the utilities tax on long-life investments? Will it be jobs or investment? Did he consider that? Did the Chancellor tell him? While the right hon. Gentleman was in the House of Commons saying all that, the Chancellor was planning his own version of a utility tax.

Unlike the windfall levy on excess profits, the Government's suggested tax will apply directly to long-term capital investments. It will be not a one-off levy but a tax that will increase year upon year, and affect the level of the long-term investment that is at the heart of the problems of the British economy.

On the day when the Chancellor made his announcement, the right hon. Gentleman was apparently encouraging privatised companies to come together to resist the windfall levy, so can he tell us whether he knew of his right hon. and learned Friend's plan to impose that tax on the utilities? Was he concealing that fact from those companies, or was he not told? Will he still host that gathering of the privatised company bosses, his potential cheerleaders, the Heselteenies? I understand that some companies have now declined to join that group. Is that because he did not tell them the truth about the Government's plans?

There was some debate at the weekend about whether the direct tax bill for the average family has gone up since 1992. The Prime Minister still refused to admit the truth during Question Time. How could he do anything else when he has put posters up around the country saying, "As promised, income tax down"? He could hardly change those posters. The Tory party led by honest John would have us believe that direct tax has come down, but honest William has told us otherwise. This week the chief financial secretary to the Treasury—

Mr. Waldegrave: I am the Chief Secretary.

Mr. Prescott: Okay. I am not one for hierarchy. I was not brought up the proper way, as the right hon. Gentleman can tell.

This week the right hon. Gentleman admitted that direct tax has gone up. We all know that his word is his bond. After all, he is the only man to have been subject to a vote in the House of Commons, which—

Mr. Waldegrave *rose—*

Mr. Prescott: Wait a minute. He won that vote with a majority of one. That is like someone deciding by 13 to 12 to send good-will wishes.

Mr. Waldegrave: I am glad that I did not spoil the right hon. Gentleman's joke, although it did not go down very well.

[Mr. Waldegrave]

The Prime Minister confirmed that what I said was correct: if earnings go up, people pay more tax. The Prime Minister also confirmed today what I confirmed yesterday: if we had made no changes above the legal indexation of the tax system since 1991-92, the average family about whom we all talk would be paying £88 more in tax.

Mr. Prescott: The reality is that taxes are going up. People recognise that, and I am sure that they have made a judgment about it.

Since 1992, direct tax has increased for families earning an average income. I must say to the Financial Secretary—*[Interruption.]* I mean the Chief Secretary to the Cabinet—

Mr. Waldegrave: I am Chief Secretary to the Treasury.

Mr. Prescott: Okay.

The right hon. Gentleman must feel somewhat raw, because on the one hand he is accused in the House of not telling the truth to it, but when he does tell the truth, he almost gets sacked by the Prime Minister. I will leave the public to make a judgment about that.

On top of the 22 tax increases since the election, the Budget contains one brand new tax and seven further Tory tax rises, as my right hon. Friend the Leader of the Opposition so tellingly exposed within minutes of the Budget statement.

One hidden tax is the rise in council tax—an extra £4 billion will be charged over the next three years. That is equivalent to £200 extra from every family. The Red Book clearly shows that the tax burden as a share of the gross domestic product is set to rise from 35.75 per cent. to 37 per cent. by the year 2000. That is according to the Government's own figures and according to their stated commitment. Over the next three years, the Tories will take back nearly £7 billion more a year in tax, the equivalent of 3.5p on income tax. The truth is that the overall tax burden will be increased by the Budget. The Tory party is a tax-increasing, not a tax-cutting, party.

Mr. Garrett: My right hon. Friend has given examples of the impact of the increases of taxation on ordinary families. Surely the most telling statistic is that in 1975 there were 920,000 children living in homes below the poverty line as defined by the Department of Social Security, and today that figure is 2.9 million. That comparative statistic surely puts into the shade the Deputy Prime Minister's chat about microwave ovens and how many people have freezers.

Mr. Prescott: I am glad that my hon. Friend has made that point, because poverty is one of the key issues of my speech. The council tax will be forced up by £4 billion over three years, but local councils' budget have nevertheless been cut by a further £2 billion, which will threaten essential local services. That will add to the difficulties that my hon. Friend has identified.

The tendency in the Tory party is to attack Labour councils, as the Prime Minister did today. We must accept, however, that Labour local authorities are doing something right, because in 1979 there were 243 Tory councils, and now the number is down to 13. Something must have gone wrong, because there used to be 12,000 Tory councillors, but that number has now been reduced to 5,000. I assume that the electorate did not like Tory party policy whether at national Government level or at local level.

We are concerned about expenditure on health, schools and crime prevention. This is a Budget where one pays more and gets less. That is how it is with Tories—we cannot trust them on tax.

As my hon. Friend the Member for Norwich, South (Mr. Garrett) pointed out, the mark of 17 years of Tory government has been the growing poverty gap. One in five non-pensioner households are without a wage earner. More than 4 million children live in households earning below half the average income—three times more than in 1979. In real terms, income for the poorest 10th of the population has fallen by 13 per cent., whereas the income of the richest 10 per cent. has increased by 60 per cent. We have not heard about that record from the Government.

Several hon. Members *rose—*

Mr. Prescott: No, I will not give way, because other Members want to speak.

The poverty gap has been brought about because of the Government's policies. Breaking the link between pensions and earnings has caused more poverty among pensioners. More and more people have been driven to means-tested benefits. The abolition of the wages councils has cost the taxpayer more than £3 billion in family credit to support poverty pay. The unemployment rate has twice been allowed to rise above 3 million. How right was the vice-chairman of the Tory party, Mr. John Maples, who said in 1994:

"The reality is now that the rich are getting richer on the backs of the rest who are getting poorer.

The gap between the highest and the lowest paid worker is higher than at any time since records began in 1886."

There is one category in which we lead the world—growing inequality. If Ministers and the Deputy Prime Minister would care to look at reports published by the World bank, the OECD and the United Nations Development Programme, they would discover that not only is inequality damaging and wrong for any economy that is concerned about social justice, but that it is bad for that very economy, because it suffers from the consequences of the growing gap between the rich and the poor.

My right hon. Friend the Member for Dunfermline, East (Mr. Brown) has fought a valiant case for cutting VAT on domestic fuel. There is no doubt that that should help to alleviate fuel poverty, as our amendment makes clear.

Social justice means many things, but nothing is more important than a decent place to live. The Deputy Prime Minister made no mention of poverty, and to talk about housing policy as though it is just about negative equity insults the intelligence of many people who have had to face the consequences of Government policy.

Under the Tory Government of many years ago, Prime Minister Macmillan was proud to say that 300,000 new houses a year were built. The Tories often boasted about

achieving that. Now just 180,000 houses have been built. The scale of the poverty in this country is revealed by the fact that people do not have decent housing.

Under the Labour Government we built 290,000 new homes a year. For every year of the Tory Government, however, 100,000 fewer houses have been built. Negative equity still affects 1 million people and there are still thousands of evictions a week, but no one talks about building houses. That is bad enough, but negative equity has also been caused by the sale of local council houses. Local authorities were told to sell those houses and between £4 billion and £5 billion is still held in receipts that could be used as part of a phased programme to build houses. That would reduce the unemployment problem faced by 225,000 building workers. Would it not be better to bring jobs and social justice together by taking building workers off the dole and putting them back to work to build houses to meet the greatest level of homelessness that we have seen in this country for many years? That is what social justice is about.

Last week the Secretary of State for the Environment told the House that we need 4.4 million new homes by the next decade. If he is right, and I have listened to the judgments on which he based that assessment, at the present rate of building we will achieve that target not in 10 years but in 30 years, in 2025. That is unacceptable. I want to hear the Government say that it is their priority to get people off the dole in order to build the houses for those who need them. That would improve our quality of life and would have a great influence on the feel-good factor. We must take those facts into account, but we know that the Government's housing policy is deplorable.

We must consider the political context in which the Budget was presented. It was designed to save the skins of the Tory party, not to secure the future of the nation. I noticed that the Chancellor made his Budget address to the nation at 9.30 pm on Tuesday evening. I had a look to see what kind of graphs and statistics he intended to use, because they are usually extremely interesting, and they make me laugh. I noted the irony of the scheduling because that address was immediately followed by "One Foot in the Grave". I do not know whether the right hon. and learned Gentleman watched it afterwards—how appropriate.

The first poll taken after the Budget appeared in the *Evening Standard*. It found that people did not feel better off and that they thought that it was not fair. Indeed, the Budget was judged a flop within 24 hours of the Chancellor's broadcast. All the analysis since then has confirmed the verdict, including today's ICM/*Guardian* poll, which found that less than a third of people feel a lot better off. That is what we expect from a Budget for the few, not for the many. Nearly half the people questioned felt worse off, and the people were moving away from the Tory party.

The people in this country know that they cannot trust the Tories on tax or the economy. They know that Labour will be better for jobs, for health, for education and for crime prevention. They know that Labour will encourage the long-term investment that will make the economy strong. They know that they will be better off with Labour, and I assume that the poll result shows that.

The next test will be the by-election in Barnsley, East. I shall now address what I say to the Deputy Prime Minister. There are two forthcoming by-elections—Barnsley, East and the Euro-constituency of Merseyside, West. The people in Barnsley hold the Government's majority in their hands, and they are brassed off with the Government.

I recommend that the Deputy Prime Minister watches the film "Brassed Off", because it is about a community that was destroyed by his coal policy, and the consequential effects in areas such as Grimethorpe and Barnsley. Yes, the electorate there are brassed off, and I believe that, a week on Thursday, they will take the opportunity to finish the Government's majority. That is a real test of what the Deputy Prime Minister said.

On 12 December, the people will make that clear, and it will remove the Government's parliamentary majority. If any further proof were needed that the Government are running scared of the electorate, just look at Wirral, South. Everything was in place. Twenty hotel rooms were booked, party workers were primed and the candidate was wheeled out in a party political broadcast. All the talk was, "Don't worry; on 19 December the people of Wirral will have a chance to give their verdict on the Budget and the Government's competence".

But last Friday, the Tories ran away from holding the Wirral, South by-election on 19 December. Half the Cabinet queued up to shop the party chairman, and the Chancellor told Jimmy Young that the Tory party cannot be led. The Tories ran scared in Wirral, South because they know that the loss of that seat will turn them into a minority Government. That is why they fear the test.

Last Friday, I wrote to the Prime Minister asking him to explain the decision to delay the Wirral, South by-election. I said that the people in Wirral, South were entitled to their democratic say. I wrote:

"They will want to know whether it is your intention to honour the convention and hold a by-election within three months of the death of Barry Porter, or whether you intend not to hold one and deny voters the chance of choosing a new MP until the general election?

The people of Wirral South need representation and they need an answer. The rest of the country also needs to be told."

The Prime Minister's reply, dated 2 December, was delivered by hand today. It simply said:

"Dear John,

Thank you for your letter of 29 November. The Christmas pantomime season has clearly started early this year."

That is it. That is the answer that the Prime Minister of this country gives to the people in Wirral, South, when all I said was that they had a right to take a democratic decision and that they should have a Member of Parliament to represent them in this place. That is the attitude of the present Prime Minister.

It just goes to show that the Tories are running scared on tax following a Budget that has flopped. They are running scared of one another, with half the Cabinet trooping in to complain to the Chief Whip that the party chairman is bullying them. They are running scared on Europe. Their party is split from top to bottom, behaving like two halves of a pantomime horse walking in opposite directions.

The House will ask, why does not the self-styled Minister of Merseyside show leadership by hopping along to the Wirral and giving the people the election that they are entitled to? He will not, because the Tory party cannot be led and its leader cannot lead. If the economy is in

[Mr. Prescott]

such great shape, why do not the Tories have the guts to let all the people decide in a general election, and end the pantomime of a Tory Government?

6.3 pm

Mr. John MacGregor (South Norfolk): I was the Chief Secretary to the Treasury who costed the Labour party's programme before the 1987 election, and I want to follow my right hon. Friend the Deputy Prime Minister in his analysis of Labour's continuing lack of credibility on tax and expenditure. Mark you, Mr. Deputy Speaker, it has shifted a bit. In 1987, the Labour party made very many specific commitments, which it had not costed, so members of the party were bowled over when the cost of what they had firmly and clearly committed themselves to emerged.

In 1992, the Labour party tried to avoid the dilemma that it had got into in 1987 by addressing one or two of the tax implications and admitting that there would have to be some tax increases. Labour Members are so conscious that tax is the Achilles' heel of their party's approach that they have shifted the ground. They now criticise the shortfall in public expenditure wherever they wish to do so, and pretend to any pressure group that a Labour Government would put that right, yet they also say from the Front Bench and to City audiences that that is not a commitment. Simultaneously, they criticise every tax increase, giving the clear implication that they would not have done it or might reverse it, and then pretend that that is not so.

Labour cannot get away with that approach. That is very important, and I want to emphasise it.

Dr. Norman A. Godman (Greenock and Port Glasgow): The right hon. Gentleman mentioned 1987. If the Government had maintained their 1987 share of North sea oil and gas profits, the Treasury would have received an extra £12 billion in tax revenues between that year and 1994.

Mr. MacGregor: Labour's commitment to expenditure per year in 1987 was a good deal higher even than that figure. That is why Labour Members were devastated when the total costing was done.

Where does the Labour party stand now? It has made certain commitments. The first is the windfall tax, which should be known as the pitfall tax because so many pitfalls have been demonstrated. The biggest pitfall is that it is a one-off tax to meet a spending commitment on employment that everyone knows will last for more than a year. There is bound to be a continuing commitment, for which the windfall tax would produce no revenue. The implication is that Labour is making a much heavier spending commitment for the lifetime of a Parliament.

Labour's next specific commitment is to abolish the assisted places scheme and tax relief on health care insurance for the over-60s. I supposed that the Labour party now supported public-private partnership, of which those are both good examples. I go further: it is very damaging that the Labour party has chosen to try to abolish those two schemes.

Perhaps I should declare an interest in the assisted places scheme, in that my wife is a member of the council of the Girls Public Day School Trust, which benefits from the assisted places scheme. I know from her experience and in many other ways that the assisted places scheme has provided enormous educational opportunities for children from less well-off and low-income families. They have been enabled to choose schools with specific qualities—in the case of the GPDST, high academic achievement. Those girls have gained places in universities and pursued well-defined careers thereafter, which would not have happened had it not been for the assisted places scheme.

The Labour party proposes to remove tax relief on medical insurance for the over-60s. I thought that it, too, understood, in view of the enormous and increasing commitments involved in dealing with an aging population, that we need to bring in more private finance to tackle those issues during the next 10 years—yet it proposes to abolish the tax relief.

Those two proposals will not yield much in terms of revenue forgone, but they will be damaging.

It has just been announced that Labour would reduce VAT on fuel. I would like to ask the hon. Member for Edinburgh, Central (Mr. Darling), who I understand is to wind up the debate on behalf of the Opposition, whether Labour, in addition to making that commitment, which would reduce revenue by about £500 million, proposes to claw back previous additional spending on social security and other benefits which were made to compensate those on social security for the increase in VAT. If Labour intends to claw back the additional spending, I do not see the point of clawing it back from those who are least well off; but if Labour does not claw it back, that will be another spending commitment of £500 million.

I want to concentrate on the debate. The game was given away when my right hon. and learned Friend the Chancellor asked the deputy leader of the Labour party a question relating to the public sector borrowing requirement. My right hon. and learned Friend suggested that the PSBR could be reduced by raising taxes or by reducing expenditure, and challenged the right hon. Member for Kingston upon Hull, East (Mr. Prescott) to say what Labour would do. The right hon. Gentleman refused to answer, but one need only read speeches made from the Opposition Front Bench, including his today, to realise that Labour would raise both taxes and expenditure.

The speech of the right hon. Member for Dunfermline, East (Mr. Brown) was without solid foundation—an edifice constructed on quicksand which would collapse within weeks of a Labour Government being returned to power. The entire Labour party approach is intellectually and politically dishonest. The right hon. Gentleman devoted his speech to criticising us for the tax increases in the Budget and those introduced previously. The implication was that each of those increases was wrong, that Labour would not have introduced them, and that Labour would reverse them.

At the recent conference of the Confederation of British Industry, the right hon. Gentleman hinted—perhaps it was more than a hint—that capital allowances should be doubled. That was another clear implication of a further £750 million in tax forgone. The Opposition's approach is to criticise every tax increase, with the implication that they would never have imposed it and would reverse it, but they do not quite say so.

On expenditure, the hon. Member for Peckham (Ms Harman) criticised the changes to the one-parent benefit and the lone-parent premium. The implication was that she would reverse those changes. The right hon. Member for Kingston upon Hull, East today made a clear commitment on overseas aid. When he complained vigorously about pensions being linked to prices rather than to earnings, it was not clear whether that was a commitment by the Labour party to link pensions to rises in earnings. I understand that it is not, but there is a clever innuendo in the right hon. Gentleman's substantial criticism of a measure that was taken some time ago in the context, he said, of hitting pensioners.

Mr. Prescott: Causing poverty.

Mr. MacGregor: The clear impression was given that the Labour party would reverse the measure. I ask the Opposition whether they would do so and, if they would not, what was the point of the right hon. Gentleman's remark?

Mr. Prescott: The measure causes poverty.

Madam Deputy Speaker (Dame Janet Fookes): Order. If the right hon. Gentleman wants to intervene, he is at liberty to do so.

Mr. MacGregor: As the right hon. Gentleman feels so strongly about the matter, would the Labour party restore the link between pensions and earnings, rather than prices? If not, he is making a bogus point and misleading a great many people.

The issue was most clearly demonstrated in *Hansard* last Wednesday, 27 November, when my right hon. Friend the Secretary of State for the Environment made his statement on local government finance. The hon. Member for Holborn and St. Pancras (Mr. Dobson) gave the Labour party response at column 343. His first point was a huge criticism that the Government's target for council spending next year was £2 billion short of what councils are spending this year. We all know the debates and arguments about that. The clear implication was that Labour would reverse that and add £2 billion to the local government settlement.

Next, the hon. Gentleman complained that there were no allowances for inflation, pay increases and so on. The clear implication was that Labour would have made such provision. He then suggested that, in education, there should be additional spending of £41 per pupil, which would cost £750 million. The implication was that the Labour party would commit itself to that expenditure.

The hon. Gentleman went on to criticise the capping levels on many authorities, with the clear implication that Labour would remove the capping limit. He referred to massive cuts in the housing investment programme, with the clear implication that Labour would restore those cuts. He criticised the need for other sources of income to enable local authorities to meet their spending commitments, including many charges. The implication was that the Labour party would find, from central Government sources, the income that local authorities were being asked to provide.

There, in one column, was an enormous list of criticisms, with the clear implication to local councils all round the country that the Labour party would not have gone down that route and would add considerably to the grant from central Government to local authorities.

Mr. Darling: Was there not a clear implication at the last election, when the Prime Minister said that he would not extend the scope of value added tax or the rate, that he would not do so? If that was the case, why did the right hon. Gentleman vote with the Prime Minister to increase and extend the scope of VAT?

Mr. MacGregor: After the election, as we moved into the recession, it was clear that certain changes had to be made. We are discussing the economy as it is now.

The message that went out to the massed ranks of Labour local councillors all around the country was clear. Yesterday, in my own county, Norfolk, members of the Norfolk Labour party were extremely critical of the amount of money available for education. They floundered only when they were asked whether it would be any different under Labour. Plainly they were critical because they had listened to what the hon. Member for Holborn and St. Pancras had said, and they believed that matters would be different under Labour.

In his winding-up speech tonight, the hon. Member for Edinburgh, Central must make it clear to the massed ranks of Labour councillors all round the country that he disowns what the hon. Member for Holborn and St. Pancras said last week, and that he will stop the hon. Gentleman criticising the levels of local authority expenditure and encouraging Labour councils to spend more. If he fails to do so, the IOUs will come back from Labour councils if the Labour party is elected at the next general election.

I have given my reasons for believing that tax and expenditure will be a big issue in the coming election. Unless the issues that I have highlighted, particularly those connected with local government spending, are addressed by the hon. Member for Edinburgh, Central tonight, the Labour party's so-called prudent messages to City audiences are not worth the breath used to utter them.

Those messages and the speeches that we hear so often from Members on the Labour Back Benches demonstrate that changing the habits of Labour Members and persuading them to accept vows of expenditure prudence is like changing the habits of rabbits and persuading them to accept vows of celibacy. At least in the past the Labour party was honest about its expenditure programmes. Now it is not.

My right hon. and learned Friend's Budget was sound and unspectacular. That is exactly what we needed. My first point is that it was right to be fiscally prudent and tight, given the prospects for the economy in the coming year. Growth will be up, consumer spending is up, investment is up, additional money is available for consumer spending as a result of building society flotations and other factors, and without doubt there is a feeling of growing consumer confidence. The housing market is improving, as we can see in certain parts of the country, but the improvement is spreading to other parts.

The danger, especially in relation to the housing market, is a return to the excess boom of 1987-88. Everyone agrees that we must avoid that. The Chancellor

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is right, therefore, to present a fiscally prudent Budget, and to give himself the flexibility on monetary policy and interest rates to take further action, if necessary. That is the right approach, and it is certainly not a give-away Budget before an election.

Secondly, I warmly welcome the steps being taken to bring into balance certain benefits for single parents and married couples. I hope that we will go further in that direction in future Budgets. I pay particular tribute to my right hon. Friend the Secretary of State for Social Security, who has done a superb job of reducing the social security budget over the past four years. I hope that the Government will go further in future Budgets and provide greater tax relief to married couples with children. I believe that we made a mistake in reducing the married allowance, and I would like to see that error redressed.

Thirdly, I welcome the proposals to deal with smuggling from the continent. That is obviously having a serious effect on business—particularly small businesses—and on tax revenues. I recognise that that is one of the effects of the single market, from which we benefit so much in other areas. Ease of communications within the single market and different tax levels in France have tempted many people to try to import large quantities of alcohol and tobacco into this country. The Chancellor has acknowledged that there is a genuine problem and I think that he is correct to tackle the smuggling aspect. If the measures do not work, we must face the fact that we may have to harmonise our excise duties—at least on wine, beer and spirits—with those of other countries in the single market. That could be achieved gradually in future Budgets.

The deputy leader of the Labour party mentioned the Norfolk and Norwich hospital private finance initiative. It is situated in my constituency and I have been closely involved in developments for more than a year. It is a very big contract worth nearly £200 million, which will last for 60 years. Unlike the "Prescott option", the risk transfer is considerable for the Octagon Partnership that will run the hospital. Progress was frustrating at times, and some planning permission and access issues took some time to resolve and were a major cause of delay. It is all very well for the deputy leader of the Labour party to smile, but he knows that a substantial project with major traffic implications involves much planning.

It was inevitable that a big contract like that—which breaks new ground—would take some time. I would have preferred faster progress, but I am pleased that the project is now under way. Norfolk will achieve a state-of-the-art, 21st century hospital of substantial expense and proportions, and the complex contracts that have been agreed will stand as a template for future projects and allow them to develop more quickly.

Mr. Barry Sheerman (Huddersfield): I thank the right hon. Gentleman, who has been an adviser on the project, for giving way. Although he does not usually give advice free of charge, I am sure he did so in this case. He is a director of Hill Samuel, a food company and so on, and his expertise as an accountant is invaluable. Will he confirm whether the financial deal for the hospital has been signed? As I understand it, it was not signed even last Thursday following the Budget statement.

Mr. MacGregor: I must correct the hon. Gentleman: I am no longer a director of Hill Samuel and I was never an accountant. I provide an enormous amount of advice free of charge, as I did in this case.

The issues delaying the final signing of the contract have been resolved, the major part of the contract has been signed, and I am confident that it will go ahead. The crucial point is that, now that a benchmark has been established, future hospital contracts will now progress more easily. This project, like other PFI projects, is far removed from the "Prescott option" which the right hon. Gentleman and I used to debate when I was Secretary of State for Transport.

The following three points relate to Conservative Budgets in the next five years, when I hope we shall address other tax proposals as the opportunities arise. The first issue concerns long-term savings and capital. I know that my right hon. Friends intend to alter capital gains tax and inheritance tax—but I shall not dwell on that today. I think that we should examine the tax relief for savings as a whole. In view of our aging population, we must encourage people to save at a much earlier stage of life.

I believe that encouragement should be provided through the tax system, as occurs in America with the section 403 retirement provision, which has really taken off. Similar encouragement would assist those who may not have occupational schemes, those who may wish to top up such schemes, or those who may be without work for certain periods. We must think seriously about introducing a "provision for retirement" account that would encourage people to save for their retirement fairly early in their working lives. The tax system must be changed significantly in that regard.

Secondly, I have always been attracted by the Country Landowners Association proposal for rural business units. My right hon. Friend the Chief Secretary, as a former Minister of Agriculture, Fisheries and Food, will agree that agriculture has undergone massive change. Farmers are now diversifying into areas that are far removed from traditional farming. We could encourage that diversification, and hence improve rural employment prospects, through rural business units.

Finally, my right hon. and learned Friend will not be surprised to learn that my one criticism on the public expenditure front relates to the transport budget, particularly the road programme. The Government's roads budget—although much better than the Opposition's proposals—allows for only three or four significant new road schemes per year, including motorway widening. There is no doubt that, as the economy continues to recover and growth remains strong, the demands on our major motorway and trunk networks—and for new bypasses—will grow stronger. I believe that it will be necessary to return to a much bigger road-building programme. I realise that that cannot be achieved this year, but I hope that my right hon. and hon. Friends will ensure that it is given greater priority in future.

My main message is that, although the present Labour policy on tax and expenditure differs from its 1987 approach, tax remains its Achilles' heel. Anyone who studies such matters does not believe that the Opposition

have got it right. Above all, a Labour Government would be subject to enormous expenditure pressures, and I simply do not believe that the supposedly prudent approach of the Opposition Treasury team holds any water.

6.27 pm

Mr. Robert Sheldon (Ashton-under-Lyne): I looked forward to hearing a more critical survey of the Budget from the right hon. Member for South Norfolk (Mr. MacGregor), with whom I have had many dealings over the years. He mentioned the private finance initiative. The problem with the PFI is that it generates excessive expectations. I have no doubt that one can readily justify the use of that initiative in individual cases.

My right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) always pressed upon me the advantages of the PFI, which I came to accept. It can be justified in individual cases because levels of skill and management in parts of British industry are superior to those employed by Government Departments on certain projects. That fact is clear. Therefore, an expenditure increase of 1 per cent. or 1.5 per cent.—or sometimes a little more—may be offset by the greater skills and effectiveness of the organisation involved.

The danger is that, as it does not count against borrowing, it is not a "free lunch"—as the *Financial Times* leader put it. The cost of the arrangement must be anticipated and the risks must be borne by the private companies concerned. We should not have so many projects. Alastair Morton met me to press the advantages of the private finance initiative—which I accept—but they will be rather more limited than the Government assume.

There is a distortion in the annual examination of finance and budgetary matters. In the autumn we have the Queen's Speech and the Budget, followed by the Finance Bill. It all comes together. Thereafter, there are few opportunities to debate these matters. Some hon. Members, for example the right hon. Member for Worthing (Sir T. Higgins), hope for changes in the parliamentary year, with the Queen's Speech in the spring. I accept that there are certain advantages in that, but since the days of James I and Guy Fawkes, the autumn has usually been an acceptable time for the state opening of Parliament. I would be quite happy to see that changed, but I am sceptical about seeing it come to pass. We need economic issues to come before the House rather more frequently, so that they may be subject to scrutiny similar to that which we have had in the past.

The assumptions in the Budget are such that we should wish to examine them more frequently than we are able to do in a normal parliamentary spring and summer. However, next year we expect to see the Budget of my right hon. Friend the Member for Dunfermline, East (Mr. Brown) and the reshaping of our economy, which I look forward to welcoming.

In nearly 18 years of power, the Conservative Government have achieved the management of decline. The United Kingdom has continued to be overtaken by countries that have been behind us since the middle of the 18th century. Unfortunately, investment and the performance of manufacturing industry have fallen disastrously, particularly over the past 18 years, and are still below those of our main competitors. We see the results of that in the Red Book, which shows that the balance of payments is still in deficit. Every year so far this decade, we have been in deficit. This year we have done it again, despite the fact that at this stage of the economic cycle—after five years of recession—we should have been able to clock up at least one surplus.

The trouble is that we have still not taken seriously investment in manufacturing.

Mr. Nigel Forman (Carshalton and Wallington): Does the right hon. Gentleman not believe that he is—perhaps uncharacteristically—being too gloomy? If he looks at the simple position of this country relative to the global economy, he will discover, in simple figures, that we represent about 1 per cent. of the world's population, about 3 per cent. of world gross domestic product and a little under 5 per cent. of world trade. Does that not show that this country is doing rather well?

Mr. Sheldon: We must remember that our balance of payments is the indicator that we have to deal with, and it shows that we have not been paying our way. In comparison with the rest of the European Community, our manufacturing has suffered: it has declined.

My constituency—I repeat this regularly—used to be an important manufacturing constituency. We had high levels of skill, pay was above the national—let alone the regional—average, unemployment was low, and we were highly skilled in engineering. The years 1979 to 1981 dealt a deathly blow to our prospects. I lost one-third of the companies in my constituency, many of which were highly skilled, and I shall never forgive the Government for that. We lost one third of our companies because of the $2.40 pound and the DM5 pound, which did so much damage to us.

That there should be a relationship between the investment and the life of the asset is true, but it should be a skewed relationship based on the fact that there should be some incentive to investment, and that particularly applies to manufacturing. One or two hon. Members, the Confederation of British Industry and I have long argued for a real investment incentive for manufacturing. The CBI called for 100 per cent. depreciation with a ceiling of £200,000. That is a sensible proposal. The present capital allowances are not an incentive. As I have regularly argued, 25 per cent. is a disincentive. It is less—not more—than the true depreciation of the asset in its first year. Such an incentive should be the major goal of our industrial expansion.

One forecast that I find doubtful is that there is an output gap, which the Chancellor considered was about 3 per cent. That is the basis for his expectation of a 3.5 per cent. rate of growth. The Chancellor relies on this to bring down the public sector borrowing requirement to £19 billion. If capital allowances of the kind that I have mentioned had been given, there would have been greater investment, greater capacity and a greater opportunity to increase output beyond the expected 3 per cent. We could have had a much better chance of achieving the growth that the Chancellor predicted.

The Chancellor rightly draws the connection between the output gap and the prospects for growth. It is a pity that he does not go further and continue the connection to investment and investment incentives. It is indeed a

[Mr. Sheldon]

thousand pities that, within the Treasury, the understanding of manufacturing industry is nowhere near as good as it is of the needs of the City of London, which lies just down the road. My right hon. Friend the Member for Dunfermline, East shows a much greater appreciation of that connection, which forms much of the basis for the respect in which he is held by many industrialists.

One further problem for manufacturing industry is the strength of the pound. The trade-weighted index is now 14 per cent. higher than it was a year ago. That means that our exporters find it increasingly hard to sell abroad and imports compete more effectively with our producers here at home. There are two main consequences of that, the first being that our balance of payment equilibrium will be much harder to achieve, and the second follows from cheaper imports. Cheaper imports do, however, have one big advantage for the Chancellor, because there is a relationship between the value of the pound and the level of inflation. Making imports cheaper will effectively reduce the retail prices index.

Some have been puzzled by the Chancellor's optimistic view of the prospects for inflation next year, but the trade-off between an over-valued pound and the level of inflation is one that a Chancellor should manipulate with care. That relationship is well put in Goldman Sachs's UK weekly analysis of 8 November, which says:

"the rise in sterling, if sustained in the next few months, (as we expect), will have a pronounced effect on inflation next year. On our estimates the rise in the exchange rate during 1996 will knock about 1% off the underlying rate of inflation between mid-1996 and mid-1997."

It goes on to say:

"the loss of competitiveness will hit exports, helping to slow economic activity during the course of next year. Slower growth from this source will also help to curb inflationary pressure in 1998."

To a Chancellor who has difficulty in meeting the inflation forecast, the prospect of an over-valued pound—despite its problems for industry—coming to the rescue is appealing. This has been done before and the great sufferer has been our manufacturing industry. An over-valued pound acts as an inducement to importers, some of whom remain players in the field long after the cheap imports have been ended by more sensible policies.

That was the lesson of the 1960s, the 1970s and the 1980s, when an over-valued pound brought imports into Britain that were able to entrench themselves at the expense of our own manufacturers. That, after all, is what happened in 1979–81, to the damage of our industry. Such action makes attainable the same action that destroyed so much industry. Such action—nothing like as much as 1979 to 1981, of course—makes attainable the Chancellor's target of 2.5 per cent. next year.

Mr. John Townend: Does the right hon. Gentleman agree that one reason why the pound has risen in recent months is the growing scepticism in the markets about whether—because of the difficulty and the fudging of the convergence criteria—the euro, when it comes into being, will be weaker than the deutschmark? As a result, because we are seen as a currency that will not join the euro, the pound has risen.

Mr. Sheldon: Interest rates have risen, and they have had the greatest effect on the pound. Because they may rise still further—particularly following the meeting between the Governor of the Bank of England and the Chancellor of the Exchequer—that expectation will push the pound up further.

I must mention an innovation in the Red Book. As my right hon. Friend the Member for Kingston upon Hull, East said, it gives the forecast for unemployment right up to 2000. I recall many years of Treasury excuses that I and others gave for not providing forecasts of the number of people out of work. We do not need to look very far for the reason for changing such a long-standing custom. This exercise is not an excursion into open government. The Chancellor hopes to produce acceptable figures for the public sector borrowing requirement that either are based on optimism or presuppose that the next few Budgets will be introduced by my right hon. Friend the Member for Dunfermline, East.

It may be acceptable to provide forecasts of unemployment for a year ahead, but to presume a knowledge of the labour market, the competitiveness of our industry and the impact of international financial changes suggests not a forecast, but a piece of opportunism so as to produce the required Budget figures.

Much of the Red Book is used for such justification. Its key passages seem designed to meet the objective of a favourable economic assessment. Steps are taken to quantify the different elements to fit that assessment. At the end of it all, we see the doubtful optimism of the PSBR forecast, the future inflation rate, the private finance initiative successes, the levels of unemployment, the level of growth and the large revenues from the "spend to save" policy. So many of those figures are derived from the hopes of a Chancellor facing an early election.

The "spend to save" policy for the revenue departments belatedly echoes the strictures of the Select Committee on Public Accounts over the years. Frequent cuts in staffing are the reverse of that policy, because we have lost the people who could have produced such savings. It is a pity that we have had to wait so long for the Committee's suggestions to be implemented. I look forward to savings being made, but I believe that the assessment has been too generous, and the optimism has been too great.

The Government, like all Governments, must ultimately be judged on how they have dealt with the four central economic policy objectives. Have they succeeded on the balance of payments, prices, growth and unemployment since 1979? They have been unsuccessful, so it is now time to pass the responsibility to my right hon. Friend the Member for Dunfermline, East.

6.41 pm

Mr. Matthew Carrington (Fulham): It is always a great pleasure to follow the right hon. Member for Ashton-under-Lyne (Mr. Sheldon). His contributions to debates on the economy are always thoughtful, if somewhat gloomy. He manages to paint a picture that is at variance with some of the facts by concentrating on the figures that he decides are capable of a sad interpretation.

I agree with the right hon. Gentleman on the private finance initiative. It is a technical matter, but as he raised it, I shall deal with it in my opening remarks. I am not concerned that the PFI will fail to be a success—I am convinced that, in time, it will be attractive to many private sector investors. My hon. Friend the Financial

Secretary is hard at work trying to remove the barriers that prevent the private sector from quoting for PFI projects at a reasonable cost.

I am, however, slightly concerned about the way in which the PFI is reported in the public accounts. The Government are committing themselves to a long stream of payments. It is not traditional for tables in the Red Book to take account of commitments that extend for many years. As the PFI grows, it will be necessary to find a mechanism to reflect the Government's contingent liabilities—the guarantees of future payments—in the borrowing figures. Resource accounting—when it is introduced—may deal with that problem, but the figures will be distorted unless a way is found to reflect PFI commitments in the borrowing figures.

I am grateful to have the opportunity to welcome the Budget and the Chancellor's announcements. As my right hon. Friend the Member for South Norfolk (Mr. MacGregor) said, this is not a spectacular Budget. Indeed, it is better for not being spectacular. It was not intended to be a Budget that would set the world on fire. The tax cuts are welcome, even if all they do is to ensure that the fiscal drag on the economy—the natural growth of the economy, and therefore the natural growth of tax revenues—is returned to taxpayers in some form.

My right hon. and learned Friend's proposal to increase the threshold for paying tax by more than the rate of inflation is particularly welcome. That removes 410,000 more people from tax paying than would have been removed if the threshold had merely been indexed. That will help many people on lower incomes.

This is not a tax-cutting Budget, and it was not designed to be. For some people, it may be a tax-raising Budget, especially if Labour and Liberal Democrat councils irresponsibly raise the council tax. It is clear from the rhetoric that we have heard during these debates that that is the likely plan. It is a vain attempt to blame the Government for the huge rise in council tax. Even before this year's settlement, my council managed to raise the council tax by 40 per cent. in two years, which is well above any figure that could conceivably be necessary, given the sums provided by central Government.

The Budget is finely judged, because, by doing little, it is designed to encourage the economy at a critical moment. The challenge that we face is to prevent inflation from rising, and to ensure that the public sector borrowing requirement decreases, both of which are vital objectives. There are already signs that inflation is on the increase, and that consumer spending is rising. Hon. Members have only to see the volume of sales that are being transacted in the great department stores in London to realise that consumer spending, although not booming, has strongly recovered.

House prices are rising sharply. As in most parts of central London, house prices in Fulham are rising unsustainably fast. It is estimated that they rose by 20 per cent. this year and last year. Anecdotal evidence suggests that, in reality, house prices in central London are rising faster than that. We are seeing the return of gazumping and sealed bids for properties that are then sold for a sum well above the asking price. That may be an inner-London problem, but I suspect that it will filter through to the rest of the economy fairly soon.

M4 is growing at 10 per cent., which is alarmingly fast. There are technical reasons for some of that growth, such as changes in M4 itself, and in the speed of circulation of various elements in M4. Nevertheless, 10 per cent. is well above a sustainable level, and suggests the existence of inflationary pressures. It certainly confirms the anecdotal evidence that there is much more money around. So my right hon. and learned Friend the Chancellor was absolutely correct in not further stimulating the economy now, because that is the last thing that it needs.

It would also not have been right to raise taxes sharply, because that would not have had the possibly necessary damping down effect on the economy. Raising taxes is not a good way in which to control inflation; that is much better done through monetary policy, by raising interest rates.

My right hon. and learned Friend recently made an obvious move towards increasing interest rates when he raised the rate from 5.75 to 6 per cent. That rise is very small, and it is certainly not large enough to take out from the system a large amount of excess money. Such a rise is a good thing, because one of the characteristics of a strong economy, which is noticeable in Germany, is that a very small rise in interest rates sends an—often psychological—signal that has a damping down effect on the economy that goes well beyond the purely monetary effect of an interest rate rise alone.

In Germany, the Bundesbank can produce, by a very small movement in interest rates, a very large change in spending patterns and the way in which the economy moves. Our economy would greatly benefit if we could adopt an arrangement in which a small interest rate change produces a big change in how money is spent and circulates in the economy. Nevertheless, a small rise in interest rates now is vastly better than a large rise later, after we have won the next general election.

The key problem that we face is the public sector borrowing requirement. The PSBR is sharply falling, and I very much welcome the fact that, next year, it will be below the level set by the Maastricht criteria. However, a problem remains from the estimates in last year's Red Book and in the summer economic forecast, deriving from the mysteriously missing value added tax receipts. We are missing perhaps some £6 billion in VAT receipts, although an attempt was made, in the table on page 69 of the Red Book, to account for them. The account is far from convincing. I suspect that the Treasury and, particularly, Customs and Excise do not yet truly know what is happening with VAT, and I strongly recommend that greater efforts be made to produce a more convincing explanation for the gap.

Let me give an example of the size of the gap. This morning, the Treasury Select Committee took evidence from Treasury officials, who could account for missing VAT receipts, as defined in that table, up to a figure of about £2.5 billion, out of the missing £6 billion. That leaves a large shortfall to be explained by other means. However, with the economy, and particularly consumer spending, growing fast, VAT receipts are showing signs of recovering.

There is considerable anecdotal evidence that the gap in VAT receipts is not due to tax avoidance or evasion, and that it is probably not due to companies discovering ways in which to remove themselves from the VAT net. It is much more likely that the gap is a cyclical drop in VAT payment, and that the cycle is out of kilter with

[Mr. Matthew Carrington]

Treasury expectations, although it is now starting to recover. Various economic analysts have produced evidence that suggests that explanation.

Mr. Salmond: The hon. Gentleman is saying that the problem with VAT is not structural but cyclical. Therefore, is he not saying that the problem is merely one of bad Treasury forecasting? The missing £6 billion does not inspire confidence about the other forecasts in the Red Book.

Mr. Carrington: Obviously the hon. Gentleman has not read the previous Red Books, or he would know the answer to his question. The forecasts in last year's Red Book and in the summer economic statement were somewhat more optimistic than the eventual outcome. Forecasting is an art and not a science, and there are as many forecasts in the market as there are economists, all of which are different. Any economy that is run on the basis that a forecast is accurate is heading towards disappointment, if not disaster.

Although the chart undoubtedly is partly accurate, I think that some of the missing VAT receipts suggest cyclical change rather than a need for the Government to take urgent measures to remedy the situation.

Mr. Forman: Might it not be the case that a standard rate of VAT, which must now be set at 17.5 per cent., and the relatively narrow VAT base, in which only two thirds of consumer expenditure is covered by VAT, provide considerable incentives for people to take lawful action to avoid it?

Mr. Carrington: There are incentives to take lawful action to avoid the tax. However, I would be much more convinced by that argument were it not for the fact that it is a recent phenomenon. The incentive to avoid VAT was as great when it was 15 per cent. as it is now that the tax is 17.5 per cent. Nothing has changed in people's desire not to pay VAT. That may be part of the explanation, but it is unconvincing as a full explanation.

My right hon. Friend the Member for South Norfolk mentioned the problem of taxes on cigarettes. I raise the issue for a parochial reason, as there is a considerable amount of cigarette smuggling in constituencies that are close to channel ports or to the channel tunnel. Such smuggling is bad in itself, because it denies revenue to the Customs and Excise and to the Exchequer, and I very much welcome the efforts that will be made to try to stamp it out. However, the incentive to smuggle is great because the price differential between cigarettes in France, in Belgium and in this country is so massive.

I would be less worried about the problem of smuggling were it not having such a bad—potentially disastrous—effect on small shopkeepers and newsagents in my constituency. The great problem that they face is that selling cigarettes is the way in which they attract customers into their shops who then buy other goods. If customers find that they can purchase cigarettes elsewhere, they will not come in and make those other small purchases that keep shops profitable and allow them to provide a service to the community.

I am not advocating a reduction in cigarette tax, because of the overwhelming health arguments for keeping cigarettes expensive. I have a daughter who is aged 15, and I think that anything that stops her generation from starting to smoke—price is a big factor—should be done by any responsible Government. I am strongly in favour of a very high tax regime on tobacco products. However, the size of the tax regime is not the problem. The problem is the price differential between the United Kingdom and the rest of Europe. I echo the proposal of my right hon. Friend the Member for South Norfolk that tax on cigarettes should be increased in the rest of Europe.

Many of us find the interfering aspects of the European Union very distasteful, such as when Brussels tries to tell us in detail how to run our affairs. Cigarette taxation, however, may provide an opportunity in which we can use that same mechanism, which we find so distasteful in other areas, to have Brussels force the French—on health grounds, if on no other—to raise the tax on cigarettes. It seems to me that what is sauce for the goose ought to be sauce for the French gander. While we are about it, we could do the same to the Belgians.

The Budget is a sound Budget. It is not a traditional electioneering Budget, because it attempts—successfully—to build on the great strengths of the economy. I do not believe that it will be a popular Budget in the short term, but in the long term, over the next three or four months, it will be seen to be the right measure, a popular measure and a strongly vote-winning measure.

7 pm

Mr. Malcolm Bruce (Gordon): The hon. Member for Fulham (Mr. Carrington) puts a credible case for a cautious Budget. I am not sure that Conservative voters are quite so enthusiastic. I am sure that there are other Conservative Members who, at least a few weeks ago, were hoping for something less cautious than they got.

In a way, the Budget was a testimony to the failure of the Conservative economic strategy over 17 years. The Government came in committed to cutting taxes, but they have increased taxes and the Budget has added further to the tax increases. The Government used to talk about sound money and prudent financial management, but they have created a mountain of debts and have failed to control public borrowing.

The twin pillars of the Conservatives' economic objectives have been undermined by their performance: we have a mountain of debts, not prudent money; and we have tax increases, not tax cuts. Perhaps it is not surprising, therefore, that the Budget, presented bullishly by the Chancellor last Tuesday, has already unravelled as the commentators have got stuck into it.

Some of the City commentators' challenges summarise how the Budget looks a week on. *The Economist* wrote on Friday of the virtuous unreality of the Chancellor's Budget. Goldman Sachs wrote of the Clarke conjuring trick and a Budget in which all is not quite as it seems. The Institute for Fiscal Studies pointed out how back-door tax rises wiped out any tax reductions from lower income tax. Schroder probably summarised the Budget best, characterising it as a Budget of smokes and—daily—mirrors.

I criticise the Budget for the extent to which the Government have failed in what they set out to do and in what the Liberal Democrats believe to be the priorities of the moment. It does not have many redeeming features, apart from the reduction in the duty on spirits, which was

in accordance with my request to the Chancellor. The hon. Member for Fulham was right, although he would not put it in these terms, to suggest that the Budget was less irresponsible than was expected even a few short months ago. We can consider the Budget arithmetic later and the fiscal tightening included in the Chancellor's claims, but he has avoided the temptation to go for an election giveaway, which would have been an economic and financial disaster.

I was intrigued as to why the Government took until Sunday to admit that fiscal tightening meant that net taxes had gone up. If fiscal tightening does not mean that, I am not sure what it means. It was extraordinary to see the Prime Minister trying to wriggle out of saying it. The Chief Secretary to the Treasury has put the Government out of their misery on that point.

It was not a giveaway Budget; it was a takeaway Budget. We welcome the fact that it was not fiscally imprudent, but it was supposed to contain a triple whammy of lower taxes, lower borrowing and increased spending on key public services. That is not quite how it turned out in reality—it is a confidence trick. The borrowing forecasts are still substantially higher than those in last year's Budget. I cannot agree with the hon. Member for Fulham that they are coming down sharply. They are not coming down in accordance with the Treasury forecast.

If we divide the difference between the total increase in taxation and the decrease in taxation by the number of taxpayers, we find that the average rise per taxpayer from the Budget and the indexation coming through from previous financial measures is £41 for the next full year. The forecasts are dependent on a bizarre decision to boost next year's growth forecast to 3.5 per cent. while cutting the inflation forecast to a mere 2 per cent. from 2.5 per cent. The trouble is that, if that is not achieved—very few people believe that the inflation target will be achieved—much else is in danger. The real spending rises will be slashed and the earnings growth will not come out as forecast.

Outside the Treasury, there seems to be a consensus that the inflation forecast is not likely to be achieved. Of course, I agree that forecasting is an art, not a science, but I question the wisdom of the Chancellor choosing the most optimistic assumption rather than something in the middle of the range.

The boasts on inflation are also not quite as good as they look. We are 12th out of 15 on inflation in the European Union. It is by no means clear that inflation is, to quote the Prime Minister, "in the box". There are signs that it could easily climb out, particularly if the Chancellor's forecasts are wrong. It is a depressing comment on the performance of the British economy, which the Chancellor likes to describe as a miracle, that, of all the countries in the European Union, the only one with higher long-term interest rates than those of the United Kingdom is Greece. That is a fair indication of how the international markets judge the relative credibility of the British economy.

Mr. Forman: May I take the hon. Gentleman back to his remarks about the fiscal stance, so that we can be clear for the record what the Liberal Democrats are saying? He seemed to criticise the Chancellor for tightening the fiscal stance, or for admitting to a tightening some days after the Budget. Does that imply that the Liberal Democrats advocate a loosening of the fiscal stance?

Mr. Bruce: I was not criticising the Chancellor—his position was clear. I was criticising the Prime Minister and other members of the Government for trying to avoid admitting that the fiscal stance had been tightened and what that meant. The Chancellor was quite clear about it. My speech will make it clear that I am not in favour of relaxing the fiscal stance.

The Liberal Democrats have, as every year, produced an alternative Budget. I shall not detain the House with the details—[HON. MEMBERS: "Go on."] Well, I could detain the House with the details. It has been extremely well received in the country. [*Laughter.*] Oh yes, it has. I am assured that the small print of the latest poll shows that the public's confidence in the Conservatives' management of the economy has gone sharply down since the Budget and their confidence in the Liberal Democrats' economic policies has gone up.

Mr. Salmond: Sharply?

Mr. Bruce: Sharply, but, I admit, from a small base.

We have clear priorities that we believe are right for the country. We hoped that the Government would address them. They pretended to address some of them, but, as I shall point out, did not really do so.

Contrary to Government claims, the Budget does not invest in education and training, bring down long-term interest rates or make a significant contribution to the reduction of the deficit, as we would have liked. I know that the hon. Member for Carshalton and Wallington (Mr. Forman) is fond of asking for the explanation, so I should tell him that it continues to be our contention that the complete independence of the United Kingdom reserve bank, as we would like to call it—the Bank of England as it is now called—would contribute towards bringing down interest rates and consequently reducing the cost of borrowing by a worthwhile amount. We pay a premium for the privilege of allowing politicians to interfere with interest rates on a day-to-day basis.

The Budget does not make any particular contribution to assisting people to get back to work, by reforming the benefit system in such a way that people are not actively encouraged to get back to work, and by not making a serious cut in the tax on jobs, which we would have liked to do as part of our environmental tax switch. Incidentally, the Government claim to have introduced some green taxes, which, in principle, we might support, but we object to their just using those taxes as another form of raising revenue without any corresponding offset to ensure that people's habits are changed. The environment is being used as an excuse for taking more money out of people's pockets.

The Financial Secretary to the Treasury (Mr. Michael Jack): Does the hon. Gentleman not agree that raising the starting point of tax and, indeed, expanding the range of the 20p band, which, as my hon. Friend the Member for Fulham (Mr. Carrington) adverted to, effectively precluded a further 400,000 people from paying tax, was a contribution to the work incentive?

Mr. Bruce: I am in favour of such a principle. Indeed, the Liberal Democrats' Budget would have taken 750,000

[Mr. Bruce]

people out of paying tax and financed it entirely by a 50 per cent. tax band on earnings over £100,000. Although, of course, I cannot deny that I regard such an effect as a boost to living standards and assisting people back into work, the Financial Secretary is missing my point.

There is a built-in disincentive for people to move from benefit into work because of the risk, especially if jobs are short-term, of losing benefit while they have to reapply for it. The Government must recognise that that is a real factor for people on low incomes, which makes them very unwilling to take jobs that do not have a real prospect of either substantially better earnings than the benefits that they receive or substantially greater security of earnings capacity. As we proposed in our policy documents, that issue could and should have been addressed.

We are recovering from a deep recession, which is, of course, welcome. There cannot be anybody who does not want recovery and want it to continue. I dispute, however, the Government's claim that the recovery has been an economic miracle. What has happened has been a welcome recovery from a recession. The recovery is not a miracle because of the circumstances that surround it—the biggest and most important being the growth of the national debt. The fact remains that, since the Prime Minister took office, the national debt has increased from £160 billion to £340 billion; it has more than doubled in six years.

Mr. Jack: As a proportion of gross domestic product?

Mr. Bruce: It is all very well for the Minister to say that, but the national debt remains a substantial burden that we have to service; it costs all of us. The public sector debt per taxpayer has risen from less than £5,900 to £13,000 since the Prime Minister took office.

Mr. Carrington: I recognise that the debt has gone up, but the hon. Gentleman must recognise that we are one of the few countries in the European Union that will have a sufficiently low debt:GDP ratio to meet the Maastricht criteria. We shall be one of the few countries, on the Maastricht criteria, which could—if we choose to—join the single currency.

Mr. Bruce: I agree with regard to debt, although we have some difficulty with inflation, interest rates and one or two other aspects of the criteria, including—potentially—current borrowing. The hon. Gentleman's intervention is very complacent, given that his party prides itself on sound money and accuses Opposition parties of irresponsibility if they suggest that there is some room for relaxation. The increase in debt since the Prime Minister has been in office has been exceeded only in Germany, which has had to cope with the consequences of reunification. In such circumstances, our relative performance is not good. The fact that others start from a higher base does not justify our not addressing our own problems.

The Chancellor of the Exchequer himself has described borrowing and debt as deferred taxation. Ultimately, such borrowing has to be repaid. In that sense, there ought to be consensus across the Floor. The shadow Chancellor acknowledges that there is no room for any relaxation of the basic approach to public expenditure, although we may have differences of view about priorities and the ability to deliver public spending cuts. There is a tendency, even for Conservative Chancellors, to put the deeper cuts further into the future and somewhat to massage the figures in the short term to try to reduce the pain, especially when an election is coming down the track.

As I have said on numerous occasions—the Financial Secretary will have been present on several of them in the past week—there is a tendency for both the major parties to try to defy gravity and suggest that it is possible to get borrowing, inflation and taxes down, while increasing public expenditure, especially in the areas that, apparently, people want. That does not ultimately add up. It certainly cannot be achieved unless we sustain growth for a significant number of years, at a level that no Government—Labour or Conservative—have delivered. That is where I take issue with the Chancellor. He has been rather over-optimistic in his forecast, to try to justify his position, to which the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) drew attention.

The Red Book forecasts that the public sector borrowing requirement will be £26.5 billion, compared with last year's forecast of £22.5 billion. It may be down from last year's outturn, but it is up significantly from last year's forecast. For the following year, the forecast is £19 billion, whereas last year that forecast was £15 billion. For the year after that, the forecast is now £12 billion, compared with the previous forecast of £5 billion. That is a significant alteration, to our disadvantage. The Chancellor's wise men and women, the independent forecasters, are slightly less optimistic. *[Interruption.]* I am talking only about the average. Such forecasts suggest that the Government are still failing to bring public sector borrowing under control.

I particularly want to draw attention to the scale of the failure in tax cuts. The net tax cuts in 1997-98 will be £735 million, but the tax rises will be £1,085 million for tobacco and petrol, and higher council taxes amounting to between £700 million and £900 million a year. It is no good the hon. Member for Fulham and others saying that that is all to do with irresponsible Labour and Liberal Democrat councils—which the public elected because they were so dissatisfied with the Tories—because that is what the Red Book expects the council tax effect to be; it is what the Government have allowed for and what they are acknowledging will pass through the system. They are therefore recognising, presumably, that, without such latitude, local councils would effectively—probably—go bankrupt.

When one takes the package together, the net tax change is a tax rise of £1,050 million on this year's calculation. That is £41 per annum per income tax payer. The Budget is therefore not a tax-cutting Budget, and the Government are not a tax-cutting Government. I am criticising the Government only on the claims that they have made about themselves. Although the Conservative party claims to be cutting taxes, it has increased taxes and, indeed, is forecasting further increases in the Red Book year on year for the next two to three years. That is not very impressive. The Government have not delivered what they set out to deliver or have claimed to deliver.

A headline cut in the standard rate of income tax impresses nobody when people realise that more is being taken back through indirect taxes. My contention is that, whatever the justification for the switch from direct to indirect taxes may have been, it has lost its appeal among the electorate, who have begun to see through it at current levels. Cuts in income tax, paid for by rises in indirect tax, hit people on lower incomes harder than they hit people on middle and upper incomes. That is unfair. The Chancellor has also found that indirect taxes are more avoidable than he thought they would be, and that suggests that income tax is still a useful means of raising money. Income tax is, in fact, still the single biggest contributor to the Exchequer.

The Government are now suggesting that tax and social security contributions, as a percentage of gross domestic product, will rise from 35.8 per cent. of GDP in 1996-97 to almost 38 per cent. in 2001-02. That is an extraordinary proposition for a Government who said that they would bring it down. I do not suggest that that rise is wrong, but it is dishonest and disreputable to suggest that the Government were going to do something different. They have not succeeded in bringing taxes down, and there is no sign that they even know how to do so. That is why they have run out of credibility with the electorate.

Government spending also lacks credibility because it is based on unrealistic inflation forecasts. In those circumstances, we could quickly reach a situation in which spending cuts would have to be much deeper and more real if the Government were to stay within their targets. For the Government simply to say that they hope that the revenues will compensate does not bear out the experience of the past two or three years.

I agree with the deputy leader of the Labour party that the initiative of the Deputy Prime Minister—his "spend to save" wheeze—is exactly the sort of approach for which the Government criticise the shadow Chancellor, but they have now decided to adopt it as a policy in their dying months in office.

Nobody denies that improving tax collection and eliminating fraud is worth doing. It is worth spending some money on that and, indeed, it makes me wonder why so many people have been made redundant in Customs and Excise over the past two years. It is, however, questionable whether one can justify a projection of £6 billion of revenue from clearing up a fraud that has not yet been identified.

I wish to conclude my remarks on the particular dishonesty of the Government's claims on education. The Government have claimed that there is a notional increase of £875 million in funding for education, including £830 million extra for schools. The increase, of course, is only in the context of the total standard spending for local authorities going up by 2.5 per cent. The Government, by definition, are saying that local authorities must make drastic cuts elsewhere to fund education. But the Government also want local authorities to increase funding for the police, the fire services and care in the community, and the public expect local authorities to maintain basic services such as planning, economic development, leisure, recreation, social services and home helps. It is dishonest to suggest that that can achieved without serious pain or that the increase in council tax is anything other than a small contribution. Local authorities will have to cut essential services and raise council tax to get anywhere near delivering that figure.

It is easy for the Chancellor of the Exchequer to say that he will allow local authorities to spend more—even though it is less than they are already spending—but he will not provide any contribution. In fact, he will give the local authorities less and he will put a cap on what they can tax. He will then claim that he is not responsible for the consequent cuts in services, but the public no longer accept that that is true.

Central Government have a stranglehold on local authorities. The overwhelming majority of local government expenditure comes from Government grants, from taxes paid by the citizenry of this country to the Exchequer. The Government have refused to allow local authorities access to their own revenue and funding, and the consequence is that the Government cannot be held blameless for the effect. The Government wanted tight control over local authorities, and they cannot have it both ways.

As a party, we believe that education is so important that it requires additional investment. In my constituency, in the local authority area of Aberdeenshire, we have rising school rolls and an expanding population. I do not know how we can possibly meet current needs—to build a new academy and expand existing schools—with falling resources. It will not be possible, and the Government fail to take account of the reality in their calculations.

That is why my party opposes putting money into tax cuts. We suggest that the priority is education, and that is why we shall vote against the income tax cuts that are proposed by the Government. We shall divide the House and invite the Opposition to join us, to demonstrate that a credible education policy cannot be funded unless we know where the money will come from.

The proposal to reduce VAT from 8 per cent. to 5 per cent. is not our preferred way to help people with fuel poverty. We believe that the utilities have the resources to do much more than that themselves. Indeed, our calculations suggest that the utilities could reduce the average bill by around £85 a year, whereas the benefit of the VAT reduction would be only about £15 a year. Although the VAT cut is not our policy, we recognise the strong feeling across the House that it would help people on low incomes, and we are prepared to support it for that reason.

This is not the Budget of a successful Government who have delivered on their promises. It is an admission of failure from a Government who, after 17 years, have not been able to cut taxes but have increased them, and have not been able to control borrowing but have given us a mountain of debt. They are a Government of failure and it is time that they went and gave way to a Government who can set the right priorities and explain to people how investment in education will be funded honestly, and not by deceit, smoke and mirrors.

7.26 pm

Mr. John Townend (Bridlington): The tendency of people in this country to sell ourselves short still surprises me. I am not known as a Member who never criticises the Government, but someone listening to the debate today would think that our economy was in a bad state.

[Mr. John Townend]

I am a member of the Council of Europe, and I visit Europe a lot on business, and I can tell other hon. Members that many Europeans are jealous of our economic situation. Anybody who has been to France—not only in the past two months but in the past year—or Italy or many other countries will know that they are jealous. They feel that we get the lion's share of overseas investment. They are jealous that we have the most flexible labour market in Europe. They are jealous because we put fewer social costs on our industrialists than anybody else in Europe.

They see us taking their markets, and they are jealous of our level of unemployment, which is lower than Germany's, 50 per cent. lower than in France and half of Spain's. They are jealous of our floating currency, which has restored our economy, and they are jealous of the overwhelming dominance of the City of London. We are a success story, and we must congratulate my right hon. and learned Friend the Chancellor on the part he has played in getting our economy into such good shape.

Like my hon. Friend the Member for Fulham (Mr. Carrington), I think the fiscal balance is about right. The Chancellor must watch the money supply carefully, because it is getting a little high, although we have seen in the past that the Chancellor is prepared to put up interest rates. In judging the Budget, I start from the premise that, first, the Government are borrowing too much—on that point I agree with the hon. Member for Gordon (Mr. Bruce). Secondly, the Government are spending too much, and thirdly, the Government are taxing too much.

The Budget, like the curate's egg, is good in parts. Not surprisingly, the Chancellor has made significant progress in dealing with borrowing. He plans to eliminate the budget deficit by the turn of the century, which is a very good effort, on which he should be congratulated. Like the hon. Member for Gordon, I passionately believe in the benefit of the balanced budget.

I used the phrase "not surprisingly", because the Chancellor has set about the problem of getting rid of excessive borrowing with much more enthusiasm than he has shown on excessive spending or taxation. Could that enthusiasm be connected in any way with the Chancellor's desire to see Britain meet the Maastricht guidelines and enter a single currency?

Hon. Members will not be surprised that I now turn to the subject of public spending. I was disappointed by the Budget statement in this respect. I would have liked spending to be cut by between £5 billion and £7 billion, but the stark fact is that, despite the control total in the Red Book being reduced by £1.7 billion, there has been no real cut in public spending.

That £1.7 billion has been arrived at by the use of mirrors, and is covered by £700 million from the sale of the armed forces married quarters and over £1 billion from the sale of the Student Loans Company. I have estimated that at £1 billion because, interestingly, the Government have not published the figures. Such creative accountancy is no different from France cutting its deficit to fudge entry into the euro by transferring pension funds from France Telecom.

With the Government being so successful in reducing unemployment and in making the economy grow, I would have expected total public expenditure to drop. Frankly, it seems to me that the Government have lost their appetite for reducing public spending. I know that we have a much lower level of public spending than Germany and France, but those countries are making a real effort to cut public expenditure in real terms.

This year, we must admit that the feudal barons from the big-spending Ministries have succeeded in fighting off Treasury attempts to reduce their Budget. [HON. MEMBERS: "What about Portillo and Lilley?"] Actually, the Ministry of Defence reduced spending by a little last year—although the figure will be increased in the current year.

Like Oliver, many of the Departments have asked for more. But unlike Oliver, many have received more. We are spending another £830 million on schools, but I hope that nobody thinks that that will solve our educational problems. Nobody can really believe that our poor educational performance is due to a lack of funds. It is due to the wrong policies in teacher training colleges, the insistence on dropping traditional teaching methods, and a lack of discipline.

I am sure that the hon. Member for Gordon (Mr. Bruce) will not mind if I remind him that, although we spend considerably more on education per head of population in Scotland than in England, a recent survey of the performance of Scottish children in science and mathematics exams found that—despite that extra expenditure—Scottish children came out much lower than English children.

We are spending another £1.6 billion a year on health. I attended yesterday's debate, and I was amused that my right hon. Friend the Secretary of State for Health—the last of the big spenders—was boasting of the extra £1.6 billion for the health service. He chided the Opposition, and asked whether they would match or increase that figure. I could not believe it, as the fiscal prudence of Labour Front-Bench Members was supreme. They said that they would not increase it, and would not even undertake to match it.

Transport has received another £420 million.

Mr. Sheerman: Did the hon. Gentleman find it ironic that we listened yesterday to the Secretary of State for Health—the man whose inept performance in March caused some £1.3 billion to be spent on BSE—talking about the need for more money for health?

Mr. Townend: That is the most fatuous intervention I have ever heard. Is the hon. Gentleman accusing the Secretary of State for Health of going round with a hypodermic, injecting animals with BSE? It is absolute nonsense. We are spending £600 million on social security and £730 million this year on BSE, and, in total, BSE will cost the taxpayer £3.3 billion. One cannot help but sympathise with the Chancellor, who has to meet expenditure that has nothing to do with him. One must ask whether, in 20 or 30 years' time, people will feel that the money spent on BSE was necessary.

In looking at spending this year, my mind goes back to the Budget before the last general election. At that time, we could have been accused not of trying to get back into power by promising tax cuts but of spending our way back to power. We heard no criticism from the Opposition at the time, although they used to accuse us of starving the NHS of money. Within two years, we increased public spending to 4.5 per cent. of GDP. I do not think that we

won the last election because we spent more, but because of the shadow Budget produced by the late John Smith, the then shadow Chancellor, who undertook to increase taxes on the middle classes.

I have the disadvantage as a politician of finding it difficult not to tell the truth. The Government cannot be proud that, as a result of that increased spending, they created an unsustainable deficit. More than any other factor, that deficit has undermined the Government's reputation for sound management.

I must be fair—not all the problems were caused by spending, as revenues dropped significantly because of the recession, and because of our membership of the exchange rate mechanism, which drove us into a far longer and deeper recession than was necessary. The reason that we have not been able to reduce spending this year is that every Department seems more or less to have got away without paying back the full amount saved as a result of inflation being lower last year than was budgeted for. They have not paid back the savings made on administration and better working methods.

If we were really serious about cutting expenditure, we would have wielded the axe in certain areas. For example, there was no reduction in bilateral overseas aid. We have seen how much aid is wasted and how much has been used to feed the people who are committing genocide in Rwanda. Clearly, a lot of money is wasted in that area.

There has been only a nominal reduction in national heritage spending, despite the fact that enormous amounts of money have gone from the lottery into sports and the arts. We have not yet taken the axe to legal aid, which is turning this country into a suing society like America, at an enormous cost to the taxpayer, the Government and industry. The recent reports that schoolchildren will be given legal aid to take out cases against their schools because they failed their examinations are sheer nonsense. All that will do is to reduce education resources.

We have not made any significant attempt to bring expenditure per head of population in Northern Ireland, Wales and Scotland down to the level spent in England. Because we failed to cut spending, the Chancellor had room for only a minimum reduction in the overall tax burden of £700 million. He was absolutely correct to do that, as it would have been wrong to cut taxes if we did not cut spending. Most of the tax cuts that have been made will have to be paid for by compensating tax increases.

There are a number of measures in the Budget that I welcome, including the anti-avoidance measures with which we hope to reduce the amount of tax avoided by multinational companies and others who use sophisticated means. I welcome also the action taken on social security fraud, and the restrictions on profit-related pay.

Those measures have paid for the reductions in the standard rate, the important widening of the 20p rate, and the lifting of personal allowances. They will help the low-paid, will help people back into work and will create incentives to work. I very much welcome the reduction that small businesses will receive from changes to business rates. I believe that, if Labour were to put its policies into operation, business rates would go up.

As one of only two wine merchants in the House, I am aware of the problems facing the alcohol industries from cross-border shopping and smuggling. It is particularly worrying—I can tell the House this from my own experience—that smuggling is growing, and has increasingly been infiltrated by organised crime. While the reduction in duty on Scotch whisky was welcome, I find it strange and disappointing that the Chancellor did not also reduce the duty on beer and wine.

The distillers are not much harmed by the illegal trade, because they distil and bottle their product in Scotland and export it to Calais, from where it comes back to the United Kingdom; but the brewers suffer because nearly all the beer that comes in is brewed in France. I understand that the most popular brand of beer in Kent is St. Omer, which is not legally exported to this country.

The problem is costing jobs in breweries and pubs, and is putting people out of business, so I was disappointed that my right hon. and learned Friend, who is so keen to get us into an integrated Europe, was not more active in dealing with it. We do not have the money to deal with it in one year; to make any impression, we would have to follow the Danes' example and bring down the differential between our duties and those in France by at least 50 per cent. I would have liked the Chancellor to set out a five-year programme to deal with the problem, helping the industry and undermining the smuggling.

As one who speaks for and is interested in the tourist industry, I have some reservations about the doubling of passenger duty. I also think that the time is coming when we must think again about the automatic increase of the duty on petrol by more than the rate of inflation.

I know that we all have to appear green these days, but I represent a country constituency, so I know that people do not stop using their cars, or use less petrol, when the price is increased; they simply spend more on petrol and less on other things. We are a car society, and, especially in rural areas, however much we spent on public transport it will never be as convenient as cars.

Mr. Salmond: I understand that some Opposition Members will force a vote later this evening on the specific question of increased petrol and DERV duties. Will the hon. Gentleman join us in the Lobby?

Mr. Townend: I would be loth to join the hon. Gentleman in the Lobby for anything that he proposed. If I voted against the increases, that would automatically put up the public sector borrowing requirement. I am not saying that I oppose the increases, but we should consider carefully whether we should continue imposing them year after year. It would be most irresponsible for anyone who believed in sound finance, as I do, to vote to put up the PSBR.

I feel great regret when I see the table showing that the overall tax burden will continue to go up, on present policies, over the next four or five years. One cannot escape the fact that the burden of direct taxation has been significantly reduced, but as a Conservative I want the overall burden to be reduced.

Regrettably, the Government at the moment believe that priority must be given to spending, especially on education, health and law and order; of course there are good arguments for that, and I should have thought that, on that basis, the Opposition would welcome the Budget, because the Government are doing everything they have asked for: more and more spending, and not much tax cutting. The Opposition are in a strange position, because we all know that a Labour Government would spend more and tax more, and that the public sector unions have been waiting 17 years for their pay-off.

[Mr. Townend]

The Labour party wants to do away with assisted places and spend the money elsewhere in education, but it forgets that the children with assisted places still have to be educated; if the assisted places grant is removed and the parents have to remove the children from the private schools and put them into state schools, far from a saving, costs will increase.

The windfall tax will hit customers and shareholders, and it will hit pensioners, because the shareholders are mainly pension funds.

The Budget has been a missed opportunity for my party. I had hoped that we would use it to put some clear blue water between ourselves and the Opposition, to set out distinctive long-term plans for reducing the burden of the state on the individual by reducing spending and taxes, and to set out long-term plans for slaying the albatross of the social security budget, which has done enormous damage to our social structure, as the hon. Member for Birkenhead (Mr. Field) has made clear, by creating benefit dependency and encouraging the massive growth of single mothers and one-parent families.

The tax system has done nothing to encourage marriage and the nuclear family. In fact, because of the increase in benefits and the freezing of marriage allowance, a single-parent family on the same wage as a married couple with the same number of children is better off; that cannot be right.

It has been said that the Government should not use the tax and benefit system to encourage morality; I disagree: if the Government can, on health grounds, use taxes to discourage smoking, they can use them to encourage people to get married, to stay married and to bring up the nuclear family.

I welcome the belated change in the Government's policy in unfreezing the marriage allowance, but it has been increased by only £6 a year. I welcome the eventual elimination of the single parent advantage for new single parents, but that is some time in the future. At least that is an area of difference between us and the Opposition, as I believe that they want to abolish the marriage allowance altogether. In the long term, I should like a greater commitment to marriage and a move to a transferable allowance.

By setting out a programme for the abolition of inheritance and capital gains tax over the next three or four years, we would have put down a marker, and I would have liked such proposals to be in the Finance Bill, so that the Opposition would have had to stand up and be counted. Regrettably, that has not happened, but I sincerely hope that the Government will take note of what I have said; then perhaps some of my suggestions will appear in our manifesto.

7.46 pm

Mr. Giles Radice (North Durham): I am delighted to follow the hon. Member for Bridlington (Mr. Townend), with whom I served on the Treasury Select Committee, although I did not agree with much of what he said. I share his concern about the state of public finances, and I want to speak about that.

As for continental envy, other countries in Europe do not envy our policy towards the European Union, because they think that it is extremely foolish; I absolutely agree with them. Our negative policy isolates us in Europe.

This is my first opportunity to speak on economic affairs since leaving the Treasury Select Committee, on which I was fortunate enough to serve from 1987 until the end of 1995. That experience gives me a good perspective in which to set the Budget.

I know that it will not help the Chancellor much, but I must confess to a sneaking admiration for him. His robust style, of which we have seen a lot over the past couple of weeks, is sometimes a breath of fresh air after the ambivalent platitudes of some of his colleagues; and, as the House well knows, I share his views on the single currency.

However, the more closely one examines the Budget, the more disappointing it becomes. The day before the Budget, *The Independent* published the advice of four ex-Chancellors, two Labour and two Tory, and they all advised caution. I was particularly struck by the words of Lord Jenkins of Hillhead, for whose chancellorship even Lady Thatcher has had words of praise. He said:

"I think it will be more responsible than any other member of the Cabinet would produce, but it will not meet the needs of the moment".

I think that he has been proved right.

I accept that, when the Chancellor took up his post in 1993, he had a difficult inheritance: the economy was burdened by a vast public sector deficit of nearly £50 billion, as estimated in the Red Book at the time, I believe. I see that the Chancellor has entered the Chamber. I said some warm words about him a little earlier, although I am not sure that he would be pleased about that.

The Chancellor had a bad inheritance, because of the vast public sector deficit. The deficit was not a bolt from the blue, but the result of gross macro-economic mismanagement by the Chancellor's predecessors. First, the Lawson-Thatcher boom of 1986-88, with its monetary splurge and tax cuts, sent the economy out of control. The policy response to that was the Major-Lamont squeeze of 1989-90.

I should point out that the interest rate hike started well before we entered the exchange rate mechanism. Unfortunately, the Government relied too much on a one-club policy of high interest rates, which clobbered business and the housing market and led to 10 quarters of falling manufacturing output—the longest recession since the war. It directly caused the public sector borrowing requirement problem with which the Chancellor has had to wrestle, because it increased the social security budget and reduced the tax take.

In the run-up to the 1992 general election, we had the fiscal irresponsibility of the right hon. Member for Kingston upon Thames (Mr. Lamont), which has been mentioned already, which was sanctioned by the Prime Minister and the Cabinet. The Government went for tax bribes and massive spending commitments to win the 1992 general election.

To give the present Chancellor his due, the strategy that he set out in his November 1993 Red Book, which I have just examined, was to put the public finances on a sound basis

"so that the economic recovery . . . can be sustained over the medium term".

That is why he introduced further tax increases in November 1993, adding to the earlier 1993 Budget of the right hon. Member for Kingston upon Thames, who

repented of his sins soon after the general election. That amounted to the biggest single-year tax increase since the war. The Chancellor, politically unwisely though with attractive honesty, admitted to me, while being questioned by the Select Committee, that it was equivalent to 7p on the standard rate of tax. Nobody has allowed him to forget that.

The Chancellor, to be fair, stuck to his guns for nearly two years before succumbing to electoral pressure. In last year's Budget—in response to the clamour from his Back Benchers, who were worried about their seats—he gave away £4.6 billion in tax cuts. This year, he has given away a further £600 million net.

As my right hon. Friend the Leader of the Opposition said in his brilliant Budget speech—and to follow the Chancellor is the most difficult speech in politics, although this time my right hon. Friend had some prior warning that is not always available—the Chancellor's tax cuts do not begin to compensate for the tax increases introduced since the last general election. However, they significantly add to the PSBR deficit, which is still far too large, especially when measured against four years of economic growth, albeit modest growth. According to Keynesian economic principles, it is precisely when the economy is growing that it is most sensible and easiest to reduce public sector deficits.

Let us compare the PSBR forecasts of the November 1993 Red Book with those in this year's book. The 1993 forecast said that the 1996-97 deficit would be £21 billion. It is £26 billion, most of which is accounted for by the tax cuts of this Budget and last year's Budget. The 1993 forecast for the 1997-98 deficit was £12 billion, but it will be £19 billion. If the Chancellor had not cut taxes in the past two Budgets, he would have hit his 1993 Red Book targets. By playing to the electoral gallery, for which I do not altogether blame him because of the pressure from his Back Benchers, he has failed to reduce the deficit in line with his 1993 plans.

Mr. Forman: Surely the hon. Gentleman realises that the PSBR has always been the residual element, after taking account of huge movements on either side of the public accounts. As I suggested earlier from a sedentary position, the Red Book projects a forecasting error of £11 billion. Whether the Budget arithmetic is plus or minus £1 billion is neither here nor there.

Mr. Radice: I am merely pointing out that, if the Government had not been pressed to go down the tax-cutting road by their Back Benchers, they would have hit their targets.

There are further grounds for disquiet, some of which were mentioned by other hon. Members. The new Chairman of the Treasury Select Committee pointed out that several devices used this year make the PSBR figures look shaky. They include defining the sales of service married quarters and student loans as negative public spending. That adds up to £2 billion, I think. Unemployment has been forecast for the first time. We often used to ask for that on the Treasury Select Committee, only to receive a dusty answer, but the forecast reduces social security budget plans by an estimated £2 billion.

After rubbishing my right hon. Friend the hon. Member for Dunfermline, East (Mr. Brown) for so long for his ideas for closing tax and spending loopholes, the Chancellor has undergone a deathbed conversion. I have not worked out how much that is intended to bring in. I have seen a figure of £3 billion over three years, but the Chancellor suggested £6.7 billion in his speech. I am not clear what it is; it would be interesting to learn.

The most serious question is whether, as the Chancellor claimed in his Budget speech, inflation is really under control. As Gavyn Davies and Tim Congdon pointed out in evidence to the Treasury Select Committee, and as the Chairman of the Select Committee mentioned, there are worrying signs that are all too reminiscent of 1987-88. Monetary aggregates are increasing; house prices are rising far too fast and unsustainably, especially in London and the south-east; labour markets are tightening; and consumer expenditure is going up fast.

As several commentators suggest, it looks as though we are experiencing a good old consumer boom, which are well-known before general elections. We had the Maudling dash for growth, the Barber boom and the Nigel Lawson boom. I hope that this will not be called the Clarke boom. The right hon. Gentleman will be judged by history. It will be interesting to see what will happen.

The trouble with this consumer boom is that it is rapidly closing the output gap, although we do not know how big that is; the Red Book shows that it is widening the balance of payments deficit; it could well increase inflation. It is unwise for the Chancellor to talk about a Rolls-Royce recovery, because the Bank of England's inflation report—and, in successive meetings with the Chancellor, the Governor of the Bank—have warned about the prospects for inflation.

In November, the inflation report concluded:

"Some further rise in interest rates is likely to become necessary".

We shall see what happens when the Chancellor meets the Governor. It is to the Chancellor's credit that we all know what happens, because he introduced the openness that the Select Committee urged.

It is essential that, in the months running up to the general election, the Chancellor does not play politics with inflation. It is a question not only of the general election or of the inheritance that will be left, but of how he will be judged. He knows well that the key to sustained industrial growth is stable economic and monetary policy. There should be no short cuts, booms or dashes for growth. Despite what Ministers say, there are no miracle cures, and there are no economic miracles.

I am certain that the measures which are necessary to increase efficiency and growth are long-term measures. Ever since the election, my hon. Friends have been underlining the need to strengthen the supply side of the economy. That was always laughed at by Conservative Members, but it is interesting that they are beginning to borrow some of our ideas.

We need to strengthen that supply side, so that we can break once and for all out of the stop-go cycle and keep the economy expanding. Hence the case for capital allowances to encourage investment, measures to improve education and training, and measures to bring the long-term unemployed back into the economy so that their skills and talents can be used. I am confident that my right hon. and hon. Friends will have the opportunity to put these measures into operation. I wish that I could say that I was as confident about the economic legacy that they will inherit.

8 pm

Mr. Nigel Forman (Carshalton and Wallington): I am grateful to catch your eye, Madam Deputy Speaker, and to have the chance to make a brief speech to another packed House of Commons.

It has been a pleasure to listen to the debate so far. I much enjoyed the opening speeches, which I found entertaining, by my right hon. Friend the Deputy Prime Minister and by the right hon. Member for Kingston upon Hull, East (Mr. Prescott), who should have the political equivalent of a preservation order slapped on him because he is an essential part of the British working constitution and we love to hear from him.

I shall make three brief and rather general points. They are all designed to bear upon aspects of what I thought was a sensible and well-crafted Budget—a timely Budget from my right hon. and learned Friend. I commend him for the way in which he has sought to keep on course not just the recovery but a sustained period of economic growth over more than four years since the depth of the last recession. I hope that he will continue to do that for many years to come.

I touched on the first point on which I wish to focus in the debate on the Queen's Speech. I make no apology for repeating it, because it bears repetition. I welcome the Government's continuing commitment to sound public finances. That is not just a phrase: it is a cardinal aspect of any good macro-economic policy. That is being achieved principally by reinforcing the downward path of public borrowing, a point on which many hon. Members on both sides of the House have touched today.

It is worth recalling that the public sector borrowing requirement was £45 billion in 1993-94 and is forecast to fall to about £26.5 billion by the end of this financial year, within an economy which is about £750 billion in size. It is always worth reminding our constituents of the overall size of the economy. People forget the dizzy proportions of the numbers and, therefore, that a PSBR of £26.5 billion in the current year—if it turns out at about that level—within an economy of £750 billion, although obviously still too high in ideal circumstances, is moving in the right direction.

The figure of £26.5 billion represents about 3.5 per cent. of GDP. I believe that the combined effect of public expenditure control by my right hon. and learned Friend the Chancellor, ably assisted by my right hon. Friend the Chief Secretary to the Treasury, and his determination to safeguard the revenue which is such a prominent feature in this year's Budget, is likely to restore the public finances to balance by the end of the century. I applaud that aspiration.

I looked at the Red Book earlier and saw that we managed to achieve three years of public sector debt repayment from 1987 to 1989, earlier in the lifetime of this Government. So what we did before, we can presumably do again. However, I gently chide my right hon. and learned Friend, on the assumption that he will be in his post for many years to come, that there is something augustinian about the policy of returning to balance in the medium term or by the millennium or some other grand phrase. Hon. Members will remember St. Augustine's famous remark, "Please God, make me chaste, but not just yet." There is a slight hint of that here.

I hope that my right hon. and learned Friend will use all his great authority, which was amply demonstrated this afternoon in his masterly performance at the Dispatch Box when he was discussing the complicated negotiations at ECOFIN. I commend him for that, even though I was not able to catch Madam Speaker's eye to say something along those lines. I urge my right hon. and learned Friend to give high priority in the next few years to returning to a genuinely balanced Budget and rediscovering the virtues of public sector debt repayment.

My second point is on the overall total of public expenditure. It is obvious that there has to be firm and continuing control of that overall total if we are to keep a grip on the economy. However, I am delighted to see that, within that overall total, Treasury Ministers—no doubt strongly lobbied by my right hon. Friend the Health Secretary, who is a very effective Minister—have found it possible to increase spending on patient services, which are what matters, in the national health service next year by about £1,600 million, or just under 3 per cent. in real terms. For my constituents in particular, although I am sure for those of other hon. Members, too, this is excellent news.

Experience shows that the British people, throughout the social and economic scale, want a generously funded NHS and are fully prepared to pay fair levels of taxation to finance it. That is a view which attracts no criticism throughout the country. One has only to go abroad, as we all do from time to time, to see that the two facets of our society which are most generally admired are our system of justice, with all its shortcomings, and our national health service. Long may we retain those two pillars of our society.

From a more parochial point of view—I have to speak at this stage of a constituency interest—I am determined to see that my constituents get their fair share of the extra expenditure which has been allocated to patient services. So far, the official figures that I have seen, which have been provided to me by the Department of Health, suggest that a mere 1.64 per cent. real increase in the public funds available for the purchase of health care in the Merton, Sutton and Wandsworth district health authority area, which covers my constituency, is likely to be made in the next financial year.

I want to say to the House and anyone else who is interested in health expenditure that I hope very much that it will be possible to supplement that rather modest real increase in funds for patient services in my part of the world with an adequate proportion of the extra national funds that have been allocated to certain specific purposes. Those purposes are notably boosting primary care, easing hospital bottlenecks, further spending on essential mental health services and more training places for doctors and nurses. All those are part of national allocations which have been earmarked by my right hon. Friend the Health Secretary, and to which he referred in yesterday's debate.

I am keen to see that hospitals such as St. Helier hospital in my constituency get a fair share of the extra resources. I hope that, at regional and national level, people who are responsible for allocating health funds in the public expenditure sphere will pay attention to the points that I have made. It is vital that we get the right decisions in order to ensure that all parts of the country benefit fairly from the extra expenditure.

The House will know that there are technical aspects of the allocation of health funds related to what are called inter-regional and intra-regional RAWP. It is all somewhat technical, but it means that, unless we are vigilant in constituencies such as mine in suburban south London, it is always possible to lose out not only to other parts of the country in the midlands or the north but, within the south Thames area, to the coastal areas such as Chichester, Eastbourne, Brighton and so on. I shall be vigilant in seeing that we get our fair share of the funds because I know of the excellent work that is done in hospitals such as St. Helier, where, incidentally, my right hon. Friend the Prime Minister was born. So we owe it for that as well.

My third and final point relates to tax policy. As I said earlier, I welcome the prudent and well-judged form of tax cutting in which my right hon. and learned Friend engaged in the Budget by cutting the standard rate of income tax by only 1p—the right amount on this occasion—and by simultaneously widening the band of personal income that is taxed at 20 per cent. As has been noted before, approximately 7 million people in this country now pay income tax only at 20 per cent., and that is definitely a step in the right direction. I say that with some feeling, because it means that we are now truly moving—slowly, but surely—towards our strategic objective of a 20 per cent. basic rate of income tax. I commend the Chancellor for making progress on that.

Of course, I should like more progress to be made in that direction in the new Parliament, in which I confidently expect my right hon. and learned Friend to be doing the job that he is currently doing so well. I was therefore especially gratified to read paragraph 1.12 of the Red Book, in which was adumbrated something rather rare in Red Books these days—a statement of principle and of theoretical policy. It said:

> "The Government's objectives for the tax system have long recognised that low tax rates go hand-in-hand with a broad tax base, and that while special reliefs and allowances have a role in certain circumstances, they can have distortionary effects on business decisions."

That principle applies pari passu to both taxation on expenditure and personal taxation.

In that context, I shall conclude by drawing the House's attention to a well-kept secret—an interesting little document called "Single Rate Tax: the path to real simplicity". It happens to have been written by that distinguished old buffer, the hon. Member for Carshalton and Wallington, and sets out clearly how in a future Parliament—preferably in the first Budget of the new Parliament—the whole tax system could be sensibly and intelligently reformed.

Simplification, in the tax sphere, is not simply a matter of the language of tax—it is essentially a matter of getting the structure of taxation right. I shall not weary the House with the details, but in my pamphlet I suggest that, in the first Budget of the new Parliament, it would be a fantastically radical leap, but one well worth consideration, to move to a single rate of income tax of 20p in the pound; eliminating all the allowances and reliefs currently allowable against income tax, except for a single personal allowance of, say, £5,000—which is far more generous than the current allowance—and making that transferable between spouses, so as to have a little in-built support for marriage and to enable families in which there is only one breadwinner to benefit from the allowance of the partner who stays at home to care for the children.

For the benefit of those hon. Members who are interested, according to Treasury estimates, the cost of that proposal would be somewhere between £4 billion and £12 billion in the first year, but that takes no account of the dynamic effects of making such a radical and worthwhile tax change.

I realise that I am springing this proposal on the House rather late in the evening, at a time when no one has had time to consider it, but it is worth thinking about further. Such ideas are not only put forward by the so-called flat-tax freaks in the United States, but commend themselves to people who have thought seriously about the tax system throughout the area of the Organisation for Economic Co-operation and Development.

I conclude my brief speech by commending my right hon. and learned Friend the Chancellor for the way in which he is managing our economy. Long may he stay in his post.

8.13 pm

Mr. Barry Sheerman (Huddersfield): It is always a pleasure to follow the hon. Member for Carshalton and Wallington (Mr. Forman). He is right about one aspect—that future Chancellors will draft Budgets and make decisions on taxation levels in a rapidly changing environment; and that radical approaches to the whole nature of taxation and deciding what sorts of taxation are bearable in a democratic society may be needed. All parties have to look with clear vision at how that rapid change will affect how politicians work and how Chancellors operate.

I am never sure why we have Budget debate. It is an anachronism—other countries do not have these set-piece occasions. One analysis that I have read suggested that they are harmful to the economy, rather than helpful. Like my hon. Friend the Member who has just spoken—I have forgotten the name of his constituency—

Mr. Radice: North Durham.

Mr. Sheerman: It has changed—it used to have a posher name.

Mr. Radice: Chester-le-Street.

Mr. Sheerman: My hon. Friend the Member for North Durham (Mr. Radice) is absolutely right to say that the current Chancellor should never be underrated. Like my hon. Friend, I have known the Chancellor for a long time and he is not only a thoughtful and able politician, but something of a wily bird. He is often underestimated—under that bluff exterior lies a sharp character, as most hon. Members know.

As the right hon. and learned Gentleman sat down after giving his Budget speech, I thought to myself, "He'll never get away with this." A week later, however, I suspect that he has got away with it. I am sure that he picked up *The Guardian* today—whether he was in Brussels or on the plane—and read the poll published in it with a slight smile, because, ironically, it provides proof that he has got away with it. He did not want to produce a popular Budget. He did not want a Budget of which

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people said, "It's an election Budget." He wanted the effect of the Budget to be felt over the next six months. He did not want any instant acclaim.

However, I agree with many of the hon. Members who have spoken today, including the hon. Member for Bridlington (Mr. Townend), who have pointed out that, if we look closely at the Budget statement, we see that there are no public expenditure cuts in the Budget—none at all. Indeed, much of what we see is the careful orchestration of a real pre-election boom.

The hon. Member for Fulham (Mr. Carrington), the Chairman of the Select Committee on the Treasury, waded in on that subject very effectively. He gave the example of inner London, where property prices rose 20 per cent. last year and more than 20 per cent. this year. There is every sign in various sectors of the economy that what the Chancellor did a year ago was to set up a boom that has now arrived. The dangers that it poses in respect of interest rates and inflation are present in our minds.

The fact remains, however, that, at the moment, the Chancellor has got away with his Budget in the eyes of the general public. A review of the press in the past week, apart from the comments of the *Financial Times*, will enable the right hon. and learned Gentleman to think that he has achieved his objective. It was a very clever Budget and an unscrupulous one, designed to win the Tories the next general election.

I represent a constituency in a part of the country that still has a fair amount of manufacturing capacity. After three years of pain and recession, we have, since the last Budget, been witnessing the beginning of a mini-boom—but those three years cannot be forgotten. They were three years of broken promises, tax rises, mortgage misery, repossessions, bankruptcies of many good small and medium-sized companies, and negative equity. The Chancellor's mission, which he set himself at this time last year, is to achieve an environment in which some balm is applied to the national psyche.

Disposable incomes are rising fast as a result of this potentially inflationary boom and low interest rates. The feel-better factor is the Chancellor's objective. His real intention is to wipe clean the collective memory of the pain, insecurity and misery of those three desperate years. But how could even a very clever politician achieve that, when the fundamental economic situation was inappropriate for the measures that he needed to take?

We have all seen what the right hon. and learned Gentleman has done, with his cleverly disguised measures. All knowledgeable opinion is aware of the damage that an overtly liberal Budget would do to inflation and interest rates, let alone to investment in the medium and long term. The strategy then was to introduce a Budget that stoked up the consumer-led boom, while posturing as a responsible Chancellor who was giving us a virtuous Budget.

Apparently, we have a virtuous Chancellor introducing a virtuous Budget. Never have I seen the word "virtuous" used more often—

Mr. Kenneth Clarke: Once

Mr. Sheerman: I am talking about the press comments. The word "virtuous" struck a chord. But beneath the surface the Budget is not virtuous at all. It will fuel a boom that will last until the election, after which a Labour Chancellor will have to pick up the pieces.

To frame the Budget, all the Chancellor's skills were necessary, and it is interesting to see where he learned those skills. We have to look back at the kind of creative accountancy that became well known in the 1980s—the sort that would have interested Robert Maxwell and Asil Nadir when they presented their companies in an amazing light, although fundamental problems were clear to the practised eye.

The accounting methods used in the Budget are suspect, and extremely worrying. The Chairman of the Public Accounts Committee, my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) put his finger on that fact. Those methods may impress the Asil Nadirs and the Robert Maxwells, but they do not impress the Institute of Fiscal Studies or the *Financial Times*, which got it right when it said:

"A combination of creative accounting and wishful thinking have suffused this Budget".

In one sense, the feeling that the Chancellor is getting away with it rests on the view that evidence such as that in Tuesday's poll in *The Guardian* is just what he wanted to see. We see not a welcomed, popular Budget, but the long-term effect that he was so keen to achieve.

Surely one of the clearest examples of that clever mixture of subtlety and dishonesty is the proposal to "spend to save". That is fascinating. May I be entirely sexist and say that any woman heading for the sales would tell us, as my wife tells me, that the real point of going there is to spend to save? Apparently it is a marvellous way of saving the family budget, because she will get so many good bargains.

I have never believed that. But now we hear the Chancellor introducing his new philosophy—that he, too, will spend to save. I was fascinated to learn from the press that "spend to save" was the Deputy Prime Minister's idea. Those of us with a background in the fair city of Swansea always knew the right hon. Gentleman as a "Swansea Jack"—that means a spiv, Madam Deputy Speaker. Indeed, I have always thought of him as the king of spivs.

So the Deputy Prime Minister came to the Chancellor, or met him over lunch, and said, "I've got this marvellous idea that you could add to your Budget: spend to save." It is a wonderful concept, which I have examined in some depth, and according to the Treasury press release and the Red Book, it will save £6.7 billion.

That is an awful lot of money to save by spending an extra £800 million over three years on the civil service—the Customs and Excise and the Inland Revenue. I have always been interested in Napoleon's description of this country as a nation of grocers, and an updated version of that would be a description of us as a nation of accountants.

Some of us deplore the fact that accountants seem to rule British industry; others applaud the fact that our accountancy skills bring so much revenue and business to the City and the rest of the country. There is no doubt that, if someone wants a good accountant, they should come to the City of London and the great practices in this country. Indeed, all our big cities are the same. Leeds is now Britain's second city in that respect, with much financial expertise and some great accountancy partnerships.

All those accountants and all that expertise are bought in by companies, perhaps as members of staff in-house, or perhaps out-sourced, or as consultants. If the Chancellor thinks that he will gain £6.7 billion by spending £800 million, he is pursuing an illusion. All those clever business accountants will not roll over and say, "It's a fair cop, guv. Here's the £1 billion. We'll hand over the cash."

That is an illusion. We will not save £6.7 billion. I approve of the principle of having more staff to ensure that we bring in the full amount of taxation, but the idea that we will save that sum by spending £800 million, when we have the cleverest accountants in the world, is incredible.

There is a dangerous downside to all that. If we give the Revenue and the Customs and Excise extra staff and money and say, "Pursue these villains; get the money,, they will probably find that the real villains who contribute to the shortfall in tax are the clever big people who have the accountants and the expertise, and can manage to avoid paying the money.

What will the civil servants in the Revenue do when they cannot pursue the hard targets? They will pursue the soft targets, and I can see the £800 million and the new staff doing just that—pursuing the small and medium-sized enterprises in the manufacturing sector, the companies that must grow over the coming years if our economy is to be wealth-creating and successful. There is a grave danger that the expectation may not turn out quite as we wanted.

I shall not speak for much longer, but I have two more points to make. First, I echo the views that have already been expressed on the private finance initiative. I have come across the PFI both as a governor of the London School of Economics and as someone interested in the higher education sector in general. My right hon. Friend the Member for Ashton–under–Lyne got it right when he said that the problem with the PFI is that everybody is in favour of it but no one can find out how to work it.

I can tell the Chancellor that the university sector would love to use the PFI. Universities have been undernourished and underfunded for 18 years, the staff are poorly paid, and the previous Budget crippled university finances. The strange situation resulting from this year's Budget is that, having been severely bashed in last year's Budget, we have now been given some slight help. It may be a mere £200 million, which does not make up for last year's bashing, but the university sector still finds it difficult to complain about its treatment. I believe that the university sector has been badly treated in the past 17 years, and extremely badly treated by the Chancellor. That sector would like to use the PFI, but it is not appropriate.

Every time that initiative has been pursued, it has not worked out. Last year the Chancellor talked about £25 billion that would be generated as a result of it, but the likely figure is about £1 billion. When I pushed the right hon. Member for South Norfolk (Mr. MacGregor) about the famous hospital that will be built in his constituency through the PFI, we found out that the big announcement that was made the day before the Budget was not a true announcement because the deal has still not been signed. Whether one is talking about hospitals, universities or whatever, the PFI does not emerge as the opportunity that it was talked up to be.

This could have been a Budget for jobs and for the manufacturing sector. It could have been a Budget that got rid of the rotten stench of poverty from our land. It is none of those things. When we look at this so-called virtuous Budget it is clear that it is not virtuous at all because it does not tackle any of our long-term problems. It represents a lurch back to all the worst excesses of pre-election boom Budgets with which we are so familiar. I guarantee that, from Christmas into the new year, we will see signs of rising inflation and rising interest rates. Those signs will mean that the economy is getting out of control as a direct result of the Budget. I believe that that is a sad comment on the Chancellor, who could have gone down as one of the best of the post-war world. In fact, he will go down as one of the worst.

8.31 pm

Mr. Peter Luff (Worcester): This has been an interesting debate, and there have been some thoughtful speeches, in particular those of my hon. Friends the Members for Carshalton and Wallington (Mr. Forman) and for Fulham (Mr. Carrington). It has also been a slightly confusing debate; there has been a chorus of praise for my right hon. and learned Friend the Chancellor of the Exchequer from Opposition Members such as the hon. Members for North Durham (Mr. Radice) and for Huddersfield (Mr. Sheerman). I want to associate myself with that chorus of praise. We have a Chancellor who believes that good politics, good economics and good theatre go hand in hand. He is right.

I have been confused also because I am not sure whether the Opposition want us to believe that the economy is crawling out of a recession or is in the middle of a dangerous boom. We have heard both messages from them. Of course, the truth is that the economy is on an even and steady course, which is a great tribute to the successive Budgets of my right hon. and learned Friend.

I want to speak about three basic themes. The first is the kind of tests that we should apply to the Budget; the second is parochial, and concerns the specific benefits that the Budget will bring in my county; and, if I have time, I should like, thirdly, to refer briefly to the local authority dimension.

There are three tests that I want to explore. The first is the Liverpool test, the second is the Dunfermline, East test and the third is my own tripod test.

First, the Liverpool test. Last week, I attended the national prayer breakfast at the Queen Elizabeth II conference centre. David Sheppard, the Anglican Bishop of Liverpool, gave the address which, in many respects was unexceptional and entirely appropriate for a bishop. He applied a test to the Budget and said that we must ask how it helps the poor at home and overseas. I agree that that is a major test for a Budget. It was entirely proper for a churchman to draw that thought to our consideration, but he went beyond the bounds of what the Church should do when he added that the Budget failed both tests.

I am afraid that that just is not right. In my judgment, it is the bishop who failed the test, not the Budget, because although I firmly believe, that it is his business to bring a Christian insight to the problems of society, he cannot bring such an insight to the solutions. I do not think that there is any great gospel authority about what level the deutschmark should be set at against the pound sterling. In the absence of any such authority on the very fundamental

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questions about our economy, it is difficult to see how the gospel has specific solutions to suggest on other aspects of our economy.

The Bishop of Liverpool was also wrong factually when he said that the Budget had failed the poor overseas. I disagree. He reduced the argument to a simplistic one about aid. I should like aid to be set at a rather higher level, and I should like to see us make progress towards achieving the 0.7 per cent. of GNP target. I was delighted, however, that, according to the Budget settlement, bilateral aid—the most efficiently delivered aid—has been protected. I must remind the bishop that the United Kingdom is the sixth largest donor in the world. I also believe that our aid is some of the most effective in the world. More important, the bishop should have given credit to the Chancellor for the work that he has done in leading the world in debt reduction initiatives. That is of huge importance for the developing world. I believe that he should have given more credit to the Government for their enthusiasm for free trade, because free trade will enable developing countries to trade out of poverty.

The bishop should also have paid great credit to the Government for their peacekeeping activities around the world. Those activities have been funded from the Government's military budget—a budget that many Opposition Members would cut—and they have done much to bring stability to developing countries.

The bishop is wrong about the poor overseas. The Budget will protect their interests and build on the Government's proud record of looking after the developing world. He is also wrong about the poor at home. I do not believe that Budgets should be just about the poor. They should be about the average family, too, and those who generate wealth by running the big enterprises that create jobs.

A family on average earnings, which is about £21,000 a year, will be £120 a year better off after all the tax changes in the Budget, including the council tax changes. With earnings increases, and after tax and inflation, a family on average earnings will be £370 better off next year. They will be £1,100 a year better off next year than they were in 1991-92 and £100 a week better off than they were in 1979. That is the real measure of the success of this Budget and preceding ones.

What about the poorest members of society? Is this a Budget for them? Just this week, an interesting document was published by the Department of Social Security entitled "Households below average income. A statistical analysis 1979-1993/94". It shows that there has been an increase in inequality—something about which the right hon. Member for Kingston upon Hull, East (Mr. Prescott) spoke at great length and with great indignity during his tirade. Of course inequality has increased; it had to. Incentives had been squeezed out of the system under the Labour Government, and they had to reinstated. An increase in inequality is inevitable and desirable to help bring about improved living standards for everyone.

I shall let document speak for itself. It states:

"All economic status groups"—

in households below average income—

"have shown increases in average income since 1979.

All of the in-work groups and those aged 60 or over showed large real increases of the order of 40-50 per cent.

The unemployed showed a small rise in average household income of around 8 per cent."

after housing costs and more before housing costs.

"'Other' non-employed average income was up significantly, by around 30 per cent."

The document then states that the results from the bottom 20 per cent. of households were not quite as good, but still showed some real increases. It states:

"Income of the bottom 20 per cent. of unemployed showed a slight increase"

before housing costs

"on central estimates, but was lower"

after housing costs. That is a subject to which I shall return later.

The document concludes:

"Households' standard of living will be influenced by their possession of consumer durables. Access to consumer durables in the lower half of the income distribution has generally increased faster than for the whole population;

The bottom decile of the income distribution has higher median expenditure than the second decile, suggesting that the bottom income deciles are not the most constrained in their living standards".

It is also interesting to note that the document states:

"The rise in housing costs over the period from 1981 has been accompanied by a rise in quality."

That should be welcomed by hon. Members on both sides of the House.

The document shows that everyone has got richer as a result of Conservative stewardship of the economy, and, interestingly, that the poorest 10 per cent. spend more than their income suggests that they can afford. Moreover, it makes no allowance for the public services that benefit the poorer members of society disproportionately—health and education, spending on both of which has increased in this and previous Budgets.

The bishop was wrong about the poor, but it is right that the unemployed did least well, as the document shows. The real test of any Budget is how it will get people back into work. Unemployment creates poverty, not the Government's failure to create a dependency culture. The Government and the Budget are getting people back into work.

Bizarrely, and uniquely, the Labour party is approaching a general election with specific promises that everyone knows—I believe that "any damn fool knows" were the words of the right hon. Member for Kingston upon Hull, East—will increase unemployment. Labour promises a minimum wage, the social chapter and windfall taxation on successful companies.

Mr. Eddie Loyden (Liverpool, Garston): I do not wish to defend the Bishop of Liverpool—he is quite capable of doing that himself—but if the hon. Gentleman was as involved as the Bishop of Liverpool in the interests of the people of Liverpool, he would understand the bishop's compassion for the unemployed, for example, in whom he has taken a great interest over the years.

I do not believe that the bishop is a card-carrying member of the Labour party. His responsibility may not be in the world of politics, but he has an overview of many of Liverpool's social problems. The House should praise the bishop's comments, which reflect real social

problems that have not been tackled. I am sure that, on reflection, the hon. Gentleman would not want to condemn the bishop for looking after his flock.

Mr. Luff: I am afraid that I shall disappoint the hon. Gentleman. I would wish to condemn the Bishop of Liverpool for suggesting that he has insight into the solutions to the problems. However, I agree with the hon. Gentleman about the bishop's compassion, his identification with the problems of his flock and the practical work that he does to help them. The problem is that his solution is wrong. The test that he set for the Budget is the wrong test. The best way to help the people of his diocese is to create jobs. That is what a free market economy does, against the type of economic background that the Chancellor of the Exchequer has successfully created.

What of the second test, the Dunfermline, East test? The shadow Chancellor wanted us to judge previous Budgets by their effect on unemployment. I suspect that he would like us to forget that test now. Now he wants to judge this and preceding Budgets by the number of tax increases that he alleges the Conservative party has introduced.

The scale of the dishonesty is breathtaking. Labour Members allege that there have been 22 Tory tax rises since 1992. The alliteration is what they are working for. In reality, there are not 22. Some of the alleged 22 are not rises, but failures to index taxation. That is not a rise; it is a failure to give a reduction. Some taxes, such as insurance tax, are counted four times. Looking at it objectively, there are probably about 10 genuine tax rises in the list, not 22, but even if we accept 22 as the figure, on the same basis we have managed 25 reductions in the past two years—a net gain of three to us.

What really matters, and the test that the right hon. Member for Dunfermline, East (Mr. Brown) should apply, is personal disposable income; I gave the figures for that earlier.

If the Labour party is so anxious about tax increases, what public expenditure would it have cut to avoid them? I regret the tax increases that we have had to impose, but it was the thing for a compassionate Government to do, and I entirely support that policy.

My fears are compounded by the Labour party's dishonesty. We saw a very impressive document produced by my right hon. Friend the Chief Secretary to the Treasury; I think I got that right, unlike the deputy leader of the Labour party. The Labour party wants to increase spending by £30 billion; we have seen it itemised. We have vague hints about reductions in taxation. Reducing VAT on fuel would cost £500 million. Changes in upper-rate tax thresholds would cost £1.4 billion. A 10 per cent. starting rate of tax would cost £8 billion.

The increased borrowing that all that implies—spending up £30 billion, taxes down £10 billion—is £40 billion. We cannot take lectures on the lack of financial rectitude from Labour Members if they propose to increase borrowing by £40 billion. Either they mean it or they do not. I am afraid that I am forced to the conclusion that they are trying to be all things to all people, saying to interest groups, "We shall give you what you want, don't you worry," and hoping that they will not notice the grand total that is building up. All the little pledges mount up—and the shadow Chancellor is desperately trying to control any pledge on spending and will not give a pledge on what I regard as one of the most important issues: expenditure on the health service.

If we had been discussing a Labour Budget today, there would have been no tax reductions. A windfall tax, whether it raised £1.5 billion, £3 billion, £5 billion or £10 billion, would go nowhere near meeting the bill of a new Labour Government. The right hon. Member for Dunfermline, East is as wrong as the Bishop of Liverpool.

We should test the Budget as though it were a tripod, because three-legged objects are the most stable. A Budget should take as little as possible of our money as fairly as possible—one leg. It should maintain excellent public services—the second leg. Thirdly, it should create the conditions for economic success. The Budget passes all those tests with flying colours.

First, the way in which the tax cuts were introduced—thresholds as well as the basic rate—ensures that the first leg is strong. The 20p rate is effectively the basic tax rate now, given that it is now the top rate of tax for 7 million people.

Secondly, the priority for health, education and law and order exactly reflects what my constituents are asking of the Government. I am delighted that those sectors receive priority in the Budget.

Thirdly, the reduced borrowing profile and general prudence offer the guarantee of continued economic success. That can be seen in the international judgment of the foreign exchange markets and international economic analysis day after day.

All three legs together will help the poor most, because they will combine to create the conditions for falling unemployment. The Chancellor is right to remember with nostalgia the unexciting Budgets of his childhood—modest, sensible Budgets, set against a strong economic background. That is what we have now.

The aspect of the Budget that I most welcome is what is not in it, the so-called windfall tax—or is it a utilities tax? I am confused about the nomenclature. We hear a different definition every time a Labour party spokesman—the right hon. Members for Derby, South (Mrs. Beckett), for Kingston upon Hull, East or for Dunfermline, East—opens his or her mouth. There is a spectacular lack of detail. Sometimes they seem to imply that the tax will be imposed in one year only. I do not understand how they can sustain that against their spending commitments.

Will the tax be imposed on utilities or on all privatised companies? Is British Airways a utility? Is British Telecom a utility? Perhaps it is. Is the British Airports Authority a utility? Is Cable and Wireless a utility? I do not know. I wait to hear from the Labour party which is and which is not.

I predict that, if ever we had the misfortune to have a Labour Government, the European Court of Justice might become almost popular with Conservative Members as the windfall tax was tested there. I do not believe that the tax will stand that test. One thing is clear: ordinary people will pay it—in increased prices, job losses or pension fund losses. It will impact on ordinary people.

I do not often draw the attention of the House to remarks of Labour prospective parliamentary candidates, but the Labour prospective parliamentary candidate for Worcester has

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"called on 'fat cat bosses' to bear the brunt of his party's proposed windfall tax on privatised utilities."

I quote from an article by Shaun Connolly in the *Worcester Evening News*. The prospective candidate says:

"There is no reason to believe it will be passed on to customers. People have seen the salaries being paid to fat cat bosses and are not happy about them. They have seen the cash literally pouring out of the taps and going into Severn Trent Water."

I draw only one conclusion from those remarks—that the prospective parliamentary candidate for the Labour party in Worcester believes that the fat cat bosses will pick up the bill personally.

I have done some calculations. By the end of 1994, we had privatised about 42 companies. Each company had an average of five executive directors—210 directors in all. If the shadow Chancellor wished to raise £1.5 billion from them, he would have to send a personal tax bill of £7,140,000 to each of them. At £3 billion, the tax bill would be £14,280,000. At £5 billion, which we believe is the correct figure, it would be £23,800,000. If the figure of £10 billion is correct—still only one third of Labour's spending plans—the tax bill would be £47,600,000. That destroys the preposterous claim that there is magic money there, waiting for Labour to get hold of it.

There are only three ways of paying for a windfall tax: increased prices, with a heavy burden falling on those with low incomes, who depend on the utilities disproportionately and spend a disproportionate amount of their household income on them; reduced investment in the utilities—Labour claims to want to increase investment—with a fall in employment in the industries that would have helped to provide the investment; or reduced balances and increased borrowing by the companies, leading to a reduction in share values, a reduction in pension funds and so a reduction in pensions. That is the choice: price increases, job losses or falling pensions. That is how a windfall tax would be paid for.

I shall briefly draw attention to the impact of the Budget on my constituency and county. First, I should like to single out the increase of £1.6 billion in health funding. That significant real-terms increase, as promised by the Chancellor, will give the best guarantee that our new district general hospital will be built, using the private finance initiative.

Secondly, I welcome the increase in expenditure on the police, which has not received enough attention locally or nationally. The West Mercia constabulary will get a 4 per cent. increase this year, on top of a 5.9 per cent. increase last year. An extra 41 officers were recruited this year, even though there was funding for only 21. With funds allocated to enable the force to have 42 extra officers next year, perhaps the number it will be able to recruit will be nearer 60. That increase in the number of police constables was promised by the Prime Minister and is being delivered.

On a more parochial note, may I express one caveat about the Budget? I should like a significant continuing investment in local bypasses. I hope that the Department of Transport budget can afford that. The Wyre Piddle bypass is a priority in my constituency, and I hope that the money for it will be forthcoming.

The education settlement for the local authority is generous and should protect budgets for schools fairly and adequately. Even modest efficiency savings by the county council, which it never seems to want to work towards, could allow a real increase in school budgets.

In summary, the economy is the success story of Europe. The Budget is achieving the impossible: low inflation, export-led sustained growth and, as promised, falling unemployment, rising living standards, support for public services and increased consumer confidence. We have heard nothing from new Labour—no alternative policies beyond irresponsible spending and tax pledges: the same old failed policy of tax and spend. I make one Budget prediction: thanks in large part to the sensible Budget from our Chancellor, come the election, it will be the same old result—a good Conservative majority.

8.52 pm

Mr. Alex Salmond (Banff and Buchan): The speech of the hon. Member for Worcester (Mr. Luff) was enlivened by his reference to Sean Connery. I perked up my ears, expecting some of that gentleman's wisdom to be dispensed to the Chamber, but the hon. Gentleman moved away from the subject.

It is true, as the hon. Gentleman said, that Opposition Members have made some favourable comments about the Chancellor. I do not want to spare the Chancellor's blushes; in his absence several hon. Members said how much they admired various aspects of his policies. I shall begin by offering the Chancellor my congratulations on a limited aspect of his Budget—VAT repayment—then I shall tell him what I really think of his policies.

I was rather pleased by the Government's U-turn on the disparity between the reclaim date for repayment of VAT by the taxpayer and by Customs and Excise. Three years for both is fair. As the Chancellor knows, I have pursued the issue for several months, and despite earlier Government claims that the three-year limit would apply only to the taxpayer, I was not surprised by the climbdown, in the light of the substantial evidence that the previous proposal was in breach of basic European law. It seems that the Government have climbed down before they were pushed down by both the British and the European courts.

Although the Government may have saved themselves one embarrassing defeat by their policy reversal, I must warn the Chancellor that there is considerable legal opinion suggesting that their overall proposals on VAT repayments may still be in breach of European VAT law. For example, European law demands the use of transitional periods to protect the principle of legal certainty, whereas the Government are in fact acting retrospectively. They will be challenged through the courts on the matter, and should let the House know the Chancellor's assessment of that threat and the potential loss.

I urge the Government to continue their new-found flexibility on the issue and to negotiate further with industry to ensure that the proposals that finally become law are not found wanting in the courts, do not treat individual taxpayers differently and do not introduce retrospective taxation. I seek an assurance from the Chancellor that the proposals in the Budget are not yet set in stone and that, although they are a sensible advance on the previous position, they will still be considered in the light of representations from industry and others.

I was struck by the number of references in the Red Book—we have heard such references in the debate as well—to the United Kingdom economy performing better than the other major European Union economies. When one examines that comparison and remembers that 10 of the 15 EU states are small states with populations of less than 10 million, it turns out that the Chancellor is comparing the UK with only four other countries—Italy, Germany, France and Spain. In a comparison that roams somewhat wider than four countries or further in time scale, the economic miracle that the Chancellor claims for his and his predecessor's policies does not bear close inspection.

Since the Conservative party came to power in 1979, the UK economy has grown by an average of less than 2 per cent. a year. The EU average, without the windfall of oil, has been marginally higher at 2 per cent. Among our major competitors, Britain's growth performance over that period has been worse than that of Australia, Austria, Canada, Finland, Germany, Greece, Iceland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Turkey and the USA. The economies of all those countries have grown faster than the UK's over the period since 1979. If that is an economic miracle, I should not like to see a disaster for which the Government were responsible.

Even if we give the Chancellor the benefit of the doubt—if we acknowledge that he has not been responsible for managing the economy since 1979, and note that he is not on the most intimate terms with his immediate predecessor—and relieve him of collective responsibility over that period, an inspection of more recent history shows a similar decline. Projections from the Organisation for Economic Co-operation and Development for 1996 show growth in the UK economy, during the enormous recovery hailed by the Chancellor, lagging well behind the USA, Australia, the Czech Republic, Finland, Iceland, Ireland, Mexico, New Zealand, Norway and Turkey. Many economies in the wide world are doing rather better than ours. Since 1979, the United Kingdom economy has performed below the European Union average—despite the fact that Norway was the only other economy in Europe with the benefit of an oil revenue endowment.

In 1979, the standard of living in Italy was 6 per cent. behind that of the United Kingdom; now it is 6 per cent. ahead. Norway was 8 per cent. ahead of the United Kingdom in 1979; now it is 26 per cent. ahead. Luxembourg was 32 per cent. ahead of the United Kingdom in 1979; now it is 68 per cent. ahead. Portugal was 86 per cent. behind the United Kingdom; now it is 42 per cent. behind. Ireland was 58 per cent. behind the United Kingdom in 1979; now it is only 10 per cent. behind. According to the Library, Irish gross domestic product per capita will overtake the United Kingdom average by 2000 and Ireland will be more prosperous per head of population than either England or Scotland. That is a dramatic change in Irish economic circumstances.

So when the Chancellor claims that the United Kingdom is the fastest-growing major economy in Europe, he conveniently forgets the small economy off our western shores that has grown almost four times as fast as the United Kingdom economy in the past year or so. To cap it all, nominal debt in the United Kingdom has doubled in the past five years, which means that the Chancellor will have some difficulty sustaining Britain's economic performance and reducing the public sector borrowing requirement and national debt totals.

Earlier this evening, when the deputy leader of the Labour party claimed that the endowment effect of oil and privatisation proceeds combined totalled £250 million per week during the Government's period in office, I noticed the Chancellor and the Financial Secretary making frantic calculations in an attempt to ascertain whether the figure was accurate. Of course it is correct. Privatisation proceeds and oil revenues combined have created an endowment effect—which the Government have enjoyed since 1979—of roughly £1 billion per month, £12 billion per year and £250 million per week.

I do not believe that the Treasury team understands the extent of that endowment effect. Last week, the hon. Member for Amber Valley (Mr. Oppenheim), the Exchequer Secretary—there seems to be a proliferation of such posts in the Treasury team—gave the House his assessment of the impact of oil on the United Kingdom economy. He said:

> "In the last year of the Labour Government, oil receipts in real terms, in today's prices, were close to £1.3 billion; this year they are expected to be close to £1 billion. In the past three or four years, they have cruised at around £300 million to £500 million. The only time at which they were briefly higher than in the last year of the Labour Government was in the mid-1980s, for three or four years.
>
> Let us hear no more of this myth of the great wasted oil revenues. They never existed".—[*Official Report*, 26 November 1996; Vol. 286, c. 225.]

I have seen the table depicting oil revenues since 1978-79, and it bears no relation to the claims of the Exchequer Secretary. In the last year of the Labour Government, oil revenues totalled £1.7 billion. According to the Red Book and at 1996-97 prices, if one projects to next year, oil revenues collected by the Government were less than their level in the last year of the Labour Government in only three of the past 19 years. They peaked at £20 billion, in today's prices, in 1984-85. According to the Red Book, they are now rising rapidly once again and are expected to total more than £4 billion by 1997-98.

Only this Government and their Treasury Secretaries could be so ignorant of the extent of the endowment effect of oil revenues in that period. Some £140 billion, in today's prices, flowed to the Exchequer during that time. If the Government believe that the "great wasted oil revenues" are a myth, why can we not have them in Scotland? Why can we not add those revenues to next year's Scottish budget? The Exchequer Secretary says that they are not worth anything, so the Chancellor should not mind adding them to the Scottish total.

During the great stone ceremony in Edinburgh on Saturday, I saw a poster which said, "Thanks for the stone back; how about the oil revenues?" The Exchequer Secretary says that they are not worth anything, so perhaps the Chancellor could be nice and kind to Scotland in his summing up and say, "Let's give away these worthless oil revenues which have nothing to do with our economic success and progress over the past 17 years."

I shall support the amendment on VAT on fuel standing in the name of the Leader of the Opposition I shall explain why the amendment is important because, remarkably, I do not think that the arguments in its favour were deployed earlier in the debate. Fuel poverty affects an estimated 800,000 households in Scotland—one in three Scottish households—and those on low incomes tend to spend a greater proportion of their incomes on fuel costs than do wealthier households. A 1993 study estimated that

[Mr. Alex Salmond]

households in the lowest income quintile spent more than 13 per cent. of their total weekly expenditure on fuel, compared with 5 per cent. expenditure by the highest quintile.

In general, it is more expensive to heat the homes of those compelled to live in poor housing conditions. To top it all, we know in Scotland, from work carried out and questions asked by my hon. Friend the Member for Moray (Mrs. Ewing), that it takes 23 per cent. more fuel to heat a home in Glasgow than an identical one in Bristol; that in Edinburgh, it takes 28 per cent. more fuel; in Dundee, 32 per cent.; in Aberdeen, 41 per cent.; in Lerwick, 53 per cent.; and in Braemar, 66 per cent. That justifies the requirement for a geographically based cold climate allowance. The issue of VAT on domestic fuel is of great importance to Scotland and to low-income families in all the countries of these islands. A move from 8 to 5 per cent. would be very welcome indeed.

The words "cynical ploy" will be marked across the political grave of the hon. Member for Edinburgh, Central (Mr. Darling). The next time the Deputy Prime Minister pokes fun at him for not supporting a reduction from 8 to 5 per cent. some two years ago, I suggest that the correct way to deal with him is to stand up and say, "Yes, our policy has changed. In January 1995, the Labour party did not support the reduction. Now we have changed our policy and we do support the reduction." He should challenge the Deputy Prime Minister to say that the Tories have not changed some of their policies.

The hon. Gentleman should not describe—four times in a short speech—the Scottish National party's amendment as a cynical ploy, as though the Labour party never entertains cynical ploys in the amendments that it tables in the House. It looks ridiculous and disables the argument for putting VAT on domestic fuel down to 5 per cent. now if he continues to defend his abstention in January 1995, which clearly was a mistake and a significant embarrassment to the Labour party. It would be much better to come clean than to continue to defend the indefensible and to allow the Deputy Prime Minister to ridicule him. Despite the fact that it is a Labour amendment, the SNP will be proud and happy to vote for 5 per cent. VAT on domestic fuel.

The hon. Member for Worcester (Mr. Luff) said that Budgets should not just be about the poor. I think that I quote him correctly. One difficulty with Conservative Budgets is that they never seem to be about the poor. Even when the Chancellor has choices to make, in terms of his modest tax reductions in the Budget, he makes choices that are not aimed at the lowest-income families.

I asked the Commons Library to do a comparison between taking 2 per cent. off the lower rate of tax and taking 1 per cent. off the basic rate. In a full year, those options are very similar in terms of overall effect on Budget revenues, but they would make a substantial difference in terms of their effect on families at different income levels.

For example, a part-time shop worker on £6,000 a year would benefit by £40 a year from 2 per cent. off the lower rate of tax. He or she would not benefit at all from 1 per cent. off the basic rate. A hairdressing trainee on £8,000 a year would benefit by £82 a year from 2 per cent. off the lower rate. One per cent. off the basic rate does not benefit such a person. A researcher, perhaps in the House of Commons, would benefit by £82 from 2 per cent. off the lower rate of tax and by £68 from 1 per cent. off the basic rate. A Member of Parliament would benefit by £82 a year from 2 per cent. off the lower rate and by £179 from 1 per cent. off the basic rate.

Mr. Kenneth Clarke: The hon. Gentleman is making a rather selective comparison between the lower rate and the basic rate. I assume that he is comparing one change by taking it off the 20p rate instead of the 25p rate. I hope that he has not overlooked the fact that one of the key things that we have done is to raise the threshold of personal allowances. There is absolutely no income tax payer who does not benefit from this Budget by way of a reduction in income tax. We deliberately raised the thresholds precisely so that every income tax payer, including the lower-paid, gets some benefit.

Mr. Salmond: I have not overlooked the fact about raising thresholds; I am talking about the direct comparison between the choices of 2 per cent. off the lower rate and 1 per cent. off the basic rate. I would not vote against raising the thresholds. I shall vote against the option off the standard rate. The Chancellor will see from the Order Paper that I have tabled an amendment to take 2p off the lower rate, reducing it to 18p. I used that figure because the cost to the Exchequer would be similar.

The choices that benefit the lower-paid are more valuable than the ones that benefit those with significant incomes. In view of the impact that the Government's policies have had on the poorest sections of the community in the last 17 years, a decrease in the lower rate would have been the right choice for the Chancellor to make.

We shall vote against a cut in the standard rate of tax. That is not our policy: we want to concentrate help on the lower-paid. We will vote against the petrol increases. The Chancellor would do well to remember that we are now in a period of stabilising, indeed rising, oil prices.

The combination of rising oil prices and a 5 per cent. real increase in petrol duty is having a substantial effect on rural economies and, potentially, on rural industrial units, because of increased transport costs. I plead with the Chancellor to consider that problem, because it is a double whammy aimed at rural communities.

We shall vote against the increase in airport duty. The Deputy Prime Minister said that tourism was booming. The Budget imposes an unnecessary doubling of that charge, which will inevitably hit hardest the island communities of Scotland where air travel is often the only serious option. That is particularly unfair, and the Chancellor should be a little ashamed of himself for having done that. Perhaps he will see the light before he finishes his summing up.

9.10 pm

Mr. William Ross (East Londonderry): I agree with much of what the hon. Member for Banff and Buchan (Mr. Salmond) said, especially about air travel and oil prices.

In such debates, I always express my concern about the sheer size of the public sector borrowing requirement. My concern is not lessened by the fact that it is coming down rather more slowly than was hitherto expected.

I am concerned about a subject that has not been mentioned, but will come into the equation before the year is over, and may prove inflationary. Some of us voted against the 2p cut in income tax in the 1986-87 Budget. That was accompanied by a general freeing of the money supply, which created an enormous number of problems, not least when MIRAS was extended to cohabiting couples so that both of them could claim it until August. I am concerned about the £16 billion that will allegedly appear in the economy in the next year or so as a result of the demutualisation of the building societies. That money will not go overseas in public sector debt repayment, but is all home-grown money. Did the Chancellor take that factor into account when he did his Budget sums?

The slow growth in tax revenues is tied to the globalisation of business. Given the amount of money that is floating around the world between the various sectors of large companies, we may be driven, slowly but surely, towards a globalisation of tax rates.

We have not discussed in depth the fact that the Government are not spending a reasonable proportion of the huge revenues that derive from motorists in one form or another on new roads or on the maintenance of existing structures. That will have to be paid for some day, and will cause a future Chancellor enormous difficulties, because the money will have to be found.

Revenue is lost every year as a result of tobacco smuggling. The Chancellor will have received the brief from Gallaghers in Northern Ireland, which points out that six out of every 10 packets of hand-rolling tobacco that it produces are smuggled back into the United Kingdom, and are on sale at various markets within a week or 10 days from leaving the factory in Northern Ireland. The end result of tobacco smuggling is an annual loss of £600 million to the Exchequer.

Although I understand the concerns expressed by the hon. Member for Fulham (Mr. Carrington) about the medical costs of cancer and other diseases, it would be a wasteful exercise of the Chancellor's powers to raise tobacco taxes now, because I do not think that there is any possibility, even with the new task force, of stopping smuggling.

The hon. Member for Banff and Buchan has already mentioned the tax on air travel. We have no real alternative to air travel in Northern Ireland. Furthermore, there is a real cut in the block grant to Northern Ireland. It may be that the Government think that cutting expenditure in that manner and tying the diminished expenditure to terrorist activity will put community pressure on the IRA. Government spokesmen in Northern Ireland have said, "The bomb went off in Lisburn. One went off here, there or somewhere else, and the damage has to be paid for. It will have to come out of the Northern Ireland block grant. A school has been burnt down. That will have to be paid for out of the block grant." That concept is entirely wrong.

The IRA want to ensure that Northern Ireland fails. Therefore, whenever Government spokesmen say to the IRA, "You are hurting Northern Ireland," all they are doing is encouraging the IRA to continue committing its violence, bombing and murder and imposing its costs. When the Chancellor considers the block grant for Northern Ireland and Treasury Ministers consider expenditure of the grant in Northern Ireland, I hope that they will keep that thought in the forefront of their minds.

We have real need in Northern Ireland, and expenditure must be related to the real needs of the place and not to an imagined buy-off with the IRA, which some people think is possible. Terrorist organisations are not bought off—they can only be defeated.

9.16 pm

Mr. Alistair Darling (Edinburgh, Central): I shall not deal with the issues raised by the hon. Member for East Londonderry (Mr. Ross) now, although I shall do so in the course of my speech.

As we conclude the debate on the Budget, it is clear that it will be judged on two matters. It will be judged first in straightforward political terms—whether it will save the Conservatives at the next general election—which is the primary concern of Conservative Members. At the previous general election, the Tories fought and won on one central proposition: that, year on year, they would cut taxes. They said that they would not increase VAT or national insurance and, in fact, accused Labour of wanting to do so. Their central promise was that they would not increase taxes, but they cynically broke all their promises. Therefore, I think that we are entitled to judge the Government not only on what they have done during this Parliament but on what they said at the previous general election and on what they did subsequently.

Based on that judgment, we are entitled to form a view on the credibility of the Government's current promises. It is interesting that, when the Deputy Prime Minister spoke today, he spent less than 10 minutes of a 40-minute speech on the Tories' Budget proposals. Instead, he spent most of his time talking either about Labour's proposals or about proposals that seem to have been drawn from the land of fantasy. He certainly had very little to say about the 22 Tory tax rises that have been implemented since the previous general election. If the Conservatives broke the promises on tax, spending and borrowing that they made at that election, why should we believe them again? Cutting taxation was their promise—their "one-club" approach—at that election, and it was broken.

Secondly, the Budget will be judged in economic terms and on what it will do for the country and our long-term prospects. The Tories tell us that Britain is now the enterprise centre of Europe, and that it has been so since last year. We are entitled to ask, "What about the previous 16 years?" If one examines the Tories' approach to the economy, one will notice that they use the same starting point with tax. They will say anything and do anything to try to convince people that their stewardship of the economy has been a success.

The Government repeatedly say that, since last year, Britain has been the enterprise centre of Europe. But they are the Government who would invite us to ignore what happened in 1981, and the savage cuts implemented by Lord Howe. They are the Government who would have us believe that 1988 never happened, when the then Chancellor, Lord Lawson, stoked up an unsustainable boom. We do not hear much about who was Lord Lawson's Chief Secretary to the Treasury at that time, or who succeeded him as Chancellor—the man who is now Prime Minister. All that is to be forgotten. Instead, we are invited to judge the Government on what has happened in the past 12 to 24 months. We are to forget about what happened in September 1992.

The Tories' claims about Britain as an economic centre in Europe do not stand up. We hear Ministers say day after day that we have the best prospects for a generation,

[Mr. Alistair Darling]

but we find that Britain has fallen from 13th to 18th in the world prosperity league. We find fears of higher inflation and interest rates. Higher mortgage rates are already beginning to show.

We are told that we are in an era of low inflation. We are just coming out of one of the deepest recessions that the country has ever had, but comparing Britain's record not with that of the Tory Government in the past but with the rest of Europe shows that we are 11th out of 15 in the European inflation league. One of the problems is that, because the Tories have so weakened our industrial base and our economic capacity, whenever we have a recovery there is the fear of rising inflationary pressure that may become unsustainable. The only way to achieve the sustained low inflation and stability that we all want is to ensure that there is investment, and the conditions to encourage investment, in skills, technology and infrastructure.

We are told that we have low interest rates. We are 11th out of 15 in Europe on that. We are told that unemployment has come down, but what do we find? One household in five have no one in work. What an indictment of the Government. Although the figures for those entitled to claim unemployment benefit are coming down, many of the new jobs created since 1990 have been part-time or casual jobs. That is an option that many people like, but for many others, they are the only jobs on offer. Many people are simply disappearing from the count. We do not know what is happening to them.

We are told that living standards are up, but we know that, because of the 22 Tory tax rises, the typical family is worse off by £2,120. *[Interruption.]* Conservative Members do not like the figures, but they are true. Conservative Member after Conservative Member uses the phrase "22 Tory tax rises" because they know that it is true.

We are told that we have the fastest growth rate in Europe, but—this is an indictment of the Government—judging the Government on their entire time in office shows that growth has averaged 1.9 per cent., which is lower than the growth achieved by the last Labour Government. Their claim to have made Britain the enterprise centre of Europe does not stand up to close examination, just as their claims to be prudent with the public finances and to be a tax-cutting party do not stand up.

Sir Wyn Roberts (Conwy): As I understand it, the Labour party is committed to reducing VAT on fuel to 5 per cent. That will cost between £450 million and £500 million. How will Labour finance that? I am told that Labour may well abolish the relief on private medical insurance, but that will produce only about £120 million. How will the gap be filled?

Mr. Darling: The right hon. Gentleman has not been present in the Chamber all evening, but he has an opportunity to join us in the Lobby in 40 minutes if he would like to do something for his constituents. I shall explain the point that he has raised later. The right hon. Gentleman is in no position to lecture us on tax until he answers the central charge against the Government: on all elements of taxation, they made promises in 1992 that they could not keep. We shall judge the Government on their record for the whole Parliament.

Mr. Kenneth Clarke *rose—*

Mr. Darling: If the right hon. and learned Gentleman will resume his seat, I shall certainly give way to him in a moment. When he stands up, perhaps he will explain why, as a member of the Cabinet in the previous Parliament and as a prominent member of the Conservative party, he promised the country that he would not extend the scope of value added tax. Why did the Conservatives make that promise and then break it immediately after the election?

Mr. Clarke: I like the way in which the hon. Gentleman promptly changes the subject to something that he has just thought of the moment that it looks like he is going to be intervened on. I personally have no recollection of giving a promise not to extend the scope of value added tax. That can be returned to in just a moment.

I intervene because I thought that I heard the hon. Gentleman say to my right hon. Friend the Member for Conwy (Sir W. Roberts) that it had been made clear where the shortfall of revenue would come from. I apologise to the hon. Gentleman for not having been here throughout the debate to hear the speeches, but I have not heard anybody make anything clear on that subject. Could he remind both my right hon. Friend and myself where the shortfall in revenue will come from? I see that he is asking his right hon. Friend the Member for Dunfermline, East (Mr. Brown). Could they between them answer that one question on calculation?

Mr. Darling: We have made clear that the shortfall will be met by removing the relief from private medical insurance, closing the loopholes on inheritance tax on chattels and making certain changes to the corporate tax regime.

People in this country will be staggered to hear that the Chancellor has no recollection of the promise on VAT. Was he not around for the last general election? Does he not remember the promises that were being made at the time? How on earth can the Chancellor stand at the Dispatch Box or speak in the coming election campaign and ask us to believe him on tax when he said that he has no recollection of the promises made in 1992?

Mr. Clarke *rose—*

Mr. Darling: I am going to make some progress, if the right hon. and learned Gentleman does not mind.

Mr. Clarke *rose—*

Mr. Deputy Speaker (Mr. Michael Morris): Order. The hon. Member for Edinburgh, Central (Mr. Darling) has the Floor.

Mr. Darling: The right hon. and learned Gentleman really must learn to contain himself. He said a few minutes ago that he had no recollection of the promise on VAT being made. If he stops trying to interrupt me, he will have ample opportunity in his winding-up speech to explain that away.

Let us look at the Tory's record on income tax. The Prime Minister said in 1992—the Chancellor probably has no recollection of this either—that the Tories would reduce income tax year on year. The Prime Minister is saying on posters up and down the country—at least his glasses are saying it:

"As promised. Lower income tax."

What is the truth? The truth is that people pay more tax now as a proportion of their income than they did in 1979. We know that that is true from Treasury figures, which show that direct taxation—that includes income tax—has increased during this Parliament. We know that from the Red Book because we can see that the proportion of tax taken has risen not only since 1979 but throughout this Parliament. As if that was not enough, a report in today's edition of *The Daily Telegraph* says that the Prime Minister is angry because the Chief Secretary to the Treasury told the truth about tax on Sunday when he said that tax was going to go up.

I was not particularly enthusiastic when I was told that I had to appear on "Dimbleby" with the Chief Secretary on Sunday. It was a long way to go for 50 minutes—but it was 50 minutes well spent. Time and time again, as I shall show, the Chief Secretary shed some light on what the Tories have been doing and what they plan for the future.

Mr. Waldegrave: Will the hon. Gentleman give way?

Mr. Darling: I promise that I will in a minute. I have not finished referring to the right hon. Gentleman.

Mr. Dimbleby asked whether the tax taken on income tax meant that people were worse off than they were in 1992. The Chief Secretary said:

"I think that's broadly right."

He of course went on to mention national insurance contributions, which have been increased. Does he have no recollection of saying that? The transcript of the programme is available.

The Chief Secretary said more when it came to the subject of value added tax. He was asked whether the Tories had promised that they would not extend it. What did the right hon. Gentleman say? He said:

"Heh, well, the . . . what we're saying, and it's true, is that our first priority, as we can return overall to a . . . position where we can begin to look again at tax cuts, is to relieve the pressure on income tax. There's no secret that the Conservatives, right back to 1979, have always said, 'We prefer to take tax off, direct taxation off income tax and to put it—if you have to put it—on indirect . . . all the other taxes'".

In other words—here we have it—that is an admission not only that VAT has gone up but that the Conservative party's intention is to carry on transferring tax from income tax to value added tax.

Mr. Waldegrave: Will the hon. Gentleman give way?

Mr. Darling: By all means.

Mr. Waldegrave: That was feeble. Will the hon. Gentleman now acknowledge that his party's poster, which says that people are £2,000 worse off and about which he was cross-examined by Mr. Dimbleby but had no answer, is completely false because it is the language of living standards? The hon. Gentleman knows well that his bogus tax calculations still leave out the fact that people are better off by more than that, if all taxes are taken into account. That poster is therefore completely false.

Mr. Darling: If there is any judgment on what we both said on that programme, the right hon. Gentleman will find that he comes off slightly worse than anyone else who appeared. I have made my position clear and I stand by it—because of the taxes that the Government have put up, the typical family is £2,120 worse off. That is true. *[Interruption.]* Right hon. Members on the Treasury Bench may shout and bawl as much as they like, but people know that taxes have gone up under the Conservatives when they promised that they would not.

I return to the point about value added tax. We were told at the last election, despite the fact that the Chancellor does not recall it, that VAT would not be extended in scope. In 1979, the Tories said that they would not increase VAT, but in their first Budget the then Chancellor, Lord Howe, doubled VAT. In 1992, they said that they had no plans or need to extend the scope of VAT. What did they do? They put VAT on gas and electricity. The Chief Secretary, in his interview on Sunday, made it clear that the Conservatives' preferred option is to transfer taxes from direct income taxes to VAT. We will ask, just as Mr. Dimbleby asked, about the Government's intentions in the future. Will they give a similar undertaking on VAT? If they do, frankly no one will believe them.

The position on national insurance is the same. What did the Government say in 1992? They said that they would not increase national insurance, yet they did and national insurance went up to 10 per cent. They still say that we can trust them on tax. My right hon. Friend the Leader of the Opposition asked, on the day that the Budget statement was made, how we can trust the Conservative party when we see what it said during the general election in 1992. As my right hon. Friend pointed out, a year after the election the Prime Minister gave an interview in the *Los Angeles Times*. He was asked:

"a year later, you find yourself under fire. What happened?"

The Prime Minister said:

"I said . . . the day after we won the election, with a number of people around me: 'Within the next 12 months the government will be the most unpopular we have seen for a long time!'"—[*Official Report*, 26 November 1996; Vol. 286, c. 177.]

Mr. Forman: Will the hon. Gentleman give way?

Mr. Darling: The hon. Gentleman stood on the same manifesto as the Prime Minister. How was it that, the day after the election, when the recovery was supposed to be starting, the Prime Minister knew that the Conservative party would be unpopular, if not for the fact that he knew full well that taxes would have to go up and that the Tories would have to break every promise they had made on tax at the general election?

Mr. Forman: I am trying to follow the hon. Gentleman's argument as well as I can. If he is so concerned about the overall burden of taxation and national insurance taken together, and if he intends to be taken seriously as a potential member of a future Labour

[Mr. Forman]

Government, will he give his pledge to the House of Commons tonight that his Government would not seek to raise the overall level of tax and national insurance as a proportion of GDP?

Mr. Darling: As we have made repeatedly clear, before the election we will make clear what we intend to do. That is an important point, because it touches on the matter raised by the right hon. Member for South Norfolk (Mr. MacGregor), who made the same point 12 months ago. Unlike the Tories, we will not promise anything unless we know that we can deliver it, whether on spending, borrowing or levels of taxation. The Conservative party must now rue the day when such reckless promises were made on tax, borrowing and spending, because they were not sustainable. One of the reasons why people do not trust the Conservatives is that they made promises at the last election which they could not keep.

Mr. MacGregor: Will the hon. Gentleman give way?

Mr. Darling: Perhaps in a minute. The right hon. Gentleman referred to the ludicrous claims made by the Conservatives about alleged promises made by us. Despite his many commitments, I am sure that the right hon. Gentleman has time to read the newspapers and to look at the television. He must know that every one of the 89 allegations made against us about spending commitments was proved to be false. The allegations were not true, and they have no more substance than did the same allegations made about us in 1992.

The Conservatives must know that, no matter what they say on tax, spending, borrowing or our promises, no one believes them. The evidence is there—no one believes the Tories any more, and it does them no good to keep repeating the same things. Repeating them does not make them any better.

Mr. MacGregor: Will the hon. Gentleman give way?

Mr. Darling: If the right hon. Gentleman will forgive me, I will not, because I think that I have answered his point. I know that the Chancellor will be keen to reply to the Budget debate.

Mr. Kenneth Clarke *indicated dissent.*

Mr. Darling: The Chancellor shakes his head—he does not want to reply to the debate. No wonder, because he has a lot of explaining to do not just on tax, but on spending.

On the Government's spending proposals, looking at what has happened since 1979, there are one or two interesting points. First, the Government promised to cut the share of national income taken by the state. In fact, it is virtually the same now in percentage terms as it was in 1979. It is interesting that the burden of public spending has moved from those services that invest in the country, such as education, to those elements that are concerned with rescuing the damage done by economic failure. For example, the social security budget has increased dramatically—not because the Government have been generous in terms of benefit, but because we are paying the price of economic failure.

We are asked to believe that tax is coming down and spending is going up this year, but let us look at some of the areas concerned. On transport, I refer to a document produced by the Department of Transport on spending plans, some of which have been referred to tonight. The civil servant who wrote the document was candid and said that they had had to cut many of the proposals. Much of the discussion, it seems, was not on what roads were to be built but on how to manage the bad news. The writer said that the proposal

"would inevitably be perceived as 'bad news'"

and added that, last year,

"we took great pains to issue the results on Budget Day, and with considerable success: the Department . . . was not blamed for the very substantial cut-back."

That is an interesting insight into how the Government regard public spending, with the main effort being directed into covering up the Government proposal.

We have been promised that, despite this tough spending round, more money would be spent on health. But, a year after the general election, we find that spending on health is set to be reduced in real terms. [HON. MEMBERS: "No."] It is abundantly clear in the Red Book that public spending on the health service is due to be reduced in real terms. Let me be helpful to Conservative Members. The Government have said that the money is to be transferred in respect of care in the community to the Department of the Environment, but the budget for that Department is to be cut as well. If more money is to be spent in that area, it must come as a result of cuts in other services or an increase in council taxes.

In education, we find the same thing. Again, the Chief Secretary was illuminating on this matter on Sunday, because he was asked where the extra money was coming from and whether it was a real increase. As we have pointed out, the Government are simply increasing the authority of local authorities to spend on education—in fact, it is £73 million less than they are currently spending. The Chief Secretary was illuminating—he will probably get another row from the Prime Minister—because he said that the Government were allowing local authorities to spend more, not that there would be more money. He said:

"what we talk about is spending power . . . horrible jargon . . . but the capacity to spend."

It is not new money, but simply "the capacity to spend".

It comes as no surprise that council taxes are set to rise this year. The Government may claim that they are reducing the basic rate of income tax, but everybody knows that taxes are going up elsewhere. Last year, the Chief Secretary was again helpful. He told the Treasury Select Committee that council taxes would rise by 8 per cent. When asked on Sunday by Mr. Dimbleby what he was going to say this year, he replied

"I'm not going to say it."

No wonder he does not want to say. *[Interruption.]* That is what he said, and I recommend that every member of the Cabinet reads a transcript of the programme, because they might find it illuminating.

On tax, spending and borrowing, the Conservatives' record does not bear scrutiny; their promises cannot be kept because they have not been able to run the economy so as to create the sustainable growth that will generate the wealth we need.

Let us consider the Government's record on growth, investment, tax and spending. The truth is that we cannot trust the Tories. Never mind what is said or believed in the House, the public know what is happening with schools and with hospital waiting lists; they know that one in five households have no one in work, and they can see the second generation growing up without any experience of work. That is why they have had enough of the Conservatives.

The Chancellor does not trust the Prime Minister on Europe; that is why he tried to stitch him up yesterday on the radio. The Prime Minister does not trust the Chief Secretary on tax; he and the Deputy Prime Minister say that taxes are down, and on the same programme on the same channel on the same day, the Chief Secretary says that they are up. There is drift and disarray. No one believes the Conservatives, and the country has increasingly had enough of the Government. People know full well that they will be better off with Labour.

9.40 pm

The Chancellor of the Exchequer (Mr. Kenneth Clarke): This is the last speech of the debate on the Budget, but at times in the speech of the hon. Member for Edinburgh, Central (Mr. Darling), as in those of many Opposition Members, one could almost have forgotten that we were talking about that Budget.

The Budget was delivered against a background of growth and of economic prospects that the country has not seen for many years. It will help to make Britain and the people of Britain better off, and it will secure our prosperity for many years to come.

The hon. Member for Edinburgh, Central had the nerve to suggest that my right hon. Friend the Leader of the Opposition had devoted the minority of his speech to the Budget—*[Laughter.]*—I meant to say, my right hon. Friend the Deputy Prime Minister. He spent a greater proportion of his speech talking about the Budget than did the hon. Member for Edinburgh, Central. I have never heard a more desperate high-speed rant, going through all the slogans, clichés and statistics with which the Opposition have tried to obscure their approach to the Budget and to distract the public from the good news that it contains.

My right hon. Friend the Member for South Norfolk (Mr. MacGregor) and my hon. Friends the Members for Carshalton and Wallington (Mr. Forman), for Worcester (Mr. Luff), for Bridlington (Mr. Townend) and for Fulham (Mr. Carrington) all dealt with the Budget, and reinforced the good message that we are sending to the country.

Even the hon. Members for North Durham (Mr. Radice) and for Huddersfield (Mr. Sheerman) had something to say about the Budget in their thoughtful speeches, which included grudging praise, perhaps not entirely unconnected with the fact that I occasionally appear on the same platform as the hon. Member for North Durham, and that I bought the book written by the hon. Member for Huddersfield—and read it.

Those speeches were far more to the point than the evasions, slogans and downright misleading statistics that we heard from the Opposition Front Bench. One statistic that Opposition Members have not been able to escape throughout the debate has been our assertion that, since the equivalent year before the previous election, the effect on the average British family—that family first identified as a statistical average by the Opposition—of all the tax changes, inflation and movement of earnings that they have experienced, has been to make them £20 a week better off in today's money.

That is why we hear all this nonsense and all the peculiar extracts from the Red Book.

Mr. Radice: It is the Government's Red Book.

Mr. Clarke: Our Red Book, used properly, is an extremely informative book, which should strike some concern into the Opposition, and remind them why they will stay in opposition.

The one figure that the Opposition have not been able to shake, or attempted to shake, is our assertion that the average family is £20 a week better off, after all tax changes both up and down over the past four years, and after inflation. That is not the result only of individual Budget measures, Budget after Budget, but of a combination of policies: the way in which we have handled the public finances and the control of inflation, and created a climate for an enterprise economy.

It is the success of British industry and commerce, and the men and women who work in them, and the climate that we have created, that have made people £20 each week better off in today's money than they were before the last general election. The British public know that we will continue to build on that as long they stick with the economic management that the Government are providing and can look forward to at least five more years of Conservative Budgets, and keep out of power people who produce speeches on that prospect that are merely combinations of sound bites, peculiar statistical extractions and fantasy league tables.

Mr. Rhodri Morgan (Cardiff, West): If the Chancellor wants his measure to be taken seriously, he must say what is the bite of the increase in the tax burden, and consider the difference between people's earnings gross, before stoppages. The only comparable measure would be that for the same stage in the previous trade cycle. If he could produce his £20-a-week-better-off statistic in relation to the same stage of the previous trade cycle, it would be a fair point, but he cannot. I can see that he does not even understand what the trade cycle is. That is his problem. If he did, he could be taken seriously.

Mr. Clarke: The idea that all the improvements of the past few years are purely cyclical and that the Government have stood aside and allowed things to happen is preposterous. I defy the hon. Gentleman to find a time in any stage of any previous trade cycle when the average family was better off than it is now. *[Interruption.]* I am making comparisons with the equivalent time before the last general election, which are frequently made by the Labour party. With all its statistics, it cannot wriggle away from the fact that the average family is £20 a week better off. The hon. Member for Cardiff, West (Mr. Morgan) should have a word with his Front-Bench colleagues on the trade cycle.

I shall not waste too much time on league tables, because I have little time left. It has been pointed out repeatedly that one of the ways in which the Opposition fiddle even the more credible league tables they produce

[Mr. Clarke]

is by taking 1979 as a base year—a year in which we went into recession. If we take figures from peak to peak and from trough to trough, we do not get the sort of league tables that the Opposition use against us.

Let us take other things that have never been challenged by the Labour party throughout the debates on the economy and the Budget. The economy is well into its fifth successive year of economic growth; that is incontrovertible. I have forecast 2.5 per cent. growth this year and 3.5 per cent. in 1997. I pray in aid the fact that the International Monetary Fund and the Organisation for Economic Co-operation and Development expect the United Kingdom to be the fastest growing major European economy both this year and next.

As the hon. Member for Banff and Buchan (Mr. Salmond) said, I am comparing Britain with similar major economies in western Europe that we are outstripping. That basic, important assertion has never been addressed or denied. The Opposition have never posed an alternative. The extraordinary footnote searching that they have gone in for is designed to obscure that undeniable fact, which is supported by the OECD and the IMF.

Mr. Gerald Bermingham (St. Helens, South): Does the Chancellor agree that honesty in fiscal matters is terribly important? Does not the Government's decision on 19 July—I declare an interest—to cut to three years the period in which one can claim for overpayment of VAT contravene the European Court ruling? We should bear in mind the comments of the Advocate General. Is that not another example of the Government being cheapskate and taking money that they should repay to ordinary taxpayers?

Mr. Clarke: Had the hon. Gentleman rejoined our discussions only about an hour earlier, he would have heard the hon. Member for Banff and Buchan make exactly the same point. First, as far as I understand it, everyone welcomes my decision to make three years the period for reclaiming tax, both for Customs and for the taxpayer.

I assure both hon. Gentlemen that the proposals do not breach European law. We have looked into it, and we are satisfied that they do not. They have been modified to take account of industry's views. We have met the points in both the Advocate General's opinion and the Walbraeck opinions, which I think is what the hon. Gentlemen were referring to.

Lawyers may challenge the measures if they wish, but we are satisfied that we are within the law. The measures protect many millions of pounds of revenue, and they should be welcomed by the House. They reinforce the credibility of the figures in the Red Book on borrowing and revenue on which Opposition Members try to cast doubt.

Mr. Radice: The Chancellor's Red Book gives the taxes and national insurance contributions as 34.25 per cent. of GDP for 1992-93 after the Lamont Budget and 36.25 per cent. for 1997-98. That is an increase in tax take.

Mr. Clarke: The hon. Gentleman has to be careful when using the Red Book on his feet. He had to choose the right figures in the right places. I saw his finger moving up and down the page to choose the correct base year. We have chosen comparable base years—the year before the last election and the year before the next election. In so far as the hon. Gentleman detects an increase in the overall tax and NICs, it is because there are fewer people unemployed and more people in work. People are earning more and going into higher tax brackets.

When Opposition Members suddenly get hold of the Red Book and look at the years ahead, they should bear it in mind that they will see that pattern in all the Red Books if they look at the years ahead before any tax adjustments are made in the subsequent Budget. Sometimes it is called fiscal drift. It is the fact that one assumes that, in years ahead, present tax levels will be merely indexed; that wages will go up faster than inflation, which they undoubtedly are doing; that unemployment will fall; that the number of people in work will increase; that the amount they earn will go up. So one shows projections of increases in the tax and NIC take.

It is prosperity that Labour Members are describing as an increase in the tax burden. It happens to be the case that people pay more when they earn more. I repeat, because Opposition Members do not like it, that, after people have paid all their taxes and had all the benefits of the tax cuts and all the burden of the tax increases, the overall effect is that they have £20 each week more in their pockets if they are a family.

I do not know what interests the electors in North Durham, but I know that what interests people in Nottinghamshire and Rushcliffe is the overall effect of economic policy on their family's well-being. They are not impressed by crawling through the footnotes in the Red Book and trying to prove that what they know is a very prosperous country in which they are doing better is somehow being damaged by the Government.

Mr. Salmond: It's the way the Chancellor tells them. Is it not reasonable to suppose that, even if by some enormous mischance the Government were to win the election, the Chancellor would not be long for that Dispatch Box? I watched the faces of those behind him. They put up with him now because they cannot afford not to. Is it not the case that, whether the Conservatives win or lose the election, the Chancellor will pay the price of his pro-European views? Is it not true that he will be cast away like an old pair of hush puppies?

Mr. Clarke: I warn Labour Members: listen to the Scottish National party already predicting the first Conservative reshuffle after the election. We will take our chances on the reshuffle—it will not be in the hands of the hon. Member for Banff and Buchan, but, because of our improving economic position, nor will it be in the hands of the Labour party.

From the exchange of statistics that has bewildered the British public for the past week, let me extract another incontrovertible fact—the fall in unemployment. I have heard the occasional Labour Member saying that somehow there is something wrong with the figures, but they tend to retreat when the realise that we are talking as much about the labour force survey figures as about the claimant count. The fact is that unemployment has fallen

to its lowest level for more than five and a half years. It has fallen by nearly 1 million since December 1992; it will shortly drop through the 2 million mark; and it will go on falling.

We have had five or six days in which no Labour Member has commented on those unemployment figures. They have merely expressed mild queries about our assumption of continued falls in unemployment over the next two or three years. That is the reality of economic performance—it is what this Budget will help Britain to produce, and it is more relevant to the considerations of people in the real world outside.

Consumer confidence is at its highest level for more than eight years. Is any Labour Member prepared to gainsay that? Is any Labour Member prepared to deny that it shows a feeling of growing confidence in improving family incomes? I have stated my expectations—I have said that consumer spending will rise by 3 per cent. this year and by 4.25 per cent. in 1997. I have heard no alternative—I have heard no one say that those figures are over-estimates. How can that be, if Labour Members are trying to persuade us that people out there are crushed by a burden of growing taxation that is making them £2,000 worse off than they were in 1992?

That is not even the right allegation. It was the cliché that the hon. Member for Edinburgh, Central got wrong. It is a peculiar conglomeration of apparently aggregate sums of extra tax paid over the four years since 1992, taking account of rising wages—as though that is some extra penalty—but somehow indexing the tax levels that we had in 1992.

Business investment is increasing. It is expected to rise by 6 per cent. in 1996 and by more than 9 per cent. next year. In ways as yet undescribed, the Labour party occasionally hints that that might improve, if we had a Labour Government—but I have heard little to convince me of that.

Let me lay to rest a few myths about Britain's investment performance, because it is our current investment performance that gives us hope for the continued growth with rising prosperity that we expect. Since 1979, whole-economy investment has grown faster here than in any other major European country. For the benefit of the hon. Member for Cardiff, West, over the past economic cycle it has grown three times as fast as it grew in the 1970s.

As any business man knows, the quality of investment is just as important as the quantity. If we were only bothered about the quantity of investment, the economy of the former Soviet Union would now be one the triumphs of the world; but in Britain, not only do we have a greater quantity of investment than we used to have, but its quality is infinitely better.

The OECD has said that Britain is the only major industrial country where business investment has become more productive since 1979. Our exports are rising strongly, and contributing to our best overall trading performance for nearly 10 years. That is what we should have heard about, and I do not believe that slogans and selective statistics are any answer to that.

Mr. Malcolm Bruce: Will the right hon. and learned Gentleman give way?

Mr. Clarke: I cannot. I apologise for not giving way, because the hon. Gentleman usually makes a contribution of greater substance than anything from the Labour Front Benchers. With his agreement, let me comment on that lack of substance.

If there was any contribution to be made, it should have been on what Labour would do. The deputy Leader of the Opposition was critical of our borrowing performance, but gave no indication of what his party's intentions. If they think that they can do better, how would Labour's Front Benchers tackle the borrowing performance? How would they improve on our spending plans? I asked the right hon. Gentleman whether he would stick to the spending totals in the Red Book, or, if not, whether he would adjust them upwards or downwards. His answer was two minutes of incomprehensible gobbledegook—he had no reply. That is not surprising, because, as my right hon. Friend the Chief Secretary has pointed out, the Labour party is committed to £30 billion-worth of extra spending. *[Interruption.]* The hon. Member for Edinburgh, Central seems to deny that. We are trying to have a sensible debate with him.

Our figures are all taken from statements by the Labour party, costed as best we can. If they are wrong, the hon. Gentleman can simply correct the figures and give us the real ones. We will act on the promises. When we add to the £30 billion the nods and winks that the Labour party has given to every lobby group, and when we consider its incredible claims on taxation, it is clear that it has no answer.

This Budget will make Britain better off. The Labour party has no answer to it—and the Labour party is the major threat to continued prosperity for many years to come.

Question put, That the amendment be made:—

The House divided: Ayes 312, Noes 317.

Division No. 18] **[9.59 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Alton, David
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Ms Hilary
Ashdown, Paddy
Ashton, Joseph
Austin-Walker, John
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Mrs Margaret
Beggs, Roy
Beith, A J
Bell, Stuart
Benn, Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(Fife NE)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, D N
Canavan, Dennis
Cann, Jamie
Carlile, Alex *(Montgomery)*
Chidgey, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Coffey, Ms Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbyn, Jeremy
Corston, Ms Jean

Cousins, Jim
Cox, Tom
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try SE)*
Cunningham, Dr John
Cunningham, Ms R *(Perth Kinross)*
Dafis, Cynog
Dalyell, Tam
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C)*
Davies, Chris *(Littleborough)*
Davies, Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Ewing, Mrs Margaret
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Forsythe, Clifford *(S Antrim)*
Foster, Derek
Foster, Don *(Bath)*
Foulkes, George
Fraser, John
Fyfe, Mrs Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Garrett, John
George, Bruce
Gerrard, Neil
Gilbert, Dr John
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gordon, Ms Mildred
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Hardy, Peter
Harman, Ms Harriet
Harvey, Nick
Hattersley, Roy
Henderson, Doug
Hendron, Dr Joe
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Miss Kate
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, Alan *(Strat'd–on–A)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Ab'd'n N)*
Hughes, Roy *(Newport E)*
Hughes, Simon *(Southwark)*
Hume, John
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampst'd)*
Jackson, Mrs Helen *(Hillsborough)*
Jamieson, David
Janner, Greville
Jenkins, Brian D *(SE Staffs)*
Johnston, Sir Russell
Jones, Barry *(Alyn & D'side)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr L *(B'ham Selly Oak)*
Jones, Martyn *(Clwyd SW)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Kaufman, Gerald
Keen, Alan
Kennedy, Charles *(Ross C & S)*
Khabra, Piara S
Kilfoyle, Peter
Kirkwood, Archy
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Liddell, Mrs Helen
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretf'd)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McAvoy, Thomas
McCartney, Ian *(Makerf'ld)*
McCartney, Robert *(N Down)*
McCrea, Rev William
Macdonald, Calum
McFall, John
McGrady, Eddie
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
Maclennan, Robert
McMaster, Gordon
McNamara, Kevin
MacShane, Denis
McWilliam, John
Madden, Max
Maddock, Mrs Diana
Mahon, Mrs Alice
Mallon, Seamus
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Shef'ld Heeley)*
Michie, Mrs Ray *(Argyll Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Alfred *(Wy'nshawe)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, John *(Aberavon)*
Mowlam, Ms Marjorie
Mudie, George
Mullin, Chris
Murphy, Paul
Nicholson, Miss Emma *(W Devon)*
Oakes, Gordon
O'Brien, Mike *(N Warks)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Orme, Stanley
Paisley, Rev Ian
Parry, Robert
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Pope, Greg
Powell, Sir Raymond *(Ogmore)*
Prentice, Mrs B *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Ms Dawn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Raynsford, Nick
Reid, Dr John
Rendel, David
Robertson, George *(Hamilton)*
Robinson, Geoffrey *(Cov'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Ross, William *(E Lond'y)*
Rowlands, Ted
Ruddock, Ms Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Robert
Shore, Peter
Short, Ms Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Chris *(Islington S)*
Smith, Llew *(Blaenau Gwent)*
Smyth, Rev Martin *(Belfast S)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Spellar, John
Squire, Ms R *(Dunfermline W)*
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr Gavin
Straw, Jack
Sutcliffe, Gerry
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thompson, Jack *(Wansbeck)*
Thurnham, Peter
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Turner, Dennis
Tyler, Paul
Vaz, Keith
Walker, A Cecil *(Belfast N)*
Walker, Sir Harold
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Welsh, Andrew
Wicks, Malcolm
Wigley, Dafydd
Williams, Alan *(Swansea W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mrs. Jane Kennedy and
Mr. Eric Clarke.

NOES

Ainsworth, Peter *(E Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Mrs Virginia
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Sir Graham
Brooke, Peter
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Peter
Butterfill, John

Carlisle, John *(Luton N)*
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Paul
Chapman, Sir Sydney
Churchill, Mr
Clappison, James
Clark, Dr Michael *(Rochf'd)*
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cope, Sir John
Cormack, Sir Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Sir Peter
Evans, David *(Welwyn Hatf'ld)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garnier, Edward
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, Sir John
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Gummer, John
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Horam, John
Hordern, Sir Peter
Howard, Michael
Howell, David *(Guildf'd)*
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Hurd, Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(Colchester N)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, Sir David
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Sir Mark
Lester, Sir Jim *(Broxtowe)*
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Madel, Sir David
Maitland, Lady Olga
Major, John
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Onslow, Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Sir Irvine
Patten, John
Pattie, Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David
Portillo, Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Tim
Richards, Rod
Riddick, Graham
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Dame Angela
Ryder, Richard
Sackville, Tom
Sainsbury, Sir Timothy
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Heref'd)*
Shepherd, Richard *(Aldridge)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsf'ld)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Townend, John *(Bridlington)*
Townsend, Cyril D *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Miss Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'ld)*
Wolfson, Mark
Yeo, Tim
Young, Sir George

Tellers for the Noes:
Mr. Timothy Wood and
Mr. Michael Bates.

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.

MR. DEPUTY SPEAKER *then, pursuant to paragraph (3) of Standing Order No. 50 (Ways and Means motions), put forthwith the Questions necessary to dispose of the further motions.*

2. SPIRITS, AND WINES OF EQUIVALENT STRENGTH (RATES OF DUTY)

Resolved,

That—

(1) In section 5 of the Alcoholic Liquor Duties Act 1979, for "£19.78" there shall be substituted "£18.99".

(2) In Part II of the Table of rates of duty in Schedule 1 to that Act, for "19.78" there shall be substituted "18.99".

(3) This Resolution shall have effect as from 6 o'clock in the evening of 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

3. WINE AND MADE-WINE (RATES OF DUTY ON LOWER STRENGTHS)

Resolved,

That—

(1) For Part I of the Table of rates of duty in Schedule 1 to the Alcoholic Liquor Duties Act 1979 there shall be substituted—

PART I

WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22 PER CENT.

Description of wine or made-wine	*Rates of duty per hectolitre*
	£
Wine or made-wine of a strength not exceeding 4 per cent.	43.28
Wine or made-wine of a strength exceeding 4 per cent. but not exceeding 5.5 per cent.	59.51
Wine or made-wine of a strength exceeding 5.5 per cent. but not exceeding 15 per cent. and not being sparkling	140.44
Sparkling wine or sparkling made-wine of a strength exceeding 5.5 per cent. but less than 8.5 per cent.	195.63
Sparkling wine or sparkling made-wine of a strength of 8.5 per cent. or of a strength exceeding 8.5 per cent. but not exceeding 15 per cent.	200.64
Wine or made-wine of a strength exceeding 15 per cent. but not exceeding 22 per cent.	187.24

(2) This Resolution shall come into force on 1st January 1997.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

4. DUTY ON SPARKLING CIDER

Resolved,

That—

(1) In subsection (1A) of section 62 of the Alcoholic Liquor Duties Act 1979—

(a) in paragraph (a) after "exceeding 7.5 per cent." there shall be inserted "which is not sparkling cider"; and

(b) immediately before the word "and" at the end of that paragraph there shall be inserted the following paragraph—

"(aa) £36.45 per hectolitre in the case of sparkling cider of a strength exceeding 5.5 per cent.;".

(2) After subsection (6) of that section there shall be inserted the following subsection—

"(7) References in this section to making cider shall be construed as including references to producing sparkling cider by rendering cider sparkling; and references in this section to cider made in the United Kingdom, to makers of cider and to making cider for sale shall be construed accordingly."

(3) After that section there shall be inserted the following section—

"Meaning of "sparkling" etc. in section 62.

62A.—(1) This section applies for the purposes of section 62 above.

(2) Cider which is for the time being in a closed bottle is sparkling if, due to the presence of carbon dioxide, the pressure in the bottle, measured at a temperature of 20 degrees C, is not less than 3 bars in excess of atmospheric pressure.

(3) Cider which is for the time being in a closed bottle is sparkling regardless of the pressure in the bottle if the bottle has a mushroom-shaped stopper (whether solid or hollow) held in place by a tie or fastening.

(4) Cider which is not for the time being in a closed container is sparkling if it has characteristics similar to those of cider which has been removed from a closed bottle and which, before removal, fell within subsection (2) above.

(5) Cider shall be regarded as having been rendered sparkling if, as a result of aeration, fermentation or any other process, it either—

(a) falls within subsection (2) above; or

(b) takes on characteristics similar to those of cider which has been removed from a closed bottle and which, before removal, fell within subsection (2) above.

(6) Cider which has not previously been rendered sparkling by virtue of subsection (5) above shall be regarded as having been rendered sparkling if it is transferred into a closed bottle which has a mushroom-shaped stopper (whether solid or hollow) held in place by a tie or fastening.

(7) Cider which is in a closed bottle and has not previously been rendered sparkling by virtue of subsection (5) or (6) above shall be regarded as having been rendered sparkling if the stopper of its bottle is exchanged for a stopper of a kind mentioned in subsection (6) above."

(4) In section 64 of that Act, after subsection (1) there shall be inserted the following subsection—

"(1A) In subsection (1) above the references to a maker of cider include references to any person who is taken for the purposes of section 62 above to be a maker of cider."

(5) This Resolution shall come into force on 1st January 1997.

(6) Any order or regulations made under section 62 or 64 of the Alcoholic Liquor Duties Act 1979 before 1st January 1997 shall have effect on and after that date (but only if and for so long as the order or regulations would be in force apart from this paragraph) as if the amendments made to that Act by this Resolution had been made before the making of the order or regulations.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

5. CIDER LABELLED AS STRONG CIDER

Resolved,

That—

(1) After section 62A of the Alcoholic Liquor Duties Act 1979 there shall be inserted the following section—

"Cider labelled as strong cider.

62B.—(1) For the purposes of this Act, any liquor which would apart from this section be standard cider and which—

(a) is in an up-labelled container, or

(b) has, at any time after 31st December 1996 when it was in the United Kingdom, been in an up-labelled container,

shall be deemed to be strong cider, and not standard cider.

(2) Accordingly, references in this Act to making cider include references to—

(a) putting standard cider in an up-labelled container; or

(b) causing a container in which there is standard cider to be up-labelled.

(3) Where, by virtue of this section, any duty is charged under section 62 above on any cider, a rebate shall be allowed in respect of the amount of any duty charged on that cider under that section otherwise than by virtue of this section.

(4) For the purposes of this section—

(a) "standard cider" means cider which is not sparkling and is of a strength not exceeding 7.5 per cent.; and

(b) "strong cider" means cider which is not sparkling and is of a strength exceeding 7.5 per cent.

(5) For the purposes of this section a container is up-labelled if there is anything on—

(a) the container itself,

(b) a label or leaflet attached to or used with the container, or

(c) any packaging used for or in association with the container,

which states or tends to suggest that the strength of any liquor in that container falls within the strong cider strength range.

(6) For the purposes of subsection (5) above, a strength falls within the strong cider strength range if it exceeds 7.5 per cent. but is less than 8.5 per cent."

(2) This Resolution shall come into force on 1st January 1997.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

6. CIDER LABELLED AS MADE-WINE

Resolved,

That—

(1) After section 55A of the Alcoholic Liquor Duties Act 1979 there shall be inserted the following section—

"Cider labelled as made-wine.

55B.—(1) For the purposes of this Act, any liquor which would apart from this section be cider and which—

(a) is in an up-labelled container, or

(b) has, at any time after 31st December 1996 when it was in the United Kingdom, been in an up-labelled container,

shall be deemed to be made-wine, and not cider.

(2) Accordingly, references in this Act to producing made-wine include references to—

(a) putting cider in an up-labelled container; or

(b) causing a container in which there is cider to be up-labelled.

(3) For the purposes of this Act, where any liquor is deemed by this section to be made-wine, it shall be deemed—

(a) if it is in an up-labelled container, to be made-wine of the strength that the labelling for the container states or tends to suggest; and

(b) if it is no longer in an up-labelled container, to be made-wine of the strength stated or suggested by the labelling for the up-labelled container in which it was contained when it was first deemed by this section to be made-wine.

(4) Subsection (3)(a) above has effect subject to any provision that may be made by regulations under section 2(3) above.

(5) Where, by virtue of this section, any duty is charged under section 55 above on any liquor, a rebate shall be allowed in respect of the amount of any duty charged on that liquor under section 62 below.

(6) For the purposes of this section a container is up-labelled if the labelling for the container states or tends to suggest that the strength of any liquor in that container is or exceeds 8.5 per cent.

(7) In this section references to the labelling for any container are references to anything on—

(a) the container itself,

(b) a label or leaflet attached to or used with the container, or

(c) any packaging used for or in association with the container."

(2) In section 1 of that Act—

(a) in subsection (5), after "subsection (10)" there shall be inserted "and section 55B(1)"; and

(b) in subsection (6), after "means" there shall be inserted ", subject to section 55B(1) below,".

(3) This Resolution shall come into force on 1st January 1997.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

7. HYDROCARBON OIL (RATES OF DUTY AND REBATE)

Motion made, and Question put,

That—

(1) In section 6(1) of the Hydrocarbon Oil Duties Act 1979, for "£0.3912" and "£0.3430" there shall be substituted "£0.4168" and "£0.3686", respectively.

(2) In section 8(3) of that Act, for "£0.2817" there shall be substituted "£0.2113".

(3) In section 11(1) of that Act, for "£0.0181" and "£0.0233" there shall be substituted "£0.0194" and "£0.0250", respectively.

(4) In section 14(1) of that Act, for "£0.0181" there shall be substituted "£0.0194".

(5) This Resolution shall have effect as from 6 o'clock in the evening of 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

The House divided: Ayes 316, Noes 43.

Division No. 19] **[10.19 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Mrs Virginia
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Sir Graham
Brooke, Peter
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Peter
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Paul
Chapman, Sir Sydney
Churchill, Mr
Clappison, James
Clark, Dr Michael *(Rochf'd)*
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cope, Sir John
Cormack, Sir Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Sir Peter
Evans, David *(Welwyn Hat'fd)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garnier, Edward
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, Sir John
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Gummer, John
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Michael
Higgins, Sir Terence
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Horam, John
Hordern, Sir Peter
Howard, Michael
Howell, David *(Guildf'd)*
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Hurd, Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(Colchester N)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, Sir David
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Sir Mark
Lester, Sir Jim *(Broxtowe)*
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Madel, Sir David
Maitland, Lady Olga
Major, John
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Onslow, Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Sir Irvine
Patten, John
Pattie, Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David
Portillo, Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Tim
Richards, Rod
Riddick, Graham
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Dame Angela
Ryder, Richard
Sackville, Tom
Sainsbury, Sir Timothy
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Heref'd)*
Shepherd, Richard *(Aldridge)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsf'ld)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Townend, John *(Bridlington)*
Townsend, Cyril D *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary

Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Miss Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfld)*
Wolfson, Mark
Yeo, Tim
Young, Sir George

Tellers for the Ayes:
Mr. Timothy Wood and
Mr. Michael Bates.

NOES

Alton, David
Ashdown, Paddy
Beggs, Roy
Beith, A J
Bruce, Malcolm *(Gordon)*
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Montgomery)*
Chidgey, David
Cunningham, Ms R *(Perth Kinross)*
Dafis, Cynog
Davies, Chris *(Littleborough)*
Forsythe, Clifford *(S Antrim)*
Foster, Don *(Bath)*
Harvey, Nick
Hendron, Dr Joe
Hughes, Simon *(Southwark)*
Johnston, Sir Russell
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Kennedy, Charles *(Ross C & S)*
Kirkwood, Archy
Llwyd, Elfyn
Lynne, Ms Liz
McCartney, Robert *(N Down)*
McCrea, Rev William
McGrady, Eddie
Maclennan, Robert
Maddock, Mrs Diana
Mallon, Seamus
Michie, Mrs Ray *(Argyll Bute)*
Nicholson, Miss Emma *(W Devon)*
Paisley, Rev Ian
Rendel, David
Robinson, Peter *(Belfast E)*
Ross, William *(E Lond'y)*
Salmond, Alex
Smyth, Rev Martin *(Belfast S)*
Taylor, Matthew *(Truro)*
Thurnham, Peter
Tyler, Paul
Walker, A Cecil *(Belfast N)*
Wallace, James
Wigley, Dafydd

Tellers for the Noes:
Mrs. Margaret Ewing and
Mr. Andrew Welsh.

Question accordingly agreed to.

8. HYDROCARBON OIL (MIXING OF HEAVY OIL)

Resolved,

That provision may be made about the mixing of different descriptions of heavy oil.

9. TOBACCO PRODUCTS (RATES OF DUTY)

Resolved,

That—

(1) For the Table of rates of duty in Schedule 1 to the Tobacco Products Duty Act 1979 there shall be substituted—

"TABLE

1. Cigarettes	An amount equal to 21 per cent. of the retail price plus £65.97 per thousand cigarettes.
2. Cigars	£98.02 per kilogram.
3. Hand-rolling tobacco	£87.74 per kilogram.
4. Other smoking tobacco and chewing tobacco	£43.10 per kilogram."

(2) This Resolution shall have effect as from 6 o'clock in the evening of 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

10. AIR PASSENGER DUTY

Motion made, and Question put,

That provision may be made about the rates of air passenger duty under section 30 of the Finance Act 1994.

The House divided: Ayes 317, Noes 43.

Division No. 20] **[10.34 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Mrs Virginia
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Sir Graham
Brooke, Peter
Brown, Michael *(Brigg CThorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Peter
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Paul
Chapman, Sir Sydney
Churchill, Mr
Clappison, James
Clark, Dr Michael *(Rochf'd)*
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cope, Sir John
Cormack, Sir Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Sir Peter
Evans, David *(Welwyn Hat'fld)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garnier, Edward
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, Sir John
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Gummer, John
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Horam, John
Hordern, Sir Peter
Howard, Michael

Howell, David *(Guildf'd)*
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Hurd, Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(Colchester N)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Kellett–Bowman, Dame Elaine
Key, Robert
King, Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, Sir David
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox–Boyd, Sir Mark
Lester, Sir Jim *(Broxtowe)*
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair–Wilson, Sir Patrick
Madel, Sir David
Maitland, Lady Olga
Major, John
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Onslow, Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Sir Irvine
Patten, John
Pattie, Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David
Portillo, Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Tim
Richards, Rod
Riddick, Graham
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Dame Angela
Ryder, Richard
Sackville, Tom
Sainsbury, Sir Timothy
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Heref'd)*
Shepherd, Richard *(Aldridge)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsf'ld)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple–Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Townend, John *(Bridlington)*
Townsend, Cyril D *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Miss Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'ld)*
Wolfson, Mark
Yeo, Tim
Young, Sir George

Tellers for the Ayes:
Mr. Timothy Wood and
Mr. Michael Bates.

NOES

Alton, David
Ashdown, Paddy
Beggs, Roy
Beith, A J
Bruce, Malcolm *(Gordon)*
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Montgomery)*
Chidgey, David
Cunningham, Ms R *(Perth Kinross)*
Davies, Chris *(Littleborough)*
Ewing, Mrs Margaret
Forsythe, Clifford *(S Antrim)*
Foster, Don *(Bath)*
Harvey, Nick
Hendron, Dr Joe
Hume, John
Johnston, Sir Russell
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Kennedy, Charles *(Ross C & S)*
Llwyd, Elfyn
Lynne, Ms Liz
McCartney, Robert *(N Down)*
McCrea, Rev William
Macdonald, Calum
McGrady, Eddie
Maclennan, Robert
Maddock, Mrs Diana
Mallon, Seamus
Michie, Mrs Ray *(Argyll Bute)*
Nicholson, Miss Emma *(W Devon)*
Paisley, Rev Ian
Rendel, David
Robinson, Peter *(Belfast E)*
Ross, William *(E Lond'y)*
Salmond, Alex
Smyth, Rev Martin *(Belfast S)*
Taylor, Matthew *(Truro)*
Thurnham, Peter
Tyler, Paul
Walker, A Cecil *(Belfast N)*
Wallace, James
Wigley, Dafydd

Tellers for the Noes:
Mr. Archy Kirkwood and
Mr. Andrew Welsh.

Question accordingly agreed to.

11. Gaming duty

Resolved,

That provision may be made for charging a duty of excise on premises where gaming takes place.

12. Vehicle excise duty (increase in general rate)

Resolved,

That—

(1) In Schedule 1 to the Vehicle Excise and Registration Act 1994, in paragraph 1(2), for "£140" there shall be substituted "£145".

(2) This Resolution applies in relation to licences taken out after 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

13. Insurance premium tax

Resolved,

That provision may be made about insurance premium tax.

14. Value added tax (aggregation of businesses)

Resolved,

That provision may be made about the giving of directions under paragraph 2 of Schedule 1 to the Value Added Tax Act 1994 for two or more persons to be treated as a single taxable person.

15. VALUE ADDED TAX (GOODS DONATED TO CHARITY)

Resolved,

That—

(1) In Group 15 of Schedule 8 to the Value Added Tax Act 1994, for Note (1) there shall be substituted the following Note—

"(1) Item 1 shall apply only if—

(a) the supply is a sale of goods donated to that charity or taxable person;

(b) the sale takes place as a result of the goods having been made available to the general public for purchase (whether in a shop or elsewhere); and

(c) the sale does not take place as a result of any arrangements (whether legally binding or not) which related to the goods and were entered into by each of the parties to the sale before the goods were made available to the general public."

(2) This Resolution has effect in relation to supplies made on or after 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

16. VALUE ADDED TAX (CHARITABLE INSTITUTIONS)

Resolved,

That—

(1) In Group 15 of Schedule 8 to the Value Added Tax Act 1994, after Note (4) there shall be inserted the following Notes—

"(4A) Subject to Note (5B), a charitable institution shall not be regarded as providing care or medical or surgical treatment for handicapped persons unless—

(a) it provides care or medical or surgical treatment in a relevant establishment; and

(b) the majority of the persons who receive care or medical or surgical treatment in that establishment are handicapped persons.

(4B) "Relevant establishment" means—

(a) a day-centre, other than a day-centre which exists primarily as a place for activities that are social or recreational or both; or

(b) an institution which is—

(i) approved, licensed or registered in accordance with the provisions of any enactment or Northern Ireland legislation; or

(ii) exempted by or under the provisions of any enactment or Northern Ireland legislation from any requirement to be approved, licensed or registered;

and in paragraph (b) above the references to the provisions of any enactment or Northern Ireland legislation are references only to provisions which, so far as relating to England, Wales, Scotland or Northern Ireland, have the same effect in every locality within that part of the United Kingdom."

(2) After Note (5) to that Group there shall be inserted the following Notes—

"(5A) Subject to Note (5B), items 4 to 7 do not apply where the eligible body falls within Note (4)(f) unless the relevant goods are or are to be used in a relevant establishment in which that body provides care or medical or surgical treatment to persons the majority of whom are handicapped.

(5B) Nothing in Note (4A) or (5A) shall prevent a supply from falling within items 4 to 7 where—

(a) the eligible body provides medical care to handicapped persons in their own homes;

(b) the relevant goods fall within Note (3)(a) or are parts or accessories for use in or with goods described in Note (3)(a); and

(c) those goods are or are to be used in or in connection with the provision of that care."

(3) This Resolution has effect in relation to supplies made on or after 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

17. VALUE ADDED TAX (EXEMPTION OF INSURANCE SERVICES)

Resolved,

That provision may be made amending the provisions of Schedule 9 to the Value Added Tax Act 1994 by virtue of which supplies involving the provision of insurance or reinsurance, and related supplies, are exempt.

18. VALUE ADDED TAX (BUILDINGS AND LAND ETC.)

Resolved,

That provision (including provision having retrospective effect) may be made about—

(a) the construction for the purposes of Schedules 8 and 9 to the Value Added Tax Act 1994, or corresponding provisions of the Value Added Tax Act 1983, of references to the grant of any interest, right, licence or facilities; and

(b) the circumstances in which supplies are made taxable by an election under paragraph 2 of Schedule 10 to the Value Added Tax Act 1994, or under the corresponding provisions of the Value Added Tax Act 1983.

19. VALUE ADDED TAX (SUPPLIES TO PERSONS NOT FULLY TAXABLE)

Resolved,

That paragraphs 2(3A) and 3(8A) of Schedule 10 to the Value Added Tax Act 1994 shall not have effect in relation to any supply made after 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

20. VALUE ADDED TAX (BAD DEBT RELIEF)

Resolved,

That provision may be made repealing section 36(4)(b) of, and paragraph 9(1) of Schedule 13 to, the Value Added Tax Act 1994.

21. VALUE ADDED TAX (INPUT TAX AND BAD DEBTS)

Resolved,

That—

(1) In section 36 of the Value Added Tax Act 1994, after subsection (4) there shall be inserted the following subsection—

"(4A) Where—

(a) a person is entitled under subsection (2) above to be refunded an amount of VAT, and

(b) that VAT has at any time been included in the input tax of another person,

that other person shall be taken, as from the time when the claim for the refund is made, not to have been entitled to any credit for input tax in respect of the VAT that has to be refunded on that claim."

(2) This Resolution has effect in relation to any entitlement under section 36 of that Act of 1994 to a refund of VAT charged on a supply made after 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

22. VALUE ADDED TAX (DESCRIPTION OF GROUP MEMBERS)

Resolved,

That—

(1) In section 43 of the Value Added Tax Act 1994, after subsection (1) there shall be inserted the following subsections—

"(1AA) Where—

(a) it is material, for the purposes of any provision made by or under this Act ("the relevant provision"), whether the person by or to whom a supply is made, or the person by whom goods are acquired or imported, is a person of a particular description,

(b) paragraph (b) or (c) of subsection (1) above applies to any supply, acquisition or importation, and

(c) there is a difference that would be material for the purposes of the relevant provision between—

(i) the description applicable to the representative member, and

(ii) the description applicable to the body which (apart from this section) would be regarded for the purposes of this Act as making the supply, acquisition or importation or, as the case may be, as being the person to whom the supply is made,

the relevant provision shall have effect in relation to that supply, acquisition or importation as if the only description applicable to the representative member were the description in fact applicable to that body.

(1AB) Subsection (1AA) above does not apply to the extent that what is material for the purposes of the relevant provision is whether a person is a taxable person."

(2) This Resolution has effect in relation to any supply made after 26th November 1996 and in relation to any acquisition or importation taking place after that date.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

23. VALUE ADDED TAX (DEEMED SELF-SUPPLIES WITHIN GROUPS)

Resolved,

That provision may be made for allowing an order made by virtue of section 43(2) of the Value Added Tax Act 1994 to require the representative member of a group to be treated as a person of such description as may be determined under the order.

24. VALUE ADDED TAX (GROUP SUPPLIES USING AN OVERSEAS MEMBER)

Resolved,

That—

(1) In section 43 of the Value Added Tax Act 1994, after subsection (2) there shall be inserted the following subsections—

"(2A) A supply made by a member of a group ("the supplier") to another member of the group ("the UK member") shall not be disregarded under subsection (1)(a) above if—

(a) it would (if there were no group) be a supply of services falling within Schedule 5 to a person belonging in the United Kingdom;

(b) those services are not within any of the descriptions specified in Schedule 9;

(c) the supplier has been supplied (whether or not by a person belonging in the United Kingdom) with services falling within any of paragraphs 1 to 8 of Schedule 5;

(d) the supplier belonged outside the United Kingdom when it was supplied with the services mentioned in paragraph (c) above; and

(e) the services so mentioned have been used by the supplier for making the supply to the UK member.

(2B) Subject to subsection (2C) below, where a supply is excluded by virtue of subsection (2A) above from the supplies that are disregarded in pursuance of subsection (1)(a) above, all the same consequences shall follow under this Act as if that supply—

(a) were a taxable supply in the United Kingdom by the representative member to itself, and

(b) without prejudice to that, were made by the representative member in the course or furtherance of its business.

(2C) A supply which is deemed by virtue of subsection (2B) above to be a supply by the representative member to itself—

(a) shall not be taken into account as a supply made by the representative member when determining any allowance of input tax under section 26(1) in the case of the representative member;

(b) shall be deemed for the purposes of paragraph 1 of Schedule 6 to be a supply in the case of which the person making the supply and the person supplied are connected within the meaning of section 839 of the Taxes Act (connected persons); and

(c) subject to paragraph (b) above, shall be taken to be a supply the value and time of which are determined as if it were a supply of services which is treated by virtue of section 8 as made by the person by whom the services are received.

(2D) For the purposes of subsection (2A) above where—

(a) there has been a supply of the assets of a business of a person ("the transferor") to a person to whom the whole or any part of that business was transferred as a going concern ("the transferee"),

(b) that supply is either—

(i) a supply falling to be treated, in accordance with an order under section 5(3), as being neither a supply of goods nor a supply of services, or

(ii) a supply that would have fallen to be so treated if it had taken place in the United Kingdom,

and

(c) the transferor was supplied with services falling within paragraphs 1 to 8 of Schedule 5 at a time before the transfer when the transferor belonged outside the United Kingdom,

those services, so far as they are used by the transferee for making any supply falling within that Schedule, shall be deemed to have been supplied to the transferee at a time when the transferee belonged outside the United Kingdom.

(2E) Where, in the case of a supply of assets falling within paragraphs (a) and (b) of subsection (2D) above—

(a) the transferor himself acquired any of the assets in question by way of a previous supply of assets falling within those paragraphs, and

(b) there are services falling within paragraphs 1 to 8 of Schedule 5 which, if used by the transferor for making supplies falling within that Schedule, would be deemed by virtue of that subsection to have been supplied to the transferor at a time when he belonged outside the United Kingdom,

that subsection shall have effect, notwithstanding that the services have not been so used by the transferor, as if the transferor were a person to whom those services were supplied and as if he were a person belonging outside the United Kingdom at the time of their deemed supply to him; and this subsection shall apply accordingly through any number of successive supplies of assets falling within paragraphs (a) and (b) of that subsection."

(2) This Resolution has effect in relation to supplies made on or after 26th November 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

25. VALUE ADDED TAX (SERVICES SUBJECT TO THE REVERSE CHARGE)

Resolved,

That provision may be made authorising an order under section 8(5) of the Value Added Tax Act 1994 to make provision in connection with any addition to or variation of Schedule 5 to that Act.

26. VALUE ADDED TAX (INTEREST)

Resolved,

That—

(1) Section 78 of the Value Added Tax Act 1994 shall have effect, and be deemed always to have had effect, with the insertion of the following subsection after subsection (1)—

"(1A) In subsection (1) above—

(a) references to an amount which the Commissioners are liable in consequence of any matter to pay or repay to any person are references, where a claim for the payment or repayment has to be made, to only so much of that amount as is the subject of a claim that the Commissioners are required to satisfy or have satisfied; and

(b) the amounts referred to in paragraph (d) do not include any amount payable under this section."

(2) That section shall have effect in relation to any claim made on or after 18th July 1996, and shall be deemed always to have had effect in relation to such a claim, with the substitution of the following subsection for subsection (11)—

"(11) A claim under this section shall not be made more than three years after the end of the applicable period to which it relates."

(3) That section shall have effect, and be deemed always to have had effect, with the substitution of the following paragraph for paragraph (a) of subsection (12)—

"(a) references to the authorisation by the Commissioners of the payment of any amount include references to the discharge by way of set-off (whether under section 81(3) or otherwise) of the Commissioners' liability to pay that amount; and".

(4) After that section there shall be inserted the following section—

"Assessment for interest overpayments.

78A.—(1) Where—

(a) any amount has been paid to any person by way of interest under section 78, but

(b) that person was not entitled to that amount under that section,

the Commissioners may, to the best of their judgement, assess the amount so paid to which that person was not entitled and notify it to him.

(2) An assessment made under subsection (1) above shall not be made more than two years after the time when evidence of facts sufficient in the opinion of the Commissioners to justify the making of the assessment comes to the knowledge of the Commissioners.

(3) Where an amount has been assessed and notified to any person under subsection (1) above, that amount shall be deemed (subject to the provisions of this Act as to appeals) to be an amount of VAT due from him and may be recovered accordingly.

(4) Subsection (3) above does not have effect if or to the extent that the assessment in question has been withdrawn or reduced.

(5) An assessment under subsection (1) above shall be a recovery assessment for the purposes of section 84(3A).

(6) Sections 74 and 77(6) apply in relation to assessments under subsection (1) above as they apply in relation to assessments under section 73 but as if the reference in subsection (1) of section 74 to the reckonable date were a reference to the date on which the assessment is notified.

(7) Where by virtue of subsection (6) above any person is liable to interest under section 74—

(a) section 76 shall have effect in relation to that liability with the omission of subsections (2) to (6); and

(b) section 77, except subsection (6), shall not apply to an assessment of the amount due by way of interest;

and (without prejudice to the power to make assessments for interest for later periods) the interest to which any assessment made under section 76 by virtue of paragraph (a) above may relate shall be confined to interest for a period of no more than two years ending with the time when the assessment to interest is made.

(8) For the purposes of this section notification to a personal representative, trustee in bankruptcy, interim or permanent trustee, receiver, liquidator or person otherwise acting in a representative capacity in relation to another shall be treated as notification to the person in relation to whom he so acts."

(5) In section 83 of the Value Added Tax Act 1994, after paragraph (s) there shall be inserted the following paragraph—

"(sa) an assessment under section 78A(1) or the amount of such an assessment;".

(6) In section 84 of that Act, after subsection (3) there shall be inserted the following subsection—

"(3A) An appeal against an assessment which is a recovery assessment for the purposes of this subsection, or against the amount of such an assessment, shall not be entertained unless—

(a) the amount notified by the assessment has been paid or deposited with the Commissioners; or

(b) on being satisfied that the appellant would otherwise suffer hardship, the Commissioners agree, or the tribunal decides, that the appeal should be entertained notwithstanding that that amount has not been so paid or deposited."

(7) Paragraph (4) above comes into force on 4th December 1996 in relation to amounts paid by way of interest at any time on or after 18th July 1996.

(8) Paragraphs (5) and (6) above come into force on 4th December 1996 in relation to assessments made on or after that date.

(9) Amendments corresponding to those made by paragraphs (1) and (3) above shall be deemed to have had effect, for the purposes of the cases to which the enactments applied, in relation to the enactments directly or indirectly re-enacted in section 78 of the Value Added Tax Act 1994.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

27. VALUE ADDED TAX (UNJUST ENRICHMENT)

Resolved,

That provision may be made—

(a) modifying the provisions of section 80 of the Value Added Tax Act 1994 under which it is a defence for the Commissioners of Customs and Excise, on a claim for repayment, that the repayment would unjustly enrich the claimant; and

(b) making provision about the cases where arrangements for reimbursement may be taken into account in determining whether a person would be unjustly enriched by a repayment under that section.

28. VALUE ADDED TAX (TIME LIMITS FOR REPAYMENT LIABILITIES)

Resolved,

That—

(1) For subsections (4) and (5) of section 80 of the Value Added Tax Act 1994 there shall be substituted the following subsection—

"(4) The Commissioners shall not be liable, on a claim made under this section, to repay any amount paid to them more than three years before the making of the claim."

(2) Subject to paragraphs (3) and (4) below, paragraph (1) above shall be deemed to have come into force on 18th July 1996 as a provision applying, for the purposes of the making of any repayment on or after that date, to all claims under section 80 of the Value Added Tax Act 1994, including claims made before that date and claims relating to payments made before that date.

(3) Paragraph (4) below applies as respects the making of any repayment on or after 18th July 1996 on a claim under section 80 of the Value Added Tax Act 1994 if—

(a) legal proceedings for questioning any decision ("the disputed decision") of the Commissioners, or of an officer of the Commissioners, were brought by any person at any time before that date,

(b) a determination has been or is made in those proceedings that the disputed decision was wrong or should be set aside,

(c) the claim is one made by that person at a time after the proceedings were brought (whether before or after the making of the determination), and

(d) the claim relates to—

(i) an amount paid by that person to the Commissioners on the basis of the disputed decision, or

(ii) an amount paid by that person to the Commissioners before the relevant date (including an amount paid before the making of the disputed decision) on grounds which, in all material respects, correspond to those on which that decision was made.

(4) Where this paragraph applies in the case of any claim—

(a) subsection (4) of section 80 of the Value Added Tax Act 1994 (as inserted by this Resolution) shall not apply, and shall be taken never to have applied, in relation to so much of that claim as relates to an amount falling within paragraph (3)(d)(i) or (ii) above, but

(b) the Commissioners shall not be liable on that claim, and shall be taken never to have been liable on that claim, to repay any amount so falling which was paid to them more than three years before the proceedings mentioned in paragraph (3)(a) above were brought.

(5) In paragraph (3)(d) above—

(a) the reference to the relevant date is a reference to whichever is the earlier of 18th July 1996 and the date of the making of the determination in question; and

(b) the reference to an amount paid on the basis of a decision, or on any grounds, includes an amount so paid on terms (however expressed) which questioned the correctness of the decision or, as the case may be, of those grounds.

(6) After the subsection (4) inserted in section 80 of the Value Added Tax Act 1994 by this Resolution there shall be inserted the following subsections—

"(4A) Where—

(a) any amount has been paid, at any time on or after 18th July 1996, to any person by way of a repayment under this section, and

(b) the amount paid exceeded the Commissioners' repayment liability to that person at that time,

the Commissioners may, to the best of their judgement, assess the excess paid to that person and notify it to him.

(4B) For the purposes of subsection (4A) above the Commissioners' repayment liability to a person at any time is—

(a) in a case where any provision affecting the amount which they were liable to repay to that person at that time is subsequently deemed to have been in force at that time, the amount which the Commissioners are to be treated, in accordance with that provision, as having been liable at that time to repay to that person; and

(b) in any other case, the amount which they were liable at that time to repay to that person.

(4C) Subsections (2) to (8) of section 78A apply in the case of an assessment under subsection (4A) above as they apply in the case of an assessment under section 78A(1)."

(7) In section 83 of that Act, in paragraph (t), after "80" there shall be inserted ", an assessment under subsection (4A) of that section or the amount of such an assessment".

(8) Nothing contained in—

(a) any regulations under section 25(1) of, or paragraph 2 of Schedule 11 to, that Act relating to the correction of errors or the making of adjustments, or

(b) any requirement imposed under any such regulations,

shall be taken, in relation to any time on or after 18th July 1996, to have conferred an entitlement on any person to receive, by way of repayment, any amount to which he would not have had any entitlement on a claim under section 80 of that Act.

(9) Paragraphs (6) to (8) above come into force on 4th December 1996.

(10) In this Resolution—

"the Commissioners" means the Commissioners of Customs and Excise; and

"legal proceedings" means any proceedings before a court or tribunal.

(11) Without prejudice to the generality of paragraph 1(2) of Schedule 13 to the Value Added Tax Act 1994, the references in this Resolution, and in subsection (4) of section 80 of that Act (as inserted by this Resolution), to a claim under that section include references to a claim first made under section 24 of the Finance Act 1989.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

29. VALUE ADDED TAX (SET-OFF OF CREDITS AND DEBITS)

Resolved,

That—

(1) In section 81 of the Value Added Tax Act 1994, after subsection (3) there shall be inserted the following subsection—

"(3A) Where—

(a) the Commissioners are liable to pay or repay any amount to any person under this Act,

(b) that amount falls to be paid or repaid in consequence of a mistake previously made about whether or to what extent amounts were payable under this Act to or by that person, and

(c) by reason of that mistake a liability of that person to pay a sum by way of VAT, penalty, interest or surcharge was not assessed, was not enforced or was not satisfied,

any limitation on the time within which the Commissioners are entitled to take steps for recovering that sum shall be disregarded in determining whether that sum is required by subsection (3) above to be set against the amount mentioned in paragraph (a) above."

(2) Paragraph (1) above shall be deemed to have come into force on 18th July 1996 as a provision applying for determining the amount of any payment or repayment by the Commissioners on or after that date, including a payment or repayment in respect of a liability arising before that date.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

30. VALUE ADDED TAX (TRANSITIONAL PROVISION FOR SET-OFFS)

Resolved,

That—

(1) Where—

(a) at any time before 4th December 1996, any person ("the taxpayer") became liable to pay any sum ("the relevant sum") to the Commissioners by way of VAT, penalty, interest or surcharge,

(b) at any time on or after 18th July 1996 and before 4th December 1996 an amount was set against the whole or any part of the relevant sum,

(c) the amount set against that sum was an amount which is treated under the Resolution of the House (value added tax (time limits for repayment liabilities)) of 3rd December 1996 as not having been due from the Commissioners at the time when it was set against that sum, and

(d) as a consequence, the taxpayer's liability to pay the whole or a part of the relevant sum falls to be treated as not having been discharged in accordance with section 81(3) of the 1994 Act,

the Commissioners may, to the best of their judgement, assess the amount of the continuing liability of the taxpayer and notify it to him.

(2) In paragraph (1) above the reference to the continuing liability of the taxpayer is a reference to so much of the liability to pay the relevant sum as—

(a) would have been discharged if the amount mentioned in paragraph (1)(b) above had been required to be set against the relevant sum in accordance with section 81(3) of the 1994 Act, but

(b) falls, by virtue of the Resolution of the House (value added tax (time limits for repayment liabilities)) of 3rd December 1996, to be treated as not having been discharged in accordance with section 81(3) of that Act.

(3) The taxpayer's only liabilities under the 1994 Act in respect of his failure, on or after the time mentioned in paragraph (1)(b) above, to pay an amount assessable under this Resolution shall be—

(a) his liability to be assessed for that amount under this Resolution; and

(b) liabilities arising under the following provisions of this Resolution.

(4) Subsections (2) to (8) of section 78A of the 1994 Act apply in the case of an assessment under paragraph (1) above as they apply in the case of an assessment under section 78A(1) of that Act.

(5) The 1994 Act shall have effect as if the matters specified in section 83 of that Act (matters subject to appeal) included an assessment under this Resolution and the amount of such an assessment.

(6) Nothing contained in—

(a) any regulations under section 25(1) of, or paragraph 2 of Schedule 11 to, the 1994 Act relating to the correction of errors or the making of adjustments, or

(b) any requirement imposed under any such regulations,

shall be taken, in relation to any time on or after 18th July 1996, to have conferred on any person any entitlement, otherwise than in accordance with section 81(3) of that Act, to set any amount, as an amount due from the Commissioners, against any sum which that person was liable to pay to the Commissioners by way of VAT, penalty, interest or surcharge.

(7) In this Resolution—

"the 1994 Act" means the Value Added Tax Act 1994; and

"the Commissioners" means the Commissioners of Customs and Excise.

(8) This Resolution shall come into force on 4th December 1996.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

31. Repayments by the Commissioners of Customs and Excise

Resolved,

That provision may be made about the liability of the Commissioners of Customs and Excise to make repayments of amounts paid to them by way of excise duty or insurance premium tax or landfill tax and about their powers to recover amounts repaid by them.

32. Excise duty assessments

Resolved,

That provision may be made about amounts which may be assessed as excise duty.

33. Income tax (charge and rates for 1997-98)

Motion made, and Question put,

That—

(1) Income tax shall be charged for the year 1997-98, and for that year—

(a) the lower rate shall be 20 per cent.;
(b) the basic rate shall be 23 per cent.; and
(c) the higher rate shall be 40 per cent.

(2) For the year 1997-98 section 1(2) of the Income and Corporation Taxes Act 1988 shall apply as if the amount specified in paragraph (aa) were £4,100; and, accordingly, section 1(4) of that Act shall apply for the year 1997-98 in relation only to the amount specified in section 1(2)(b) of that Act.

(3) In section 686(1A) of the Income and Corporation Taxes Act 1988, for the words "for any year of assessment shall be the rate equal to the sum of the basic rate and the additional rate in force for that year" there shall be substituted ", in relation to any year of assessment for which income tax is charged, shall be 34 per cent. or such other rate as Parliament may determine".

(4) Paragraph (3) above has effect in relation to the year 1997-98 and subsequent years of assessment.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

The House divided: Ayes 316, Noes 35.

Division No. 21] **[10.48 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Mrs Virginia
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Sir Graham
Brooke, Peter
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Peter
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Paul

Chapman, Sir Sydney
Churchill, Mr
Clappison, James
Clark, Dr Michael *(Rochf'd)*
Clarke, Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cope, Sir John
Cormack, Sir Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Stephen
Douglas–Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garnier, Edward
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Alastair
Goodson–Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, Sir John
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Gummer, John
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Sir Edward
Heathcoat–Amory, David
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Horam, John
Hordern, Sir Peter
Howard, Michael
Howell, David *(Guildf'd)*
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Hurd, Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(Colchester N)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Kellett–Bowman, Dame Elaine
Key, Robert
King, Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, Sir David
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox–Boyd, Sir Mark
Lester, Sir Jim *(Broxtowe)*
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair–Wilson, Sir Patrick
Madel, Sir David
Maitland, Lady Olga
Major, John
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Onslow, Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Sir Irvine
Patten, John
Pattie, Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David
Portillo, Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Richards, Rod
Riddick, Graham
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Dame Angela
Ryder, Richard
Sackville, Tom
Sainsbury, Sir Timothy
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Hersf'd)*
Shepherd, Richard *(Aldridge)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsf'd)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple–Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Townend, John *(Bridlington)*
Townsend, Cyril D *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Miss Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'd)*
Wolfson, Mark
Yeo, Tim
Young, Sir George

Tellers for the Ayes:
Mr. Timothy Wood and Mr. Michael Bates.

NOES

Alton, David
Ashdown, Paddy
Beith, A J
Bruce, Malcolm *(Gordon)*
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Montgomery)*
Chidgey, David
Corbyn, Jeremy
Cunningham, Ms R *(Perth Kinross)*
Dafis, Cynog
Davies, Chris *(Littleborough)*
Ewing, Mrs Margaret
Foster, Don *(Bath)*
Harvey, Nick
Johnston, Sir Russell
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Dr L *(B'ham Selly Oak)*
Jones, Nigel *(Cheltenham)*
Kennedy, Charles *(Ross C & S)*
Llwyd, Elfyn
Lynne, Ms Liz
Maclennan, Robert
Madden, Max
Maddock, Mrs Diana

Michie, Mrs Ray *(Argyll Bute)*
Nicholson, Miss Emma *(W Devon)*
Rendel, David
Salmond, Alex
Skinner, Dennis
Taylor, Matthew *(Truro)*
Thumham, Peter
Tyler, Paul
Wallace, James
Welsh, Andrew
Wigley, Dafydd

Tellers for the Noes:
Mr. Simon Hughes and
Mr. Archy Kirkwood.

Question accordingly agreed to.

34. Income tax (modification of indexed allowances)

Resolved,

That—

(1) For the year 1997-98 the amounts specified in the provisions mentioned in paragraph (2) below shall be taken to be as set out in that paragraph; and, accordingly, section 257C(1) of the Income and Corporation Taxes Act 1988, so far as it relates to the amounts so specified, shall not apply for the year 1997-98.

(2) In section 257 of that Act—

(a) the amount in subsection (1) shall be £4,045;
(b) the amount in subsection (2) shall be £5,220; and
(c) the amount in subsection (3) shall be £5,400.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

35. Blind person's allowance

Resolved,

That—

(1) In section 265(1) of the Income and Corporation Taxes Act 1988, for "£1,250" there shall be substituted "£1,280".

(2) This Resolution shall apply for the year 1997-98.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

36. Relief for interest (limit for 1997-98)

Resolved,

That, for the year 1997-98, the qualifying maximum defined in section 367(5) of the Income and Corporation Taxes Act 1988 shall be £30,000.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

37. Corporation tax (charge and rate for financial year 1997)

Resolved,

That corporation tax shall be charged for the financial year 1997 at the rate of 33 per cent.

38. Corporation tax (small companies: 1997)

Resolved,

That, for the financial year 1997—

(a) the small companies' rate shall be 23 per cent.; and
(b) the fraction mentioned in section 13(2) of the Income and Corporation Taxes Act 1988 shall be one fortieth.

39. Wayleaves for electricity cables, telephone lines, etc.

Resolved,

That section 120 of the Income and Corporation Taxes Act 1988 shall be amended as follows.

(1) In subsection (1)—

(a) at the beginning there shall be inserted "Subject to subsection (1A) below,"; and
(b) the words from "and, subject to" onwards shall be omitted.

(2) After subsection (1) there shall be inserted the following subsection—

"(1A) If—

(a) the profits and gains arising to any person for any chargeable period include both rent in respect of any such easement as is mentioned in subsection (1) above and amounts which are charged to tax under Schedule A, and
(b) some or all of the land to which the easement relates is included in the land by reference to which the amounts charged under Schedule A arise,

then, for that period, that rent shall be charged to tax under Schedule A, instead of being charged under Schedule D."

(3) Subsections (2) to (4) and, in subsection (5), paragraph (c) and the word "and" immediately preceding it shall cease to have effect.

(4) This Resolution has effect in relation to payments made on or after 6th April 1997.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

40. Profit-related pay

Resolved,

That provision may be made for phasing out the relief under Chapter III of Part V of the Income and Corporation Taxes Act 1988.

41. Special treatment for certain company distributions

Resolved,

That provision (including provision having retrospective effect) may be made for distributions of a company to be treated—

(a) as if they were foreign income dividends; and
(b) in cases where they are made to trustees, as if they were income to which section 686 of the Income and Corporation Taxes Act 1988 applies.

42. Distributions to dealers

Resolved,

That provision may be made amending section 95 of the Income and Corporation Taxes Act 1988.

43. Distributions of exempt funds

Resolved,

That provision (including provision having retrospective effect) may be made amending section 236 of the Income and Corporation Taxes Act 1988.

44. Foreign income dividends (unauthorised unit trusts)

Resolved,

That provision may be made amending section 246D of the Income and Corporation Taxes Act 1988.

45. Tax avoidance (meaning of "tax advantage")

Resolved,

That provision (including provision having retrospective effect) may be made amending section 709 of the Income and Corporation Taxes Act 1988.

46. STOCK LENDING AND MANUFACTURED PAYMENTS

Resolved,

That provision may be made for the purposes of income tax, corporation tax and capital gains tax about stock lending arrangements and manufactured payments.

47. LOAN RELATIONSHIPS (TRANSITIONAL PROVISIONS ETC.)

Resolved,

That provision (including provision having retrospective effect) may be made amending section 90 of, and Schedule 15 to, the Finance Act 1996.

48. PAYMENTS UNDER LIFE INSURANCE POLICIES

Resolved,

That provision (including provision having retrospective effect) may be made about the treatment for the purposes of enactments relating to income tax and corporation tax of sums paid or payable under life insurance policies.

49. TRANSFER OF ASSETS ABROAD

Resolved,

That provision may be made amending section 739 of the Income and Corporation Taxes Act 1988.

50. LEASING OF ASSETS (FINANCE LEASES AND LOANS)

Resolved,

That provision may be made for the purposes of income tax and corporation tax in relation to arrangements which—

(a) are or have been entered into by companies or other persons, and

(b) are of such a kind as, in the case of companies incorporated in any part of the United Kingdom, falls for the purposes of accounts of such companies to be treated in accordance with normal accountancy practice as finance leases or loans.

51. CAPITAL ALLOWANCES

Resolved,

That provision (including provision having retrospective effect) may be made amending the Capital Allowances Act 1990.

52. EXPENDITURE ON MINERAL EXPLORATION AND ACCESS

Resolved,

That provision may be made about the deduction of expenditure incurred on mineral exploration and access (as defined in section 121(1) of the Capital Allowances Act 1990) in computing the profits or gains of a trade.

53. CHARGEABLE GAINS (ROLL-OVER RELIEF ON RE-INVESTMENT)

Resolved,

That provision may be made about roll-over relief under Chapter IA of Part V of the Taxation of Chargeable Gains Act 1992.

54. CHARGEABLE GAINS (CONVERSIONS ETC. OF SECURITIES)

Resolved,

That provision (including provision having retrospective effect) may be made for the purposes of the Taxation of Chargeable Gains Act 1992 about—

(a) the conversion and exchange of securities;

(b) the circumstances in which such conversions or exchanges are to be deemed to take place; and

(c) the rights which are to be deemed to be securities of a company.

55. DOUBLE TAXATION RELIEF (UNDERLYING TAX)

Resolved,

That provision may be made restricting the extent to which underlying tax may be taken into account, in accordance with Part XVIII of the Income and Corporation Taxes Act 1988, in determining the credits allowable against United Kingdom taxes.

56. DOUBLE TAXATION RELIEF (LOAN RELATIONSHIPS)

Resolved,

That provision may be made amending section 807A of the Income and Corporation Taxes Act 1988.

57. STAMP DUTY

Resolved,

That provision may be made about stamp duty.

58. STAMP DUTY RESERVE TAX

Resolved,

That provision may be made about stamp duty reserve tax.

59. PETROLEUM REVENUE TAX (ALLOWABLE NON-FIELD EXPENDITURE)

Resolved,

That provision (including provision having retrospective effect) may be made amending section 113 of the Finance Act 1984.

60. RELIEF FROM TAX (INCIDENTAL AND CONSEQUENTIAL CHARGES)

Resolved,

That it is expedient to authorise any incidental or consequential charges to any duty or tax (including charges having retrospective effect) which may arise from provisions designed in general to afford relief from taxation.

PROCEDURE (FUTURE TAXATION)

Resolved,

That, notwithstanding anything to the contrary in the practice of the House relating to the matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provision taking effect in a future year for amending section 198 of the Income and Corporation Taxes Act 1988.

FINANCE (MONEY)

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act of the present Session relating to finance, it is expedient to authorise the payment out of money provided by Parliament of sums payable by the Secretary of State by virtue of provisions of that Act relating to vehicle excise and registration.

Bill ordered to be brought in upon the foregoing resolutions: And that the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. Secretary Heseltine, Mr. Secretary Howard, Mr. Secretary Lang, Mr. Secretary Gummer, Mr. Secretary Lilley, Mr. Secretary Dorrell, Mr. William Waldegrave, Mr. Phillip Oppenheim, Mrs. Angela Knight and Mr. Michael Jack do prepare and bring it in.

FINANCE BILL

Mr. Michael Jack accordingly presented a Bill to grant certain duties, to alter other duties, and to amend the law relating to the National Debt and the Public Revenue, and

to make further provision in connection with Finance: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed [Bill 47].

PUBLIC EXPENDITURE

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary to dispose of proceedings on the motion relating to public expenditure, pursuant to Order [29 November].*

Motion made, and Question proposed,

That this House welcomes the new public expenditure plans announced by Mr. Chancellor of the Exchequer in his Budget speech on 26th November; congratulates Her Majesty's Government on maintaining firm control of public spending while increasing resources for key priority services including the health service, education and law and order; supports the Government's continuing progress in improving efficiency and controlling the costs of government; and applauds its plans to tackle fraud and evasion.—[*Mr. Ottaway.*]

Amendment proposed to the Question, To leave out from "House" to the end of the Question and to add instead thereof:

"rejects the incompetence and mismanagement of the economy by Her Majesty's Government, the misallocation of resources, wrong priorities and the failure to maintain proper and prudent control of the public finances that has resulted in declining public services, and the failure to rebuild infrastructure or to equip Britain for the future; calls for a new approach to rebuild the country, in particular a welfare to work programme financed by a windfall levy on the privatised utilities that will get people back to work and reduce the costs of economic failure, releasing resources for front line public services; calls for switches of resources to provide smaller class sizes from phasing out the Assisted Places Scheme and front line patient care from the costs of National Health Service bureaucracy; and believes that the failure of the Government to manage the economy has resulted in 22 tax rises, including the extension of VAT to domestic fuel, and an increased tax burden."—[*Mr. Darling.*]

Question put, That the amendment be made:—

The House divided: Ayes 280, Noes 316.

Division No. 22] **[11.3 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Ms Hilary
Ashton, Joseph
Austin-Walker, John
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Mrs Margaret
Bell, Stuart
Benn, Tony
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, Nicholas *(Newcastle E)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, D N
Canavan, Dennis
Cann, Jamie
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Dr David *(S Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Coffey, Ms Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try SE)*
Cunningham, Dr John
Cunningham, Ms R *(Perth Kinross)*
Dafis, Cynog
Dalyell, Tam
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C)*
Davies, Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H
Dowd, Jim
Dunnachie, Jimmy
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Ewing, Mrs Margaret
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foster, Derek
Foulkes, George
Fraser, John
Fyfe, Mrs Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Garrett, John
George, Bruce
Gerrard, Neil
Gilbert, Dr John
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gordon, Ms Mildred
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Hardy, Peter
Harman, Ms Harriet
Hattersley, Roy
Henderson, Doug
Hendron, Dr Joe
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Miss Kate
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, Alan *(Strat'd-on-A)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Ab'd'n N)*
Hughes, Roy *(Newport E)*
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampst'd)*
Jackson, Mrs Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian D *(SE Staffs)*
Jones, Barry *(Alyn & D'side)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr L *(B'ham Selly Oak)*
Jones, Martyn *(Clwyd SW)*
Jowell, Ms Tessa
Kaufman, Gerald
Keen, Alan
Kennedy, Mrs Jane *(Broadgreen)*
Khabra, Piara S
Kilfoyle, Peter
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Liddell, Mrs Helen
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stret'd)*
Llwyd, Elfyn
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian *(Makerf'ld)*
McCartney, Robert *(N Down)*
McCrea, Rev William
Macdonald, Calum
McFall, John
McGrady, Eddie
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
McMaster, Gordon
McNamara, Kevin
MacShane, Denis
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Mallon, Seamus
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Shef'd Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Alfred *(Wy'nshawe)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, John *(Aberavon)*
Mowlam, Ms Marjorie
Mudie, George
Mullin, Chris
Murphy, Paul
Oakes, Gordon
O'Brien, Mike *(N Warks)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Orme, Stanley

Paisley, Rev Ian
Parry, Robert
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Pope, Greg
Powell, Sir Raymond *(Ogmore)*
Prentice, Mrs B *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Ms Dawn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Raynsford, Nick
Reid, Dr John
Robertson, George *(Hamilton)*
Robinson, Geoffrey *(Cov'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Ms Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Robert
Shore, Peter
Short, Ms Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Chris *(Islington S)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Spellar, John
Squire, Ms R *(Dunfermline W)*
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr Gavin
Straw, Jack
Sutcliffe, Gerry
Taylor, Mrs Ann *(Dewsbury)*
Thompson, Jack *(Wansbeck)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Vaz, Keith
Walker, Sir Harold
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Welsh, Andrew
Wicks, Malcolm
Wigley, Dafydd
Williams, Alan *(Swansea W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Joe Benton and
Mr. Dennis Turner.

NOES

Ainsworth, Peter *(E Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Mrs Virginia
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Sir Graham
Brooke, Peter
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Peter
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Paul
Chapman, Sir Sydney
Churchill, Mr
Clappison, James
Clark, Dr Michael *(Rochf'd)*
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cope, Sir John
Cormack, Sir Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garnier, Edward
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, Sir John
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Gummer, John
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Horam, John
Hordern, Sir Peter
Howard, Michael
Howell, David *(Guildf'd)*
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Hurd, Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(Colchester N)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Tom
Kirkhope, Timothy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, Sir David
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Sir Mark
Lester, Sir Jim *(Broxtowe)*
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Madel, Sir David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Onslow, Sir Cranley
Oppenheim, Phillip
Page, Richard
Paice, James

Patnick, Sir Irvine
Patten, John
Pattie, Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David
Portillo, Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Tim
Richards, Rod
Riddick, Graham
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Dame Angela
Ryder, Richard
Sackville, Tom
Sainsbury, Sir Timothy
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Heref'd)*
Shepherd, Richard *(Aldridge)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsf'ld)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Townend, John *(Bridlington)*
Townsend, Cyril D *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Miss Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'ld)*
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George

Tellers for the Noes:
Mr. Roger Knapman and
Mr. Richard Ottaway.

Question accordingly negatived.

Main Question put:—

The House divided: Ayes 312, Noes 306.

Division No. 23] **[11.17 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Mrs Virginia
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Sir Graham
Brooke, Peter
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Peter
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Paul
Chapman, Sir Sydney
Churchill, Mr
Clappison, James
Clark, Dr Michael *(Rochf'd)*
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cope, Sir John
Cormack, Sir Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Sir Peter
Evans, David *(Welwyn Hat'fd)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garnier, Edward
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, Sir John
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Gummer, John
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Horam, John
Hordern, Sir Peter
Howard, Michael
Howell, David *(Guildf'd)*
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(Colchester N)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Tom
Kirkhope, Timothy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, Sir David
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Sir Mark
Lester, Sir Jim *(Broxtowe)*
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David

McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Madel, Sir David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Onslow, Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Sir Irvine
Patten, John
Pattie, Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David
Portillo, Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Tim
Richards, Rod
Riddick, Graham
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Dame Angela
Ryder, Richard
Sackville, Tom
Sainsbury, Sir Timothy
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Heref'd)*
Shepherd, Richard *(Aldridge)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsf'ld)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Townend, John *(Bridlington)*
Townsend, Cyril D *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Miss Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'ld)*
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George

Tellers for the Ayes:
Mr. Michael Bates and
Mr. Roger Knapman.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Alton, David
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Ms Hilary
Ashdown, Paddy
Ashton, Joseph
Austin-Walker, John
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Mrs Margaret
Beith, A J
Bell, Stuart
Benn, Tony
Bennett, Andrew F
Berningham, Gerald
Berry, Roger
Betts, Clive
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(Fife NE)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, D N
Canavan, Dennis
Cann, Jamie
Carlile, Alex *(Montgomery)*
Chidgey, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Dr David *(S Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Coffey, Ms Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try SE)*
Cunningham, Dr John
Cunningham, Ms R *(Perth Kinross)*
Dafis, Cynog
Dalyell, Tam
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C)*
Davies, Chris *(Littleborough)*
Davies, Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H
Dowd, Jim
Dunnachie, Jimmy
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Ewing, Mrs Margaret
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foster, Derek
Foster, Don *(Bath)*
Foulkes, George
Fraser, John
Fyfe, Mrs Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Garrett, John
George, Bruce
Gerrard, Neil
Gilbert, Dr John
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gordon, Ms Mildred
Graham, Thomas
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Hardy, Peter
Harman, Ms Harriet
Harvey, Nick
Hattersley, Roy
Henderson, Doug
Hendron, Dr Joe
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Miss Kate
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, Alan *(Strat'd-on-A)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Ab'd'n N)*
Hughes, Roy *(Newport E)*
Hughes, Simon *(Southwark)*
Hume, John
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampst'd)*
Jackson, Mrs Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian D *(SE Staffs)*
Johnston, Sir Russell
Jones, Barry *(Alyn & D'side)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr L *(B'ham Selly Oak)*
Jones, Martyn *(Clwyd SW)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Kaufman, Gerald
Keen, Alan
Kennedy, Charles *(Ross C & S)*
Kennedy, Mrs Jane *(Broadgreen)*
Khabra, Piara S
Kilfoyle, Peter
Kirkwood, Archy
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Liddell, Mrs Helen
Litherland, Robert
Livingstone, Ken

Lloyd, Tony *(Stretf'd)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McAvoy, Thomas
McCartney, Ian *(Makerf'ld)*
McCartney, Robert *(N Down)*
McCrea, Rev William
Macdonald, Calum
McFall, John
McGrady, Eddie
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
Maclennan, Robert
McMaster, Gordon
McNamara, Kevin
MacShane, Denis
McWilliam, John
Madden, Max
Maddock, Mrs Diana
Mahon, Mrs Alice
Mallon, Seamus
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Shef'ld Heeley)*
Michie, Mrs Ray *(Argyll Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Alfred *(Wy'nshawe)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, John *(Aberavon)*
Mowlam, Ms Marjorie
Mudie, George
Mullin, Chris
Murphy, Paul
Nicholson, Miss Emma *(W Devon)*
Oakes, Gordon
O'Brien, Mike *(N Warks)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Orme, Stanley
Paisley, Rev Ian
Parry, Robert
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Pope, Greg
Powell, Sir Raymond *(Ogmore)*
Prentice, Mrs B *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Ms Dawn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Raynsford, Nick
Reid, Dr John
Rendel, David
Robertson, George *(Hamilton)*
Robinson, Geoffrey *(Cov'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Ms Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Robert
Shore, Peter
Short, Ms Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Chris *(Islington S)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Spellar, John
Squire, Ms R *(Dunfermline W)*
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr Gavin
Straw, Jack
Sutcliffe, Gerry
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thompson, Jack *(Wansbeck)*
Thurnham, Peter
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Tyler, Paul
Vaz, Keith
Walker, Sir Harold
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Welsh, Andrew
Wicks, Malcolm
Wigley, Dafydd
Williams, Alan *(Swansea W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Joe Benton and
Mr. Dennis Turner.

Question accordingly agreed to.

Resolved,

That this House welcomes the new public expenditure plans announced by Mr. Chancellor of the Exchequer in his Budget speech on 26th November; congratulates Her Majesty's Government on maintaining firm control of public spending while increasing resources for key priority services including the health service, education and law and order; supports the Government's continuing progress in improving efficiency and controlling the costs of government; and applauds its plans to tackle fraud and evasion.

PETITION

Firework Safety

11.31 pm

Mr. John Heppell (Nottingham, East): I beg leave to introduce a petition from 20,910 people in Greater Nottingham. The petition was started by a woman whose dog was killed but, within a week of the petition being started, a young man in my constituency, Dale Mitchell, had died as a result of the misuse of fireworks. The petition calls on the House of Commons to instruct the Department of Trade and Industry to tighten up on firework legislation.

The petition on firework legislation to the House of Commons, the petition of the following signatories, declares that the existing firework legislation is inadequate and is a danger to public safety. Numerous incidents have occurred where fireworks have been thrown at members of the public or otherwise misused, on occasion leading to the death of or injury to people and animals. The petitioners request that the House of Commons instructs the Department of Trade and Industry to tighten up firework legislation. In particular, we call upon the Secretary of State to introduce a licensing system for the sale and display of fireworks so that only organised groupings who have ensured the health and safety of the public may purchase and use fireworks.

To lie upon the Table.

Incapacity Benefits

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Coe.]*

11.33 pm

Mr. Llew Smith (Blaenau Gwent): I represent one of the poorest communities in Wales; linked to that, we have some of the worst health problems. Figures for cancers, and for respiratory and heart disease are among the worst in England and Wales, and the 1991 census showed that 41 per cent. of all households had a member suffering from a long-term illness or disability. In response to a recent question of mine, the Minister for Social Security and Disabled People admitted that, on 31 March 1996, 4,553 people in Blaenau Gwent were on the register of persons with a physical or sensory disability. Linked to poverty are high levels of unemployment. Where there are jobs, they are more often than not low-paid, and increasingly they are part-time.

I make these points about poverty, unemployment and bad health to remind hon. Members that they are interrelated, and to highlight the seriousness of the health problems in Blaenau Gwent, the difficulties that claimants face in finding work, even if they are fit to work, and the importance of the subject to my constituency and many others.

More and more people recognise that the medical examinations conducted for incapacity benefit by Benefit Agency-appointed doctors are not a test of incapacity to work. Those examinations are a degrading experience, conducted in an uncaring manner and introduced by the Government with no concern for the health and well-being of the individual.

I shall comment on those and many other points by referring to the case of David Holmes, who was a constituent of mine before his death on 5 November. I knew him, and he was a much-loved and respected member of the community. To a great extent, I shall repeat David's words: this is his speech. I am merely giving expression to the thoughts that he put in a letter he wrote, but could not post to the Department of Social Security, a day before he died.

In 1982 David experienced a massive heart attack. After recovering in hospital, he recalled in the letter to which I referred that he was told by Dr. Thomas, the consultant at Nevill Hall hospital:

"'You can forget about work, as you will never work again, the reason being, if you have another coronary like the last one, you will never survive it'".

Over the next few years, David was sent to three independent doctors—Dr. Edwards, Dr. Rau and Dr. Neville. He recalled:

"those doctors agreed on one salient point—I was medically unfit to work. I was then granted a Mobility pension for the rest of my life."

Yet, in October, Mr. Holmes was ordered to appear before a DSS-appointed doctor. On 30 October, he was informed that he was fit to work. Less than a week later, on 5 November, David died of a massive heart attack.

The letter that David wrote to the DSS was an expression of the stress he experienced and the hopelessness he felt at the failure of the DSS to appreciate the true extent of his illness. He recognised that the

decision had less to do with the state of his health than with the Government's politics and the challenge to the DSS decision. David wrote:

"I am convinced that this assessment is based not on the state of my health, but is purely and simply a political issue. We are all aware of the forthcoming general election. We are also all aware of the Government's statement, 'We will get the long-term unemployed back to work.' They did not add 'at any cost'."

I share those sentiments. When the Government's priority was to overcome unemployment, or so they claimed, they were willing to keep people like David on the far more expensive invalidity benefit, as it was then, to give the impression that unemployment was falling. When their priorities changed, however, to cutting public expenditure, they set about driving David and others off what is now incapacity benefit and on to the dole. Their only concern was to cut costs, as David's tragic death demonstrates.

How can we claim to be a civilised society if we put money before people's health, or indeed their lives? We are rapidly debasing the idea of being civilised by removing dignity from some of the most vulnerable people in our community.

I shall continue to quote from David's letter, in which he refers to the one point upon which he and the DSS adjudicators agreed: his mobility problems. He states:

"Form 1B-65A states 'Cannot walk more than 200m without stopping or severe discomfort'. (On a bad day, I cannot leave the house). This is the precise reason why I was granted the mobility pension! My mobility problems are caused by respiratory problems, which are caused by angina, which, in turn, is a direct result of the coronary thrombosis!!!

How can a doctor, whom I saw for less than 40 minutes, and who asked the most irrelevant questions—'What TV programmes do you watch?' and 'What books do you read?'—and a DSS adjudication officer, make an assessment on the state of my health and state that I am medically able to return to work, based on a questionnaire, which was hardly relevant to my particular circumstances?

They have never seen me on a bad day, on the edge of the bed, trying to get my breath before I can even dress, trying to control my breathing before I can make a cup of tea.

I count myself very lucky when this happens, as my friend's wife telephones every morning to see that I am all right.

On one of my bad days, she will come up to see what she can do for me. Contrary to that stated on form 1B-65A, Lifting and Carrying, my friend and his wife do all my weekly shopping for me as I am unable to carry heavy shopping bags without getting chest pains.

Also, with regard to Bending and Kneeling, I am unable to do much of either without suffering shortness of breath.

All of which I told the DSS Medical Examiner, to no avail, after reading the report results on form 1B-65A.

I have always considered the doctors and nursing profession grossly overworked and it was due to these considerations that I did not send for the doctor when I suffered angina chest pains.

It now seems I am being penalised for this oversight on my part. I would like nothing better than to have my health restored, have a job of work with a decent living wage and live a normal life like other people. Instead I get very frustrated and depressed. I fail to see why I should have to risk another coronary and therefore risk my life to further the political aspirations of Government bureaucrats."

David also kept a diary, which is worth quoting in order to gain an insight into his feelings about the medical examination. It reads:

"Medical examination, Pontllanfraith, 9.15 am, waste of time".

David was correct once again, for the medical examination is no test of incapacity to work—it is not even a fair test of incapacity. It pretends to measure incapacity for work and is called the "all-work test" in the legislation. People who fail the all-work test are treated as being fit for work. However, the all-work test does not try to assess whether people could do any kind of paid work, given their ill health or disability.

It lists a range of activities, each of which has a point score if the claimant cannot perform that activity. The schedule to the Social Security Incapacity for Work (General) Regulations 1995 lists all of those activities and says that they are

"disabilities which may make a person incapable of work".

However, a person's score depends on how many of the activities he cannot perform—not on how his ability or inability to perform them affects his capacity to do paid work.

Unless a person scores 15 points, he cannot be treated as unfit for work. Someone who cannot walk is automatically treated as unfit for work and scores 15 points. However, we all know plenty of people who cannot walk but who are perfectly able to do a full day's work. Equally, if a person's only disability is that his hands are too weak to allow him to lift a full kettle, he receives 15 points and is classed as unfit for work. However, someone would receive only eight points for being unable to lift some potatoes.

The test seriously disadvantages many people who can walk a bit, bend and kneel a bit, or whose conditions fluctuate but who, because of pain or low stamina, for example, would not be able to sustain such activities in a manner that allows them to work. For example, someone who cannot walk for more than 200 m without stopping or suffering severe discomfort scores only seven points—below half what is needed to be accepted as unfit—but in many instances that would be a serious impediment to holding down a job. Other claimants—perhaps this applied to David Holmes—might be able, in a purely technical sense, to walk, bend and lift things, but should not do so because it puts their health at risk or could cause them to deteriorate.

Some people who are perfectly able to work could easily be classed as "unfit for work" according to the all-work test. On the other hand, many people who are not fit for work, with which doctors, family friends—anyone with common sense—would agree just by looking at them, regularly fail to score the necessary 15 points.

If a benefit system requires people to sign on unless they are unfit for work, there has to be some test or proof of incapacity, but whatever Parliament or Government opt for should be a fair test of whether someone is well enough to do a job, and individuals should not find that their status has changed overnight, when their state of their health has not, just to suit the political or economic priorities of the Government of the day.

David's closest friends, Dennis and Pauline Johnson, are convinced that the worry about the adjudicator's decision contributed to his death. Pauline Johnson said:

"David has been worried sick about going to the medical . . . After finding out he had lost his benefit, David was a changed man".

The DSS spokesperson said:

"I am sorry to hear about Mr. Holmes' death, but can't discuss individual cases."

The local community have demanded that I raise this issue in Parliament, because they want David's case discussed. They want explanations of why he was

[Mr. Llew Smith]

declared "fit for work" when he obviously was not; why he regarded the examination as a "waste of time"; how the examinations are conducted and conclusions reached; and why, as David said, he should have to

"risk another coronary and therefore my life to further the political aspiration of Government bureaucrats."

We are not pretending that David's is an isolated case or that thousands of claimants have not been victimised by the system, but we are determined that his treatment by the DSS is not forgotten and that he does not merely become a statistic of a system that does not work or care.

David's case would not have been highlighted were it not for his friends and the local newspaper, the *Gwent Gazette*—particularly Gordon Caldecott, one of its journalists.

We all hope that something positive can come from David Holmes's tragic death.

11.47 pm

The Minister for Social Security and Disabled People (Mr. Alistair Burt): I am grateful to the hon. Member for Blaenau Gwent (Mr. Smith) for raising this case. I know that he has taken a great interest in it. I begin by expressing my personal sympathy for the family and friends of Mr. Holmes at this difficult time.

Mr. Holmes's death so soon after his medical examination is, of course, of great concern to the Department. It is quite right that spokesmen do not discuss personal details, particularly with the media, after an incident, but it is equally proper that the matter is raised at times such as this. The Benefits Agency has looked very carefully at the facts and circumstances of the case, and I understand that the Agency's chief executive is to respond separately to the hon. Gentleman shortly.

Having looked at the details of Mr. Holmes's case, I am satisfied that at every stage the claim was handled in a proper manner and in line with the procedures and guidance provided. The arrangements for dealing with claims for incapacity benefit have been carefully designed. They ensure that all relevant information is taken into account, and in particular that people with severe medical conditions are dealt with sensitively.

The medical examination itself was developed with the help of a panel of 80 experts, drawn from the various medical disciplines and groups representing disabled people, to ensure that the method of determining someone's capacity for work was both reasonable and fair.

It is also important to emphasise that doctors who are employed by the Benefits Agency medical service are trained to very high standards. To be considered for employment, they must have clinical experience, and have skills in areas of medicine relevant to the assessment of incapacity. They must then pass a rigorous approval process, which involves four days of theoretical training followed by a written exam. Newly approved doctors are supervised during their first four assessments to ensure that they are able to perform to the required standard.

We have taken great care in the design of procedures to determine incapacity for work, and to ensure that those applying the procedures have the right training and experience. I should like to explain briefly how the process works. I hope that that will reassure the hon. Gentlemen and his constituents.

In order to claim incapacity benefit, a person must supply medical evidence from his or her general practitioner. If sickness continues beyond 28 weeks, consideration is given to whether a medical examination is necessary to confirm continuing incapacity or whether the condition is so severe that a medical examination is not required.

The effects on individuals of medical conditions such as heart disease can vary from mild to very severe. An individual medical examination will therefore be required in most cases. However, a number of conditions are such that it would be unreasonable to expect the person concerned to be capable of work—for example, severe learning disabilities or severe mental illness.

If the medical certificate from the general practitioner indicates that the claimant may be suffering from such a condition, the Benefits Agency will obtain a full report from that GP, and ask for advice from a Benefits Agency medical service doctor, who will have been specially trained and approved in the way I described. The doctor will provide advice on whether the claimant's condition falls into an exempt group, in which case benefit will be awarded without the need for an examination. It is relevant to note that the majority of people who have recovered after a heart attack will not be in such a category.

Mr. Llew Smith: The Minister said that people with severe conditions would not be expected to work again, or to return for continual medical examinations. I accept that, but how much more severe could David's condition have been? His consultant told him that, if he worked again, he would not survive—he said that that was it; that was the end. He was not speaking in isolation. David saw three other doctors, and the outlook was considered to be equally gloomy.

Mr. Burt: If the hon. Gentleman will allow me, I shall come to the circumstances of Mr. Holmes's examination later.

During the development of the incapacity benefit, Ministers wanted to ensure that people with severe medical conditions would not be put through a medical examination. A limited number of circumstances were subsequently identified in which the severity of the person's functional limitations would be beyond doubt, such that they would clearly be incapable of work.

The criteria used for determining those categories were, first, that the person was suffering from one of the most severe medical conditions, such as severe heart and lung disease or severe mental illness; secondly, that recovery or improvement in the condition could not be expected; and thirdly, that there could be no doubt that all persons suffering from the condition would be functionally incapable of work.

If the claimant is not suffering from one of the exempted conditions, further evidence is obtained before he is invited to attend a medical examination. He will be asked to complete a questionnaire, in which he can give his own account of how his condition affects him. At the same time, he is asked to obtain a further statement from his own doctor, who can provide more details of his own

diagnosis of his patient's condition. The claimant's doctor is asked to provide factual clinical information on the medical condition. That information will help the Benefits Agency to decide whether a medical examination is necessary.

We have taken particular care over the design of the method of examining claimants to establish their capacity for work, and we have provided examining doctors with comprehensive guidance. The examining doctor will begin by asking the claimant about the history of the illness and about everyday activities relevant to the claimant's condition, after which he will conduct an examination.

The doctor will consider all the information and exercise clinical judgment to reach an opinion on the nature and effects of the medical condition. Full account is taken of factors such as pain, fatigue and breathlessness and the possible variability of the condition. If someone can, for example, perform a particular activity only by incurring a considerable degree of pain or breathlessness, he will be assessed as incapable of performing that activity. The doctor will also consider the effects of that condition over time, so that the opinion will not be based on a snapshot picture of the claimant's condition on the day of examination.

In the case of heart disease, the doctor will obtain, in particular, details of any walking restrictions caused by breathlessness and chest pain. The examination will concentrate on looking for evidence of complications of the disease—either angina or heart failure. The doctor will then prepare a comprehensive report for an adjudication officer—an officer appointed by the Secretary of State to determine entitlement to benefit independently of Ministers and departmental officials.

The adjudication officer decides, on the basis of all the evidence available, whether the claimant should be treated as incapable of work. In doing so, he will take full account of any reported pain, fatigue or variability caused by the claimant's medical problem. He must also take account of evidence provided by the claimant and the claimant's doctor.

A further important safeguard is built into the all-work test arrangements. We realised from our work in developing the test that there are a minority of claimants who are clearly incapable of work, but who would fail the test because their current condition causes only limited functional impairment. The hon. Gentleman referred particularly to the type of test in which someone would score only seven points but clearly would be incapable of work. Therefore, regulations specify that people who fail the test shall be treated as incapable of work if one of the prescribed exceptional circumstances applies.

The exceptional circumstances apply if, for example, the person is found to be suffering from a previously undiagnosed life-threatening condition, or if his medical condition cannot be controlled by medication. Benefits Agency doctors are required to consider at every examination whether those conditions apply, and the procedure provides an additional check for people who otherwise would fail the all-work test.

Turning specifically to Mr. Holmes's case, the investigation by the Benefits Agency shows that there was nothing improper in the application of those arrangements. Full and expert consideration was given to whether he was suffering from any one of the exempt conditions, and it was concluded that he was not.

Mr. Holmes attended a medical examination on 14 October 1995. The examining doctor—who was an experienced doctor—completed a thorough report on his ability to perform the activities in the all-work test. There is no reason to doubt that the doctor considered all the evidence, including the history of heart disease, and that he carried out a full and proper assessment. He also concluded that, in his opinion, Mr. Holmes's condition did not fall within the specified exceptional circumstances.

I understand from my medical advisers that a person who had a heart attack 14 years ago would not necessarily be considered to be at a high risk of sudden death. Obviously, however, a full medical assessment has to be performed to take account of individual circumstances. On the basis of all the evidence, including the doctor's report, the adjudication officer decided that Mr. Holmes was no longer entitled to incapacity benefit.

Sadly, heart disease is all too common, and sudden death from heart disease is not uncommon, in people both with and without a previous history of the condition.

Mr. Smith: Does the Minister accept that those so-called "experts" had it wrong? Sadly, only a few days after they reached their conclusion, David died. Is it any wonder that, after David went to the examination, he wrote that it had been a waste of time, or that, in his letter to the Department of Social Security, he wrote that people were not listening?

Mr. Burt: On the latter point, it is not uncommon for people who are called for a medical test who have not been for one for a long time, and who—for whatever reason—do not enjoy the experience, to describe it in the terms used by Mr. Holmes. Others have described the medical test in the same terms.

I cannot answer the second point, on whether doctors should have noticed something.

I do not know whether there was anything that the doctors should have found that might have indicated a death to result within five days. Can the hon. Gentleman tell me of a medical technique to predict a death from heart disease within five days? If he can, perhaps we can incorporate it in the test.

I was saying that sudden death from heart disease is not uncommon. Such deaths cannot be accurately predicted by any known medical test, but all the evidence suggests that they are more likely to occur in the weeks immediately following a heart attack. A person who survives a heart attack by many years is at little greater risk of sudden death than the general population of his particular age and sex. Indeed, as we all know, most people with a history of heart disease, including some with angina, can, with modern medication, lead a relatively normal life.

While we all deeply regret the death of Mr. Holmes, from the information that we have we do not believe that it can be attributed to the application of the all-work test. I believe that the test is fair in principle, and I am confident that sufficient safeguards have been built into the process to ensure that it is applied properly and with due regard to the medical conditions and circumstances of those to whom it is applied.

I repeat my personal sorrow at the death of Mr. Holmes. In the light of everything that the hon. Member for Blaenau Gwent has said this evening, I ask again whether

[Mr. Burt]

anything further could have been gleaned from all the information available to the doctor at the time he made his judgment on Mr. Holmes's health. All our investigations to date show that the nature of Mr. Holmes's condition could not have suggested that he would have died within a few days. If there was a test to predict that, or anything similar, everyone would obviously want to know. However, I shall go back to the doctors on the points that the hon. Gentleman has raised.

Mr. Smith: The Minister said that many applicants regarded the examination as a waste of time because they did not like the experience. That was not David's reason for saying that it was a waste of time. He said that because people were not listening to what he said about his condition. He was proved right, because, a few days later, he was dead. His reasons had nothing to do with the issues that the Minister has mentioned.

The Minister has asked me whether I know of a way to anticipate that someone was about to die if they returned to work. I do. It is fairly easy. Just speak to the people who were responsible for David—the medical team and the consultants who said that, if David returned to work, history would repeat itself. Indeed, they said that the situation would be even more severe, and David would die. Those consultants was found to be right. David was found to be right. The doctors who examined him are guilty of disregarding David's condition.

Mr. Burt: I cannot offer a comment on what evidence the doctor who examined Mr. Holmes took into account. I believe that all the evidence that the hon. Gentleman has put to us tonight was available to the doctor when he made his judgment.

I do not believe that it is possible to predict the moment of death of someone with a condition such as that that Mr. Holmes had, nor is it possible to predict that it should happen so soon after an examination.

I accept what the hon. Gentleman says about Mr. Holmes's reasons for considering the test a waste of time. If that was his experience, he was entitled to refer to it in that way.

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House (without Question put, pursuant to the Standing Order.*

Adjourned at three minutes past Twelve midnight.

House of Commons

Wednesday 4 December 1996

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Former Prisoners of War (Compensation)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Knapman.]*

9.34 am

Mr. Denis MacShane (Rotherham): This morning we shall talk about an historic problem that is still with us—that of compensation for British soldiers and civilians who suffered in the far east during the second world war.

The subject has been discussed in the House previously. We should remember the great efforts of Sir Bernard Braine, now Lord Braine. I am delighted to see the hon. Member for Teignbridge (Mr. Nicholls) in his seat because he made a deeply moving and effective speech on this subject last year.

Fifty-five years ago this weekend, Japan plunged the Pacific into a terrible war. Fifty thousand British men and women, soldiers and civilians, were taken into a dark captivity, in which many perished under the brutal treatment meted out to them by the Japanese authorities.

Those who survived have horror stories to tell which they will take to their graves; I shall not dwell on those today. Instead I want to salute the spirit of courage that kept those men and women—some of them in the Gallery today—alive. We are proud of them because they are British, but they spoke for all humanity as they refused to succumb to their torturers and jailors. They suffered not only because conditions in the prison camps were poor, but because the Japanese military-industrial complex made British prisoners and internees work as slave labourers for the giant zaibatsu, as they are called—conglomerates such as Mitsubishi, Nissan and Nippon Mines, which are household names today, but which in the war worked round the clock using slave labour to turn out tanks and Zero planes and the sinews of war for Japan.

The courage of those people during years of filth and brutality shows that it is under the worst of conditions that the human spirit, to quote Byron,

"appeals from tyranny to God."

Today perhaps about 10,000 of those men and women are still with us, but in the final stretch of their lives, which were wickedly usurped at the moment of their youth. Still, after more than half a century, no one has offered them adequate reparation for what they went through. The art of saying sorry and making good is an essential part of human existence. It applies to individuals, companies and Governments.

The German Government have sought to say sorry for the evil carried out in their name during the war. About DM80 billion has been paid to victims of Nazi brutality. German companies have accepted their responsibilities for the use of slave labour.

Yesterday, I had a meeting with the Swiss ambassador, who revealed to me that the Swiss Government accept their responsibility on the issue of Nazi gold and the money placed with Swiss banks by Jewish victims of the holocaust.

Even the United States has accepted that it did wrong by the Nisei—the Japanese-Americans who were roughly interned in the USA after 1941. President Reagan authorised the payment of about £14,000 to each surviving Nisei internee.

Japan, alas, has done none of those things. It still, in my view, refuses to make or show sufficient repentance or adequate reparation for the crimes carried out by its soldiers, officials and businesses in the war.

I emphasise that today's political and business leaders in Japan carry no responsibility for what their predecessors did half a century ago. I visited Japan many times before entering the House. There are great similarities between our two island countries, offshore of a great continental mass, and a strong bond of friendship has grown between Britain and Japan, which must be nourished. I admire Japan's modern business skills. The goods the Japanese make have enriched the world, and they have exported not weapons of destruction but wonderful artefacts that help us to communicate with and learn from each other.

Mr. David Winnick (Walsall, North): Just as the present German authorities are in no way responsible for the Nazi killings during the war and have wholly dissociated themselves from those killings and paid compensation, for what it is worth, surely the same applies to Japan? In no way were the present Government involved with the criminals who ran Japan in the war, so it is all the more ironic that no apology has been forthcoming from the Japanese Government.

Mr. MacShane: My hon. Friend is quite right. In Japan there is a new quest for understanding and debate among the younger generation of historians, politicians and researchers, who are examining what went on in those years; I am sure that Japan is slowly coming to terms with the events of the 1940s.

There remains what I might call a pebble in the shoe of full and warm relations between Britain and Japan—the refusal of Japan publicly to offer adequate repentance or to make adequate reparation for the crimes committed against our citizens in the emperor's name. There have been debates in the House before on this issue, and the Prime Minister, the Foreign Secretary and Sir Kit MacMahon have made efforts to move things forward; but each time those efforts have foundered on an unwillingness to move beyond the confining boundaries of diplomatic treaties and international obligations.

Behind what I might call this realpolitik is the fear—justified or not—of the politics of money and trade. Japan is a most valued inward investor in this country and an important free trade partner of the United Kingdom. But the right of our citizens to fair treatment comes before the profits to be made on this or that deal.

[Mr. MacShane]

We are asking that Japan finally come clean, unequivocally apologise and accept its obligations to pay reparations to individuals. Whether they are paid by the Japanese Government or by Japanese companies such as Nissan or Mitsubishi is neither here nor there—that is for them to decide. It is no accident that the Americans refer to "Japan Inc"—because of the seamless web of bureaucrats, business men and politicians who collectively represent Japan.

In financial terms compensation could be set at the same level as that received by the American Nisei. Such payments to the 10,000 survivors here in Britain would not even be noticed on the balance sheet of these giant Japanese multinationals.

It is not the money, however, but the act of saying sorry that remains the most important element—sorry individually, sorry clearly, sorry in the same way as Willy Brandt sank to his knees in the Warsaw ghetto 25 years ago to apologise for German crimes. The Japanese must say sorry publicly, clearly and honestly.

The Japanese will quote the 1951 San Francisco treaty of peace between our two countries which excludes further reparations. Pacta sunt servanda: treaties must be observed. That is one of the watchwords of diplomats and international lawyers. But there is nothing in the treaty to prevent Japan or the relevant Japanese companies from accepting their responsibilities today. International law is opening its doors to claims by individuals against Governments, so I hope that the Minister in his reply will make it clear that if Japan refuses to listen to today's appeal from the House, our embassy and officials in Tokyo will support by all possible means the legal actions being undertaken by claimants in the Japanese courts.

I wonder whether the Foreign Office fully understands the extent to which international law has been transformed in recent years. In 1951 it was a basic tenet that only states, not individuals, had rights in international law. Today it is accepted that one particular class of individuals—those who have been victims of crimes against humanity—have rights against the states whose official apparatus perpetrated the crimes. The other important advance has been to declare that states can never obliterate their own crimes against humanity.

Crimes against humanity such as the Japanese committed against British soldiers and civilians in the 1940s are so heinous that they engage the world's conscience sufficiently to attract what is called universal jurisdiction. I believe that, if they decided to do so, the United Kingdom Government could apply to the International Court of Justice in The Hague for a declaration that Japan has a continuing obligation at international law to compensate victims of its crimes against humanity; and this duty is not affected by the 1951 treaty.

Mr. Jacques Arnold (Gravesham): Will the hon. Gentleman bear in mind the fact that the Dutch suffered a similar fate in the Dutch East Indies? A Dutch uncle of mine died as a civilian in the camps and some of my aunts and cousins were badly treated. The Netherlands therefore shares our concern, so I hope that our Government will work closely with the Dutch Government on the hon. Gentleman's proposals.

Mr. MacShane: That is a most important and relevant point. Other member countries of the Commonwealth such as Canada and Australia face similar problems too. I ask the Minister to make it clear on behalf of the Government that he is willing to examine the legal remedies which I believe are open to the United Kingdom Government. I have sought and obtained counsel's opinion on this matter—that of Mr. Geoffrey Robertson QC, one of our most distinguished lawyers with a high international reputation in this field—to the effect that legal avenues are indeed open to the Government, who no longer have to accept the 1951 treaty as the last word.

I do not however believe that this matter should require the intervention of lawyers. The Japanese Government have already accepted their responsibility in one regard. With the help of private business, a fund has been set up to make financial reparations to the so-called "comfort women", those sad Asian women who were forced to be prostitutes for the Japanese forces of occupation. The whole House will find it distasteful if British women, in the forces or civilians, as well as British soldiers are considered by the Japanese Government to be less worthy of fair treatment than women shipped from Korea, Formosa or the Philippines and forced to be prostitutes for the pleasure of Japanese soldiers occupying Asia.

In the end this is about honour. Taking away a person's honour makes him or her less of a man or woman. Fifty years ago the Japanese sought to take away the honour of British men and women—but they failed. Instead, Japanese firms and soldiers lost honour themselves because of the way in which they treated their prisoners. The House may not realise that the Japanese army, which fought its previous major 20th century war against Russia in 1905, was held up around the world as a paragon of decency for the way in which it treated its prisoners. So the tradition in Japan is not of brutality. Something happened in the 1930s and 1940s, and the Japanese army lost all honour because of its brutality first in China in the 1930s and then elsewhere in Asia after 1941.

Today we welcome a strong, prosperous and democratic Japan which must play its full part as one of the world's leading democracies. But until Japan removes the stain of dishonour from its past by making restitution, morally and financially, to the British men and women it so mistreated, it will find it hard to have its self-defence forces accepted as comrades in arms in the work of securing freedom and democracy around the world—or to be seen as a candidate for a permanent seat the UN Security Council.

Of course the passage of time washes away most things, but as long as these men and women remain with us, and for as long after that as their memory does not perish, the dishonour that Japan brought on itself by its behaviour during the war will not fade away. Now is the time to make good. There is a good Japanese word, gimu, meaning obligation or duty. Today I—and I hope the whole House—call on the Japanese, particularly Japanese firms, to honour or fulfil their gimu towards the British survivors of their crimes against humanity.

The Japanese also have a saying that the nail which sticks out gets hammered down. Not this nail; not in this House of Commons; not as long as the survivors of those

prison camps are with us. This issue will not go away until Japan accepts its full responsibilities and makes full amends for what was done in the Emperor's name 50 years ago.

9.49 am

Mr. Douglas Hurd (Witney): The hon. Member for Rotherham (Mr. MacShane) has done well to raise the matter. My remarks will be brief.

The recovery of Japan is one of the most striking achievements of any nation since the war—not just the rebuilding of towns and cities and the amazing economic performance to which the hon. Gentleman referred, but the creation for the first time of a durable democracy. Politicians as a class are no more popular in Japan than in Britain, but those who know modern Japan, which includes all Members present in the House this morning, cannot doubt that Japan now has a foundation of democracy.

As Japan has grown on that foundation, so has modern Britain's friendship with modern Japan. Like many others, I have been struck by the way in which contacts, co-operation and friendship have grown, company by company on the commercial side, profession by profession—all the professions—and individual by individual. There remains, however, a hindrance—a bar—from the past.

For the people who lived through it, the past is terrible beyond telling. It is not a remote past for them; it is still vivid in their lives, as our postbags and surgeries tell. It is vivid, too, in the lives of all those to whom they tell their story.

Mr. A. J. Beith (Berwick-upon-Tweed): It should be emphasised, as the right hon. Gentleman is probably aware, how many of the victims of those years have just begun to tell their stories. In a constituency such as mine, where so many were interned with the Royal Northumberland Fusiliers, only in the past year or two, thanks partly to the Medical Foundation for the Care of Victims of Torture, has the story begun to emerge. A new generation in this country has become aware of how bad it was and therefore supports the bid for recognition from Japan of what happened.

Mr. Hurd: That is true and is borne out by my own experience.

On the legal side, I was always advised, and I tested the advice, that it is not possible for Her Majesty's Government to demand as a legal right from the Japanese Government more than the 1951 peace treaty provided, because the British Government of the day accepted that compensation. I agree with the hon. Member for Rotherham that this should not be a matter for lawyers, although I am aware of the case that representatives of the prisoners of war have lodged in Japan.

Whatever the legal buttress of the 1951 treaty, that cannot be regarded as enough to close the chapter. My right hon. Friends the Prime Minister and the Minister of State do not regard it as enough. Both have been active in seeking more. There has been progress—more, perhaps, than the hon. Gentleman acknowledged.

I welcome what the then Japanese Prime Minister, Mr. Murayama, wrote to our Prime Minister before VJ day. On VJ day itself, Mr. Murayama made a statement expressing his feelings of deep remorse and heartfelt apology for the damage and suffering caused to the people of many countries, including the former prisoners. That was agreed beforehand by the Japanese Cabinet. In addition, Mr. Murayama set in train various schemes for contacts to help families of former prisoners.

I share the view of the hon. Member for Rotherham that that has not been enough. It needs to be followed by more substantial action. Various efforts have been made by individuals and by the Government in recent years, and I had a part in them in my time. As a result, I know of the sensitivities and difficulties on the other side. I have some understanding of why it has been so difficult for the Japanese Government, individuals and institutions to take the steps that the hon. Gentleman recommended.

I believe that there might be a role for one or more of our service charities—for example, the Royal British Legion—to act as an intermediary or channel for funds made available by Japanese organisations. I have not expressed that thought before in public, but I believe that it deserves to be further examined.

I know the sensitivities and the difficulties of finding a way, but as a strong friend and supporter of modern Japan, I believe that the search—it is now an urgent search—for a way to bring about more substantial action must continue.

9.55 am

Mr. David Winnick (Walsall, North): I am very pleased that the right hon. Member for Witney (Mr. Hurd), a former Foreign Secretary, has added his support to the campaign about which my hon. Friend the Member for Rotherham (Mr. MacShane) spoke in opening the debate.

It is important to remember that there is no anti-Japanese sentiment on the part of those of us who continue to campaign. There is no anti-Japanese lobby. I agree with the right hon. Gentleman: Japanese politics has been in the limelight to a far greater degree than the British Parliament, but, like other hon. Members, I appreciate that the Japan of today and of the past 50 years is very different from the Japan of the 1920s and 1930s. The last war was not the start, but the continuation, of Japanese aggression against China and other countries and peoples in that part of the world. Terrible crimes were committed before the second world war. That was the Japan of yesterday.

I therefore find it, as I said in an intervention, all the more difficult to understand why—leaving aside compensation—the present Japanese Government should hesitate to express the fullest dissociation and apology that are required. After all, the German Government have repeatedly made it clear that they dissociate themselves from the criminals who ruled Germany for 12 years.

One of the many reasons why I am speaking in the debate is the fact that one of my constituents, Stephen Long, was a 19-year-old soldier who was taken prisoner, like so many others, in Singapore. He says that he still suffers from nightmares because of the way in which he, like so many other prisoners of war, was treated. It is important to recognise that the Japanese treatment of our and other allied prisoners defied all the conventions of the time. They treated British and allied prisoners of war like slaves or semi-slaves.

Mr. Barry Field (Isle of Wight): It is not widely appreciated that the Isle of Wight Burma Star Association

[Mr. Barry Field]

has two Victoria Crosses to its name, and the last VC that was awarded in the second world war. The dispatches nominating the soldier for the VC went down in the plane with Wingate in the jungle, and the VC was only awarded some years after the war had ended.

The hon. Gentleman's point about the lack of bitterness on the part of soldiers who served in that dreadful war was well exemplified when the Burma Star Association in the Isle of Wight put on an exhibition of all the paraphernalia of Japanese torture, among other things. The angst of the former prisoners of war increases as they grow older. As my right hon. Friend the Member for Witney (Mr. Hurd) said, if action is not taken urgently, the problem will die.

Mr. Winnick: The hon. Gentleman makes a very valid point, which applies also to my constituent, who was only 19 years old at the time. He was involved in the construction of the railway that prisoners described—with every justification—as the "railway of death". I could recite endless accounts of what occurred, but I shall only quote briefly from what Mr. Long told me and the local press. The article states:

"One form of torture Mr. Long can recall most vividly was something known as 'water treatment', an ordeal he was forced to undergo on a number of occasions.

It involved him being squeezed into a box 10 foot tall but no more than 15 inches square made out of bamboo poles. For eight hours he could not move and any hope of going to the toilet was forgotten as it was just not possible.

When he was dragged out of the box"—

Mr. Long was no exception among the prisoners—

"the Japanese soldiers forced a hosepipe into his mouth and pumped water into him before laying him on the floor where they proceeded to jump up and down on his stomach."

Is it any wonder that Mr. Long suffers nightmares? Is it any wonder that my constituent, like others who suffered the same brutal treatment, requires a full and unambiguous apology from the Japanese Government as well as compensation? As to that compensation, Mr. Long says:

"It's not the money that's important—even if they paid me £14 million I still wouldn't be able to forgive them".

I believe that the time has come for the British Government to put adequate pressure on the Japanese Government. No doubt in his speech the Minister will express his sympathy to those who suffered at the hands of the Japanese—I expect nothing less of a Minister of the Crown—and he will probably describe the various efforts made by the British Government on behalf of ex-prisoners. However, I believe that more is required, and that is the essence of today's debate.

I do not challenge the fact that the British Government and the Prime Minister have made representations to the Japanese Government, but I think that more pressure should be applied. The Government must try to persuade the Japanese authorities that, apart from anything else, it is in their interests to do what we ask. We are not engaged in an anti-Japanese campaign or lobby, but we are concerned about the way in which our fellow citizens were treated. As the hon. Member for Isle of Wight (Mr. Field) said, there are not many of them left. Before they die, they should receive an apology from the Japanese—that is more important than the money for which they are asking.

I pay tribute to the Japanese Labour Camp Survivors Association of Great Britain, which is conducting a fine lobby in the best traditions of British democracy. I am sure that the association is pleased that we are having this debate today. Let us send a message from both sides of the House—I do not think that any divide is likely—that the British Parliament is concerned about the issue. The fact that the events occurred more than 50 years ago is neither here nor there: our fellow citizens were treated in an awful manner for which there is no justification.

I am pleased that my hon. Friend has initiated the debate, supported by the former Foreign Secretary, the right hon. Member for Witney. Our duty now is to ensure that we do all that we can to persuade the Japanese Government to act as they are honour bound to do. If the debate serves that purpose, it will have been very useful.

10.2 am

Sir Anthony Grant (South-West Cambridgeshire): I echo the sentiments expressed by the hon. Member for Walsall, North (Mr. Winnick). Some 51 years ago, I went to Singapore and Malaya with the British Army. I think that I may be the only serving Member of Parliament to do so—although I know that my right hon. Friend the Member for Brent, North (Sir R. Boyson) served in the Royal Navy in the far east at that time.

We were stationed in Selerang barracks near Changi. We had fewer than 1,000 troops in our regiment, but there were the traditional soldiers' grumbles about crowded conditions and so on. We then discovered that the Japanese had impounded not 1,000, but 15,000, allied prisoners of war in those same barracks. They lived, starved, suffered and died there. The horrors of Changi were all too plain to see. It bore no relation to Colditz and other German prisoner of war camps, which had roughly conformed with the Geneva convention on war prisoners. Japan never signed that convention.

Following the surrender, I befriended a young Army officer a little older than myself who had been captured at the fall of Singapore. He weighed six stone—at the time of his capture only a few years before he had weighed 12½ stone. He told me that Yamashita, the Japanese commander in chief, had addressed the captive officers. He said that, as they had allowed themselves to be captured, they must be bad officers—otherwise they would have committed suicide. He said that therefore they would be treated no better than Japanese fighting troops: water and rice each day, their heads shaved, and beatings if they misbehaved. However, conditions were far worse than Yamashita anticipated, as we discovered at the war crimes tribunals held soon after the war.

Within a year of his release, my young officer friend died as a result of the diseases, the malnutrition and the merciless beatings that he received at the hands of his captives. The Cambridgeshire regiment from my area suffered especially in that campaign. The 18th division was rushed to Malaya as a reinforcement force. Although ill-prepared, the men valiantly faced Yamashita's jungle-trained, more experienced troops but they were soon overwhelmed. Many died in action or in prisoner of war camps, and others died after their release as a result

of the inhumane treatment that they had received. A dwindling band survive today, some of whom are my constituents in Cambridgeshire.

I have visited Japan on many subsequent occasions and I admire its remarkable economic recovery and the ingenuity and work ethic of the Japanese. I welcome their investment in Britain, bringing jobs and expertise to our country, and I respect their return to democracy after the dreadful wartime regime. However, I know that within the hearts of the modern Japanese lies shame about past events. They now have an opportunity to expunge the record and, in oriental terms, to save face.

I call upon the great Japanese companies to demonstrate their humanity as well as their business acumen. Let them compensate freely and generously the sadly declining band of service men and women who did their duty and who suffered so terribly in one of the most ghastly and barbaric campaigns of the last war.

10.7 am

Mr. Peter L. Pike (Burnley): I congratulate my hon. Friend the Member for Rotherham (Mr. MacShane), who opened the debate, on providing an opportunity for honourable Members to discuss a very important issue.

The hon. Member for South-West Cambridgeshire (Sir A. Grant) referred to the suffering of prisoners of war. Because of the nature of their internment, that suffering did not end upon their release—in many cases, it has continued to affect their lives and those of their families. That is why we must debate their plight today.

I have pursued this issue on behalf of the Burnley and District Far Eastern Prisoners of War Association for nearly 10 years. I have written countless letters on the subject and raised the matter in numerous ways. However, the association believes that it has not received the response to which it is entitled both from this country and from Japan. The Japanese Government must try to make amends for what occurred all those years ago. No one can put right what happened, but at least we should try to ensure that recompense is made.

On 17 June 1993, I wrote to the Japanese ambassador to this country about the compensation paid. Of course the equivalent sums of £76.50 and £48.50 were worth a lot more in 1951-52 than today, but even then they were derisory amounts. We must remember that, when the San Francisco negotiations took place, Japan was in a very different situation from its position today as one of the world's wealthiest nations.

I put it to the ambassador:

"Would it not be seen as a gesture of goodwill if your nation, which is now one of the wealthiest in the world were to offer these former prisoners a further sum of compensation as an ex gratia payment?"

The final paragraph of his reply to me said:

"Although I would not contest the merits of your suggestion of a goodwill gesture, I do not believe that additional compensation is a feasible way after such a long interval. The world belongs to the next generation and it is our belief that Japan's efforts in promoting further cooperation between our two countries in various fields will far better serve the interests of the peoples of our two nations."

We all want to see Japan play a major part in the world of today and the 21st century, but that does not mean that it should not attempt to try to put right what happened all those years ago and give some compensation.

The Far Eastern Prisoners of War Association wrote to me on 4 December 1995, and I shall quote a couple of the points that it made to me.

"Whilst we were encouraged to have this apology we did not accept it as an unequivocal, full blooded apology. We feel it was half-hearted and superficial. Moreover, it was not backed up by promise of reparations and we feel it has done little to allay the strong feelings in this country, both of the people of the United Kingdom generally and of Ex Prisoners of war in particular."

The association emphasised:

"Perhaps you need to have been a prisoner of war under the Japanese to know this."

That is the point. The association then made the point:

"We therefore go back to our plea that the British Government acknowledge the unfair 'settlement' . . . received and make amends for the failures in the Peace Treaty by allowing token payments to be made".

The association believes that Japan should respond, but if the Government are not prepared to make Japan do something, it believes that our Government should at least make some recompense.

In fairness, I have to say that the Prime Minister has written to me several times on this issue, which he takes very seriously. Indeed, the Minister who will reply to the debate kindly met representatives from Burnley to discuss these issues in his office on one occasion. In his letter of 10 January 1996, the Prime Minister wrote:

"I am sorry that Mr. Stanworth's Association do not feel happy with the responses they have received to date about the Japanese apology and compensation . . . As regards an apology, Prime Minister Murayama wrote to me before VJ Day expressing his profound remorse and apology for Japan's actions which inflicted such deep scars on so many people, including the prisoners of war. Mr. Murayama publicly repeated this apology in his statement on 15 August; this statement was agreed beforehand by the Japanese Cabinet, and was therefore made on behalf of the Japanese Government."

The Prime Minister might accept it, but it is very difficult to judge whether it is a full-hearted response. At the end of the day, the people who really have to judge whether it is satisfactory are not hon. Members, but those who suffered and paid a price to fight for Britain's peace, democracy and freedom during the second world war.

Last year was significant in that we commemorated VE day and VJ day. I hoped then that the Government would be able to secure some response from Japan to try to make amends and resolve the problem. It is not just a question of finance. The people with whom I deal are not talking of huge sums. They just want some response, some token, some whole-hearted apology to say, "We were wrong. We apologise. We hope that you can now enjoy the last days of your life in peace and comfort with your families." That is what we want to see.

I hope that the Government will respond in the way that we would like. I hope that former prisoners of war will get the response that they believe is acceptable, and ultimately from the British Government and Japan.

10.14 am

Sir Teddy Taylor (Southend, East): Because this problem is very easy to resolve but seems unlikely ever to be resolved, it is terribly important that the House of Commons gives the right message.

First, although we are well aware that the views of people who suffered in the camps—and, indeed, those in Japan whose families were exterminated, for example in

[Sir Teddy Taylor]

Hiroshima and Nagasaki by mass bombing—will probably never be able to change effectively, it is desperately important that the people of Japan and the authorities are aware that those who support this campaign do so in no feeling of hostility whatever to Japan and its people. When we consider Japan with other countries in south-east Asia and the world, it is clear that Japan has a commitment to democracy and integrity and to family values of which most other nations would be very proud. It is desperately important that we make it clear to Japan and its people that we have huge admiration for the standards that they have advanced.

The second simple point that we must make is that, on the basis of our interpretation of international law—whatever that might be—it seems that Japan and its people have absolutely no obligation to make the concession that we seek. There may indeed be a moral issue, but so far as legal issues are concerned it seems to most of us that the 1951 treaty resolved that problem.

Mr. Tam Dalyell (Linlithgow): The right hon. Gentleman represented a Scottish constituency for many years in the House. The Scots prisoners who have gone into this are in Scottish law, and Tom McGowran and others, who have been very active in this matter, have come to the same conclusion.

Sir Teddy Taylor: I am well aware of the hon. Gentleman's knowledge of international law and Scottish law and of the way in which he campaigns for his constituents, but the 1951 treaty is clear and precise on the issue of general compensation and a general statement. It is important that we accept that and admit it.

The third point that we should make abundantly clear to the Japanese is that Britain is not always convinced about hypocrisy of words. We heard, for example, from the hon. Member for Rotherham (Mr. MacShane), who introduced this debate, about the massive concessions, words and sympathy issued by the German Government, but we should also be aware that the situation there was rather different. Germany was exterminating millions of Jews and gipsies in its pursuit of European integration without democracy.

Hypocritical words do not in any way resolve problems. Because I have respect for Japan and its people, making some concession and gesture would be the appropriate way to resolve the problem. So long as it is unresolved, the firm relations and friendship between our two countries will not be confirmed. I hope, therefore, that the House, on the basis of friendship and respect for Japan, not on the basis of claiming legal entitlements, will simply say that we hope that the Japanese authorities will be able to do what is appropriate for those who suffered so appallingly during the war.

10.17 am

Mrs. Ann Clwyd (Cynon Valley): I shall be brief. I have not spoken about this subject in public before, but I do so in support of my hon. Friend the Member for Rotherham (Mr. MacShane), whom I congratulate on choosing this subject for debate.

My uncle died in a Japanese prisoner of war camp. He was a young man, the only son of a farmer, who did not have to go to war. He could have stayed, because sons of farmers were exempt at that time. He was flown from West Kirby into Singapore after Singapore had already fallen to the Japanese. He survived in a Japanese prisoner of war camp until about three months before the end of the war. I cannot imagine what happened to him during that time. He was a very fit young man; he had been captain of his local football team in a small town in mid Wales. I do not think that he had ever been out of the area, so to go from there into the area in which he was captured must have been a terrible experience.

I understand from people who were with him that my uncle was very brave and stood up to the Japanese. Clearly, he stood up for quite a long time to survive until about three months before the end of the war. Both his parents died within two years of his death. I believe that they died from grief. Nothing could compensate them or the family for that death.

Those who survived were the victims of awful physical and psychological torture. We cannot bear to think about such horrors and when we hear about them, as we have in the debate, we want to cast them out of our minds. As victims of torture, those people still suffer many years later. Some of them have never recovered.

I met some Japanese people not long ago when I visited my uncle's grave in Jakarta in Indonesia. Every time I meet Japanese people I tell them how I feel and that I have some difficulty putting what happened to my uncle out of my mind. I am obviously not anti-Japanese because as an internationalist I could not possibly be anti any nation.

For those who survived the very least that we can expect is some kind of recognition of their suffering and some compensation. I agree with what has been said by my hon. Friend the Member for Rotherham and by other hon. Members.

10.20 am

Mr. Patrick Nicholls (Teignbridge): As hon. Members have said, this is a short debate, so I shall be brief. I am grateful to the hon. Member for Rotherham (Mr. MacShane), not simply because of his kind remarks about a speech that I made in the House some time ago, but because he has brought the subject back to the House at a timely moment.

In the speech that I made last year, I said that the impetus of the 50th anniversary of the end of the second world war had one good effect: that the Japanese had apologised. Although I accept that that was not wide ranging enough to satisfy those whom we represent, in their terms it was a marked departure from anything that they might have contemplated.

The Japanese had been brought to that pass in two ways. First, they apologised because the approach of the 50th anniversary had put an international spotlight on the way in which Japan had behaved in the last war. Secondly, they apologised because the Prime Minister had made it his business to make it clear to the Japanese Government that, although the long-standing position of the British Government—that there was no legal way in which the Japanese could be pursued—would continue, there was a continuing moral obligation. The Prime Minister's interest, even by way of moral representations, was a departure from anything that had been done by any Government of either political complexion since the war, and it had a marked effect.

The difficulty is that, when the 50th anniversary had passed, the issue went off the boil. The hon. Member for Rotherham has performed a valuable service by bringing it back to the House. I hope that the issue will once again be highlighted. At the weekend, someone said to me that people in Japan do not listen to our debates. However, I was heartened and surprised to hear after I made my speech last year, in a Chamber that was not as well attended as it is today, that it had received a great deal of publicity in Japan. There is not the slightest doubt that the Japanese public will be aware that the debate is taking place. I hope that the shortness of the speeches will help them to see that the case that we are presenting is in no sense a condemnation of the Japanese of today.

The language may be slightly different from that which the hon. Member for Rotherham used, but it can be said that today's Japanese have no guilt. However, they have a responsibility, because a country can never shake off its responsibility for actions carried out in its name by its people's predecessors. Responsibility remains, but guilt is an entirely different matter.

What would we like to see emerge from the debate? It has already been said that the former soldiers and civilians—it is important to emphasise that civilians suffered too—are not primarily concerned with compensation. Any lawyer knows that compensation is worked out on the basis of the sum that would put the parties in the position they were in before the event if that event had not happened. One has only to state the classic principle of compensation to realise that no possible sum could ever compensate the people we are discussing. Compensation has its role, but to a limited extent.

The National Association of Ex-Prisoners of War, to which I pay tribute, recently asked me to become its unremunerated parliamentary representative. From my conversations, I have noted the continuing anger at the indignity inflicted on those ex-prisoners of war. If the Japanese Government could bring themselves, even now, to make an unequivocal statement of sincere regret for the indignity that was forced on those people, it would go a long way. How can that be taken forward? There are two actions that the Minister might feel able to take.

Until fairly recently, I had taken the view that the Government were entirely right to say that the 1951 treaty made legal redress a closed book. But—it is an important but—the hon. Member for Rotherham graphically reminded us that, in a sense, international law is about never saying never. Increasingly, it is becoming an instrument for delivering what the international civilised community of nations wants. I say without levity that I do not always approve of the way in which international law applies in some sovereign countries, but that is a different point.

It might have been tenable five or 10 years ago, or even two years ago, to say that international law has made this issue a closed book, but that is no longer true. It is bizarre, but the Minister's briefing from officials will probably say, "This matter is basically at an end so far as legal redress is concerned." If, in the light of the debate, the Minister felt able to go to the Foreign Office and say positively that he wants a root and branch reconsideration of whether the present state of international law is such that the aspects of morality that we are debating might even now be brought within some legal process, that would be a marked step forward.

In terms of practical politics, if the Japanese Government realised that there was, after all, a forum before which even now they might be called to account, it might begin to concentrate their minds. However, there is no such international forum. I hope that the Minister will ask for that study to begin.

The hon. Member for Rotherham and other hon. Members have been fair in drawing attention to the Prime Minister's efforts to make to the Japanese Government a case that was more than a mere formal expression of opinion. In the light of the debate, I hope that the Minister will say that the Government will again go to the Japanese and say that this matter will not go away, that it is not a matter for a 25th or a 50th anniversary but a continuing irritant, an inhibition to the proper establishment of relations between our two countries.

Some people may say that such matters are all in the past and that we have completely re-established our relationship with Japan. They may say that this is just a debate between a few Members which takes place once a year or from time to time. But the world is getting smaller, and if Japan wants finally to be taken into the full community of civilised nations it will not be enough for it simply to export goods to us and be friendly towards us.

It is certainly not a question of asking the Japanese people or their representatives to say that they are guilty because of what happened in the past. One of the ties that binds civilised people is the admission that sometimes responsibility continues long after guilt has expired. Until the end of time, Japan will bear a responsibility for acts that were carried out in its name, and it now has to set about discharging that responsibility.

10.29 am

Mr. Tony Lloyd (Stretford): I congratulate my hon. Friend the Member for Rotherham (Mr. MacShane) on securing this debate and on the very measured tone with which he introduced it. The same tone has been adopted by all hon. Members who have spoken in the debate, which demonstrates the House at its best. There is a tremendous unity of purpose on this subject—to which, despite the many years that have passed, the House repeatedly returns. Among the people whom we represent are the victims of the atrocities that undoubtedly took place during the war in the far east.

I think that every hon. Member comes across those who still continue to suffer because of their experiences during that time. I have a close personal friend who is the child of a Japanese prisoner of war. She told me that, when she reached important events in life—such as her 19th birthday, for example—her father would tell her, "At 19, I was in a prisoner of war camp in China." When she was a little older, he would say, "That is the age at which I was beginning to make my way out of that hell." That woman's father, whom I know reasonably well, is almost untouched by bitterness, which is astonishing, given the undoubtedly severe treatment that he and others received.

We have seen a similar lack of bitterness in the House today, and those who have spoken have not tried to do so in any crude or jingoistic manner. I do not think that any of them thought of making an attack on Japan or on the Japanese people. I welcome that. Japan is a modern country and, although we may differ slightly on interpretation, Britain's relationship with it is very strong.

Like many hon. Members in the Chamber today, I have visited Japan and found the Japanese people of this generation to be polite and easy to deal with in many

[Mr. Tony Lloyd]

ways. Japan would like to increase its international influence, and we should welcome its emergence and role in the world as a force not only for economic and political progress but for the protection of human rights. We share those goals.

We must realise, however, the tremendous debt that we—certainly my generation—owe to the British citizens who suffered in those years. Time cannot expunge their memories, even if it can heal their physical wounds. We should realise the strength of feeling among those who were the direct victims and sufferers, and be sympathetic to calls for compensation for the survivors of the camps.

Since 1951, the common view of all UK Governments has been that the treaty of Japan, which formally ended the war, settled the compensation terms. Article 14(a) of the treated specifically recognised that

"Japan should pay reparations to the Allied Powers for the damage and suffering caused by it during the war".

However, as my hon. Friend the Member for Burnley (Mr. Pike) said, those reparations were worth some £76 10s, with an extra £3 for those who were forced to work on the Burma railway; in current money, that is about £1,000. I think that most of us would agree that £250 a year is scant compensation for those who suffered perhaps for four years in those prison camps.

As hon. Members have said in the debate, it is not simply a matter of compensation levels. It is important to remember that the same treaty also stated:

"the resources of Japan are not presently sufficient, if it is to maintain a viable economy, to make complete reparation for all such damage and suffering".

That point has been made by hon. Members, particularly the hon. Member for Teignbridge (Mr. Nicholls), in previous debates. Behind the wording of the treaty is a realisation that complete reparation would have caused massive damage to the attempt to re-establish Japan as a democratic nation in the post-war world, as the setting of such compensation levels would have been punitive.

Today, however, Japan is the among the world's economic super-powers, and the world is aware of Japan's economic might.

Mr. Pike: Is it not also true that no one, not even the Japanese, was able to forecast how the Japanese economy would grow? Japan has enjoyed tremendous economic success, which could not possibly have been foreseen in 1951.

Mr. Lloyd: My hon. Friend is absolutely right. Even at the dawn of the 1950s, after the devastation of its economy during the war, Japan still faced huge reconstruction problems. That point is certainly valid. The treaty was drawn up and signed in a very different era, in which people could not foresee Japan's current position.

The 1951 compensation agreement must be recognised—I shall deal in a moment with the point about its legality and the legal options—and Japanese and British Governments, of different political persuasions, have agreed that Japan has, at least legally, discharged its obligations under the treaty. However, if we believe that the provision of compensation is part of a genuine process not only of expunging a financial debt—the hon. Member for Teignbridge is absolutely right to say that no debt can ever be adequately recompensed financially—but of accepting collective national responsibility, even if that does not entail the guilt of modern Japan's citizens, the levels were unsatisfactory. I hope that the British Government will continue to press the Japanese Government to accept that there is a moral obligation, even if the legal obligation technically has been expunged.

My hon. Friend the Member for Rotherham mentioned possible recourse to the International Court of Justice. I hope that the Minister will respond specifically to that point. There are some long-running cases in the Japanese courts, sponsored by the Japanese Labour Camp Survivors Association, which are expected to end in 1997. Those proceedings would be assisted if an application were made to the International Court of Justice, and if that court ruled that there was a case for individuals to apply for compensation under Japanese law. That would provide at least a moral shot in the arm. I hope that the Minister will tell us what advice he has been given on that proposal, which would perhaps advance the legal options. The House should be able to consider the proposal.

What about the role and responsibilities of modern Japan? All hon. Members welcomed the action that has been taken, such as the sincere apologies offered by former Prime Minister Murayama. However, the rest of the world has always been cautious about asking the Japanese to face openly the issue of its guilt for its war crimes. Many hon. Members have expressed strong feelings on the issue, but there have been various constraints, including those of Japanese society and of our economic and diplomatic relations with Japan.

It is important to recognise that Japan is not a monolith and that Japanese society does not have a single view on the issue. It would be helpful for the House to be aware that the Government Workers Union—the largest trade union in Japan—last year gave its support to the court proceedings of the Japanese Labour Camp Survivors Association. The union argued that it was necessary for Japan to recognise, as a nation, its responsibility to the former prisoners of war and urged the Government to accept the consequences.

I should like to quote briefly the remarks of Hiroshi Abe, who was sentenced to death at the end of the war for war crimes. The sentence was commuted to life imprisonment and he was released after 11 years under the Anglo-Japanese treaty of 1957. Last year, he spoke about his guilt, saying:

"The construction of the railway"—

he was a supervisor—

"was in itself a war crime. For my part in it, I am a war criminal."

He went on to say:

"Japan, as a nation, has not properly considered the issues surrounding its role in the war. Japanese people do not know and do not care what happened. Before the Japanese people can think about apologising to other countries, they will have to acknowledge to themselves their responsibility."

It is not true that nobody in Japan is arguing the case that we have heard in the House this morning. It is important that we do not accept the illusion that there is a Japanese monolith that will not consider what happened during the war or Japan's role. Recognising the existence of those views in modern Japan, it is incumbent on us to continue at Government level and all other levels to ensure that the voice of those who suffered in the prison camps—the voice that the House represents—is heard in

Japan, enabling Japan to come to terms with its responsibilities and guilt from that era. As I said earlier, we recognise that the Japanese Government have met their legal obligations in full, but we hope that they will follow the logic of Mr. Murayama's apology, made some time ago, by accepting the moral case for a solution that is more acceptable to those men and women still alive who were held prisoner.

Today's debate has been serious and measured, addressing constructively the issues of compensation for prisoners and Britain's relations with modern Japan. It is worth placing on record the fact that the House has behaved responsibly this morning. However, I believe that many share my view that such serious crimes can never be forgotten or expunged. While I believe that there comes a time when it is pointless to continue to punish individuals, nations are not in the same position. A nation has an accusation of guilt permanently against it until it chooses to expunge that accusation by proper recognition of the level of depravity, suffering and crime against humanity that took place. Until those issues are recognised, the criticism of Japan as a nation remains.

I do not say that in a mood of hostility towards the Japanese people. The generation of young Japanese growing up is no more responsible for the crimes that took place during the last war than the generation of young Britons able to claim to be victims of those crimes. Individuals do not retain that guilt, but nations do. Because we are nearing the time when many of the surviving victims will no longer be with us, the time is coming when the opportunity for recognition will shortly cease to exist. The House is doing the country a service by raising the issue. The survivors who continue to raise the issue with Members of Parliament also do the nation a service by making sure that their cause is not forgotten.

10.44 am

The Minister of State, Foreign and Commonwealth Office (Mr. Jeremy Hanley): I commend the hon. Member for Rotherham (Mr. MacShane) for raising this subject today, and all right hon. and hon. Members who have contributed. We have been reminded that this Saturday will be the 55th anniversary of the outbreak of the war in the Pacific. It is right that at such a moment we should remember the terrible suffering that the war brought to millions in Asia, and in particular the sacrifices made by our countrymen and women so that we could now enjoy the benefits of peace and prosperity. This morning, moving tributes have been paid by hon. Members on both sides of the House to the heroism of those who fought and who endured captivity in the far east. I gladly add my voice to the tributes to that courage and achievement.

I believe that we shall all long remember the extraordinary emotions aroused last year by the commemoration of the 50th anniversary of VJ day: the proud veterans who marched down The Mall past Her Majesty the Queen; the moment when His Royal Highness the Duke of Edinburgh left the stand to join them; the intense sadness of those who bore in their hearts memories of friends who did not survive; and the sense shared by many of us that those who considered themselves a forgotten army had at last been paid the tribute that was their due. We who have enjoyed the peace could not help being moved by the courage and stoicism of that wartime generation.

Today our focus is on one particular group; a group who probably suffered more brutal and cruel treatment than any other allied service men—the prisoners of war of the Japanese. I shall not repeat the accounts of the horrors to which many were subjected. Hon. Members have today reminded us with some graphic and appalling details of what was done to those prisoners. Nothing can excuse it. It is hard to believe that men could have been treated in so callous a fashion or that they could have endured it.

We must remember too that the prisoners were not all service men or women. Whole families of civilians, including women and children, were interned in prison camps in all the areas occupied by the Japanese. They, too, deserve to be remembered and honoured; they have memories of suffering which are difficult for us to imagine.

About a quarter of the service men taken prisoner in the far east did not survive. That in itself is a tragic indictment of the conditions of their captivity. Those who survived were often marked for life by their experiences. We have all seen the photographs of the sick and starving men who were found and liberated in the camps. They returned from their appalling ordeals to a Britain that had its mind on other things—on all the problems of post-war Europe. There was no counselling available for them, nor was there psychological support. They had to fend for themselves. In some ways that may have been another hard blow.

It is difficult today to re-create in our minds the conditions and emotions of that time. The allied war tribunals sentenced many of the most brutal camp guards to be executed, out of revulsion at the atrocities perpetrated on the prisoners. However, when it came to working out a peace treaty and settling the issues of claims and compensation, the allied Governments found that Japan had been shattered economically. Japan was stripped of its empire, and its overseas population was repatriated. The economic miracle was still a dream for the future.

In the discussions about a peace treaty, Britain insisted on some recognition of the sufferings of those detained by the Japanese. As a result, under the San Francisco peace treaty in 1951, the proceeds of Japan's overseas assets were taken in settlement of the claims. In Britain's case, those sums were distributed to the former prisoners and civilian internees in recognition of the unique hardships that they had endured. No other British prisoners of war received such payments.

Sir Michael Marshall (Arundel): We are all, of course, totally in support of what is being said. My hon. Friend will be aware that the MOD is currently undertaking a fundamental review of former British prisoners of the Germans and the Italians. Can he confirm that the Foreign Office will do all that it can to ensure that, as far as possible, all prisoners of war are treated on all fours?

Mr. Hanley: It would not be right for me to address that point, because it is a matter for Defence Ministers. It is true that prisoners of war in the far east received different treatment from those in Europe and that reparations have not been made to prisoners of war in Europe, but perhaps that is due to the unique suffering endured by prisoners of war in the far east.

[Mr. Hanley]

It is tempting, with all the benefits of hindsight, to criticise those who made the arrangements that led to the San Francisco treaty. The payments were indeed small in comparison with the magnitude of the sacrifices made by those who received them, but at the time allied Governments were concerned not to repeat the mistakes made after the first world war in Europe by making excessive financial demands on a broken country.

Whatever the historical rights and wrongs, the 1951 peace treaty continues to define the legal position on compensation today, and successive British Governments have accepted that the question of compensation is legally closed. The same is true of all the other allied Governments who signed the peace treaty, including the United States, the Netherlands, Australia, New Zealand and Canada. None of us is in a position formally to re-open the issue with the Japanese Government.

Although I would not dream of dealing with new arguments about international developments here and now without notice, I should say that our legal advice has been consistent. I will, however, write to the hon. Member for Rotherham—my hon. Friend the Member for Teignbridge (Mr. Nicholls) mentioned them, too—setting out the Government's views on the relevance of the developments to which he referred. If there are developments that ought to be taken into account, let us study them.

In addition, although the Government cannot become involved in legal cases brought by individuals or organisations, our embassy in Tokyo has willingly helped ex-prisoners of war in Tokyo by offering advice and arranging meetings. We have also drawn to the attention of the Japanese Government the strong sympathy, emotions and support felt by many people here for the former prisoners, and, indeed, shall be sending a copy of this debate to them.

We have drawn the issue to the attention of the Japanese Government repeatedly and at the highest level. In particular, as has been referred to in the debate, my right hon. Friend the Prime Minister has taken a personal interest in the matter and raised it with successive Japanese Prime Ministers. His visit to Japan in September 1993 marked a new stage in the discussions that had been taking place. A new Government had just come into power in Japan, and they were more willing than their predecessors to face up to the issues.

The Japanese Prime Minister, Mr. Hosokawa, for the first time gave a full and detailed apology for the treatment of British prisoners. He expressed his

"deep remorse and apologies for the fact that Japanese past actions had inflicted deep wounds on many people including former prisoners of war".

He and the Prime Minister agreed to consider possible non-governmental measures that might help to resolve the issue.

The British Government, with much help from sympathetic individuals, developed a proposal for a non-governmental foundation that might be privately financed and contribute to the welfare and the meeting of other needs of former prisoners. A great deal of work was put into that, not least by my right hon. Friend the Member for Witney (Mr. Hurd). We hoped that there would be some practical benefits for those concerned, but in the end, however, the project had to be given up when it became clear that there was no realistic prospect that private funding would become available.

The Government nevertheless continued intensive discussions with the Japanese Government in the run-up to the 50th anniversary of VJ day, which produced two positive developments. First, the new Japanese Prime Minister, Mr. Murayama, made an official statement on VJ day, cleared with all members of his Cabinet, in which he expressed his "heartfelt apology" and "feelings of deep remorse" for the damage and suffering caused to the people of many countries, including former British prisoners of war.

Secondly, the United Kingdom was included in a £650 million programme—the peace, freedom and exchange initiative, launched by Mr. Murayama. The initiative's specific aims are to face up to the facts of history and to promote reconciliation. It will last for 10 years and in the United Kingdom we are funding a major historical project designed to examine both the dark and the good side of our past relationship and an extensive programme of exchanges. Under the initiative, there have already been a number of visits of reconciliation to Japan by former prisoners and their families. There is also a specific programme aimed at the grandchildren of former prisoners.

I am well aware that many former prisoners of war simply do not feel that the Japanese moves are sufficient; they do not feel that the Japanese have yet demonstrated clearly enough the sincerity of their apologies, and continue to seek compensation. The Government respect those feelings. We have the greatest sympathy with those who suffered such terrible treatment at Japanese hands during the war, so we have not closed the book on the problem. On the contrary, Ministers have on numerous occasions pointed out to their Japanese counterparts that emotions in this country continue to run deep.

I, myself, raised the matter in April when I visited Japan, and my right hon. and learned Friend the Foreign Secretary did so when he visited in September. In responding to us, Japanese Ministers expressed their own sympathy and understanding for the former prisoners, but have not at this stage gone further than the measures that I have already mentioned.

Mr. Winnick: Although I do not expect the Minister for one moment to speak on behalf of the Prime Minister or in any way depart from his brief—I am not criticising him in any way—will he promise that today's debate will be brought to the Prime Minister's attention so that he understands the strong feelings on this issue on both sides of the House? There is no division whatever between hon. Members and it would be useful if the Prime Minister were made aware of Parliament's very strong feelings.

Mr. Hanley: I can give the hon. Gentleman that assurance. My right hon. Friend the Prime Minister has asked for a copy of the debate. Putting aside any partisan feelings, the House must recognise the personal interest that my right hon. Friend has shown in the matter.

I mentioned that the Japanese Ministers to whom we have spoken have said that they will not yet go further than the measures that I have already mentioned, but we intend to continue our discussions with them. As right hon. and hon. Members have said, there are extremely

friendly relations between Japanese and British Ministers and, indeed, between Britain and Japan and their people. Ties go back to the 19th century and, even today, the 1902 Anglo-Japanese alliance and other historic links with Britain are remembered with affection in Japan. As has been said in the debate, Japan today is a very different country from that of the war-time period.

Mr. MacShane: Does the Minister accept that Japanese companies that were involved in the war have a role to play, since in Japan, unlike Europe, prisoners of war and internees were directly used as forced or slave labour? Today's Japanese companies could play some role in helping to solve the problem.

Mr. Hanley: I would willingly encourage any new initiative to encourage Japanese companies to help in that way.

Japan has changed. Its remarkable economic success has thrust it on to the world stage. It is the largest bilateral aid donor, the second largest contributor to the United Nations, a Group of Seven partner of the United Kingdom, and a country with which we have shared many interests and perspectives. We have benefited and continue to benefit from the very highly successful inward investment that we receive from Japan, which produces many tens of thousands of jobs in the United Kingdom. Our modern relationship is different from what it was. The matter is not just one of economics. It depends on the values that, over the years, we have come to share.

I do not believe that there is any serious risk that Japan will revert to the path of its wartime militarism. Its post-war development has carried it on to a new, more productive route. I believe that Japan is trying to put the issue behind it. Japanese children are trying to live up to their past. They no longer avoid the issues of Japanese war-time behaviour in Asia and harsh treatments of prisoners of war. We must remember that the terrible crimes in relation to comfort women, which was mentioned earlier, has only recently been acknowledged and admitted.

The issues are sensitive and difficult and it has taken time for new attitudes to emerge. It is never easy to overcome the bitterness and shame of war, especially among those directly involved. But it is fair to say that the British Government have provided greater political support to our former prisoners than any of the other allied Governments have to theirs. As I have explained, we have been constrained by the legal position under the San Francisco treaty, but we have had a series of discussions with the Japanese Government at all levels, in an effort to establish what might be done to help the former prisoners and give them satisfaction. We have not done that out of vindictiveness or a desire to punish the Japanese for past crimes. On the contrary, we have acted out of a profound sense of sympathy for the former prisoners who endured such abominable treatment and out of a belief that it is only through confronting the facts of history that we can learn from them.

We have not achieved all that the former prisoners would like to see, but I believe that, thanks to our efforts and the efforts of many others in Britain and Japan, progress has been made and greater understanding achieved as a result. Our efforts will continue.

Sustainable Development

11 am

Mr. Tim Yeo (South Suffolk): I am delighted to have this opportunity to introduce a brief debate on sustainable development. On anything other than a short-term view, the challenge of sustainable development—a hitherto unobtainable and, until recently, unsought goal—is the supreme issue for politicians all over the world. Unfortunately, democracies are better at responding to urgent problems that are likely to come to a head before the next election, usually a maximum of four or five years away. That is understandable, but disappointing, because the aim of sustainability is very real for all of us with children and grandchildren who will suffer if it is not achieved. A hundred years from now, when the small print of the Maastricht treaty will long have been forgotten, the happiness and health of billions of people will have been decided by the action or inaction of Governments today around the world on sustainability.

The importance of sustainable development is easy to understand. One does not need to be a scientist to realise that, if Britain continues to use countryside for new buildings and roads at the rate of almost 17,000 acres a year, we will concrete over the equivalent of the whole of Suffolk in 50 years. We are urbanising the countryside at an unsustainable rate. If we continue to prefer cars to other forms of transport, the level of traffic using British roads will double in 50 years—another unsustainable trend. If carbon dioxide emissions worldwide continue to grow at their present rate, thereby increasing the concentrations of greenhouse gases in the atmosphere, significant and possibly damaging changes in the world's climate will occur before the end of the next century.

From the comfortable perspective of a rich western country, the tensions caused by unsustainable growth may seem remote, but it is precisely because in Britain, in Europe, in North America and in parts of the Asia-Pacific region we do not have to confront daily the problems of starvation and disease—and because we are no longer preoccupied with securing the basic essentials of life—that we should take the lead in examining where present patterns of consumption are leading. It is up to us to demonstrate how the world can convert its present obsession with economic growth, as defined in today's narrow terms, into a commitment to sustainable development which represents the only way to secure prosperity and a decent quality of life for the human race in the long term.

I should emphasise that I approach the subject in a spirit of optimism. I am confident that the urgency of the problem will soon be widely recognised, certainly within the next generation. Once that recognition has occurred, human ingenuity and resourcefulness are such that the real issues will be addressed and solutions found. I am also acutely aware of the danger of describing the issues in excessively apocalyptic terms. The remedies do not all necessarily lie in sudden, dramatic or costly changes of policy. Greater care in the use of irreplaceable resources is one absolute prerequisite. More co-operation between Governments and countries on global issues is another. Both those aims are justified in themselves, regardless of their role in securing sustainability.

We also need a better understanding and better measurements of the environmental consequences of economic activity. All those requirements can be met. We

[Mr. Tim Yeo]

should tackle the whole subject on a gradual, step-by-step basis with the "no regrets" principle uppermost in mind. Adopting that approach, I propose to deal this morning with four themes—three are largely domestic and one is global. Because of the supreme importance of the subject, I intend to seek further opportunities between now and the general election to return to it and to examine in more detail those aspects that time will not permit us to deal with today. I make no apology for that.

Sadly, the issues are not likely to feature prominently in the general election in the spring. Indeed, there is little evidence that the Labour party has thought about them at all, but they are of great relevance to our constituents and to the welfare of those future generations of British people with whom the House should be concerned.

As it happens, next year is the fifth anniversary of the Rio Earth summit. The United Nations is marking that with another Earth summit, two months after the Commission on Sustainable Development meets in New York. Britain should be in the lead, as it was under Margaret Thatcher, in taking forward environmental initiatives and in influencing international policy. There is now a real opportunity for the House to generate ideas, to engage the attention of the public and the media and to devise solutions to problems that affect all parts of the globe.

I shall consider first land use here in the United Kingdom. I welcome last week's Green Paper, "Household Growth," as a worthwhile document which deserved a better response than it received from the hon. Member for Holborn and St. Pancras (Mr. Dobson) who, I regret to say, displayed his usual ignorance and shallowness. Only a party leader as utterly uninterested in the environment as the right hon. Member for Sedgefield (Mr. Blair) could entrust such a crucial portfolio to the hon. Member for Holborn and St. Pancras.

I especially welcomed the acknowledgement by my right hon. Friend the Secretary of State for the Environment, in response to my intervention last Monday, that the present rate at which rural land is converted for urban use is unsustainable. An average of 17,000 acres of rural land has been urbanised annually since 1981. The challenge is to stop that gradual but unacceptable transformation of our much cherished countryside without completely freezing the evolutionary process that historically has created such a rich tapestry in villages and towns alike. A limited degree of new development in the countryside is an integral component of any thriving rural economy, but it can all too easily expand to the point at which it inflicts serious environmental damage.

The Government's target of meeting half of all new housing needs by building on land that was previously developed is excessively modest, not least because that ratio has already nearly been achieved. Last week, my right hon. Friend the Secretary of State suggested raising that target to 60 per cent. I urge him to set a goal of meeting three quarters of all new housing need from recycled land—brown-field sites—within four years. No doubt that would cause some concern to the building industry, whose preference for green-field sites on grounds of cost, convenience and saleability is well known, but the potential to use more brown-field sites exists. Derelict land can be made good. Outdated, empty offices are ripe for conversion to residential occupation, and there are countless other examples. To exploit that potential more fully, the planning system and the market must both be harnessed.

In relation to out-of-town shopping developments, I applaud the Government's emphasis on a sequential process within the planning system. That requires consideration of alternative sites, first within town centres and then elsewhere in existing built-up areas, before approval of a green-field site can be given.

The same approach can be applied to housing. Planning guidance should emphasise the fact that consent will not be given for housing on any green-field site unless the applicant can demonstrate that all available alternatives—including the conversion of existing premises and the reuse of brown-field sites, even those that contain derelict or contaminated land—have been considered and are genuinely unsuitable for reasons other than mere cost.

Mr. David Nicholson (Taunton): Raising the proportion to 60 or 70 per cent. on a national basis may be practicable, but to do so for every shire county might be difficult. I speak of Somerset, which I know reasonably well, whose relatively small towns do not have the brown-field sites that exist in the great conurbations. Yet it is to places such as Somerset—and, indeed, Suffolk—that people are trying to move their businesses and homes.

Mr. Yeo: I accept that it may not be possible to apply the target at micro-level to every district planning authority, and that to achieve the 75 per cent. target that I suggested we would need to consider a broader distribution of the way in which housing need is met, but only by imposing a national target can we ensure that the effects trickle down through the system and provide enough pressure and incentives for developers to consider ways of meeting housing needs other than the use of green-field sites.

I fully understand that demand from consumers is now strongly oriented towards the rural areas. That is unsustainable in itself, and what I have suggested would enable us to reorient the demand a little. If we approached planning matters in that way, we could make the planning system a genuine guardian of land that needs protection.

That should be backed up by a levy payable on any new green-field development, which would encourage developers to consider the alternatives more carefully. For example, a levy of £60,000 per hectare would generate more than £200 million a year even if the present rate of green-field development were halved. It would increase the price of a new house on a quarter-acre green-field site by £6,000, thus making alternative property relatively more attractive. To sweeten the pill, part of the proceeds could be applied to restoring derelict land.

Much is already happening to make our transport policy more sustainable. Railway privatisation, of which I have long been an enthusiastic supporter, is the first and long overdue step towards rebuilding a golden age of rail, which should reverse the long-term decline in the railways' share of passenger and freight movement.

I welcome the Budget changes in fuel and vehicle excise duties, which give a valuable environmental tweak to the taxation system for cars and lorries. However, the changes need to be taken further if the increase in carbon dioxide emissions from vehicles is to be reduced

sufficiently. Other measures are also needed to cut congestion, pollution and overcrowding on certain roads at peak times.

The publication in March of the excellent document "Indicators of Sustainable Development" drew attention to the relative fall in the cost of car use compared with rail or bus travel. Doubling the annual real increase in petrol duty to 10 per cent. would at least redress the balance slightly. Higher rates of vehicle excise duty for high-consumption cars, a change that could be introduced on a revenue-neutral basis by lowering the duty on more economical models, would encourage fuel efficiency.

At the same time, the recent decline in cycling could be reversed by allowing expense claims to be paid, tax-free to the recipient and at a rate comparable to that paid for cars, for the use of bicycles for business purposes.

The problem of congestion cannot be overcome by building more roads, which simply encourages extra traffic. Instead, a limited road pricing experiment—for example, charging users of the M25 during rush hours—should be tried. The technology now exists for road pricing to be operated without complicated or time-consuming vehicle checks.

Rural dwellers for whom a car is an unavoidable necessity would not be penalised. Their roads would not be subject to any pricing. But drivers of gas-guzzling vehicles who insist on using key roads at peak periods would certainly pay more. The prize would be less pollution and congestion, and much less demand for additional roads as better use of the existing network was made by spreading demand throughout the day.

My third concern, energy efficiency, is a subject in which the "no regrets" principle applies par excellence. It unites environmental and economic goals. It is astonishing that so little attention is now paid to energy efficiency both by individual householders and by the public sector.

Households are responsible for 16 per cent. of carbon dioxide emissions in the United Kingdom. We must make all householders aware of what they can do to cut energy costs. One way, as I suggested in my ten-minute Bill last summer, would be to include an energy rating in all house surveys carried out for purchasers when mortgages are arranged.

Few people buy a home without being aware of its council tax band, yet hardly any buyers know how energy-efficient their perspective homes are, despite the fact that fuel costs almost always far outweigh council tax payments. The anomaly could be corrected by simple legislation, and from the results of a comprehensive survey of major lending institutions that I carried out after introducing my Bill it is clear that the lending industry would be perfectly happy to see such legislation.

My hon. Friend the Under-Secretary of State for the Environment will know of the great disappointment felt last week when the Budget did not cut the rate of VAT on energy-saving equipment to the 8 per cent. charged on domestic fuel. I acknowledge his Department's achievement in winning extra resources in a difficult year for the Energy Saving Trust. Regrettably, however, there remains an anomaly in the VAT system, which now offers an incentive for energy consumption rather than energy saving.

I must ask why there has been so long a delay in producing the energy efficiency figures for the Government estate. According to the Library, the latest published data relate to the year ending March 1994. That is disgraceful. The targets set for Government Departments were modest enough, and it is inexcusable that progress towards them is not being regularly and publicly monitored. The only conclusion to be drawn is that the Government do not regard those targets as important.

I must mention global warming, an issue to which I hope to return in the new year. Global warming is no longer simply a possibility: it is now beyond doubt that the world's climate is changing as a result of human activity.

For us in Britain, the consequences will not be a happy transformation of our present weather pattern into an agreeable Mediterranean climate. Temperatures will certainly rise, perhaps by 1 deg C over the next 50 years. But sea levels will also rise, storms will become more frequent, and both flooding and drought are likely to increase in some parts of Britain. So not all the changes will be beneficial. Many will have far-reaching implications for crop yields, river flows and demand for water.

The consequences for some other countries will be even more dramatic. Furthermore, even if the world succeeds in stabilising the concentration of greenhouse gases, some of the trends, such as rising sea levels, may continue for several generations.

Britain has played a distinguished role both in achieving wider understanding of climate change and its consequences and in influencing international responses. We are on target to achieve the reduction of carbon dioxide emissions to 1990 levels by the year 2000—indeed, we may well improve on that target—but we should now look beyond 2000. The last meeting of the parties to the UN convention on climate change agreed in principle that legally binding targets should be set for the years after 2000, but did not decide what those targets should be.

Time is not on our side. If the long-term aim is to limit the increase in the concentration of greenhouse gases to a level double that reached in the pre-industrial age—in other words, to double the level that has prevailed throughout almost the whole of the earth's history—a substantial cut in carbon dioxide emissions will be needed, perhaps a halving of present levels of emissions. It is simply not credible to suppose that that will be achieved by present policies. Britain should be in the forefront of initiating debate both about the targets for the next century and about how to reach them. Our voice in this debate will be heard more clearly if we build on all the existing measures, and those that I have suggested in my speech, while considering others.

The possibility of a carbon tax has become caught up in the arguments about whether any taxes should be imposed by the European Union on member states. That is a pity, because a carbon tax has, in principle, much to recommend it. Its potential contribution to the process of curbing carbon dioxide emissions deserves to be examined on its merits, and these should be reconsidered. There are other possibilities, notably the use of tradeable quotas. Like a carbon tax, tradable quotas have the immense advantage of providing flexible market incentives for environmentally responsible behaviour. They reward people who find cheaper and more effective methods of reducing emissions.

[Mr. Yeo]

There is much more that could be said on this subject, but I would like the other hon. Members present in the Chamber to have a chance to contribute to the debate. My purpose today in raising this issue has been to try to give sustainable development a higher parliamentary profile. I hope that my hon. Friend the Under-Secretary of State will assure us that my suggestions will at least be carefully considered.

11.21 am

Mr. Matthew Taylor (Truro): I am pleased that the hon. Member for South Suffolk (Mr. Yeo) has sought and won the opportunity to debate this important subject, and I overwhelmingly agree with his comments. He was right to say that the problems can be tackled, and that they will be tackled above all by harnessing people's ingenuity. The irony is that most of the problems that we face are the results of previous ingenuity in overcoming previous problems. The hunt for warmth, shelter, food, easy transport and communications have led to new problems, but exactly the same ingenuity will help us to overcome them. There are ways in which the Government can have a hand in encouraging the exercise of that ingenuity.

The hon. Member for South Suffolk referred to four key themes, and I shall seek to follow briefly the points that he has made. The first—land use—is perhaps the area in which the impact of environmental problems is most immediate to ordinary individuals in this country. They see it in their view, in the traffic jam in which they sit and in the increasing asthma attacks suffered by their children, which are linked to air pollution.

In that context, the issue of household growth is probably the one that will be highest on the agenda of many politicians as we come to the next general election. In my part of the world, people are greatly concerned about the high level of proposed building in the countryside. I am not sure whether they make the connection with the wider environmental issues touched on by the hon. Member for South Suffolk, but it is an issue that they will be taking up with their local Member of Parliament.

In this context, sustainability versus large-scale household growth is a central dilemma as we approach the end of the century. The problems will be compounded by the fact that the demand for housing and the readily available sites that we might wish to see developed do not often occur in the same place. Urban areas are often enthusiastic about new development on brown-field sites, but demand is likely to be strongest in more rural areas.

Furthermore, one-person households are expected to make up 80 per cent. of the expected 4.4 million new households. It is therefore inevitable that there will be an increase in the number of houses being converted into flats and bed-sits. That raises further social issues that I should like to see the Government address through a national licensing scheme to sort out the appalling living standards in much of that kind of accommodation. The net benefit of tackling that problem will be that more people might be willing to live in that kind of accommodation, particularly in urban centres. That will regenerate those centres and help stop the continuing erosion of our countryside.

The first step in tackling the problem must surely be to use what we have. I am disappointed that so little mention has been made of the thousands of empty properties across the country—some 800,000 in England alone. I should like the Government to provide sufficient funding to make better use of that wasted resource, rather than the small and piecemeal funding that they provide at the moment. It must be madness to contemplate building millions of new homes without first making an effort to bring into use all those empty buildings.

The next step must be to encourage development on previously developed land. Last week, the Secretary of State for the Environment stated that in future he wanted the proportion of new houses built on brown-field sites to increase from 50 to 60 per cent. That was a welcome statement, but without any real incentives I fear that it is unlikely to happen. It is suggested that the Secretary of State has looked at, and may even favour, introducing a green-field tax of the sort outlined by the hon. Member for South Suffolk to promote brown-field site development. I should like to see that step being taken, and I should have liked to see it in the Budget. I hope that such a tax will be introduced in the future. It is a policy that the Liberal Democrats have long advocated, and I hope that it will be specifically introduced during consultation.

Several attempts have been made to introduce taxes based on the increase in the value of land that results from the acceptance of planning applications. Such betterment taxes have in the past been justified on the grounds that as the community creates a fortuitous gain for the landowner by granting planning permission, it should therefore share the benefits by cutting taxes that currently fall on the things that we do want, such as local jobs and businesses. That could help pay for direct community costs, such as improved public transport, schools and waste recycling, and could provide compensation payments for people directly affected by the decision. The case for such a tax is unarguable, and the sooner the Government introduce it, the sooner we will see a shift towards developments in brown-field sites. The financial incentives will be there, rather than merely the rhetoric and pleadings of local councillors or national politicians.

Incidentally, the market—provided that it is given those incentives, and provided that we structure the tax and planning systems appropriately—will to some extent provide solutions for those problems. I doubt, however, that the market will find solutions for social housing needs, and I regret that Government have again cut the provision of social housing. That has a particular relevance to the development of green-field sites. Local authorities have now been told that they cannot negotiate for an element of affordable housing on sites smaller than 40 units. In my county—and, I suspect, in most rural areas—very few developments are likely to be built on a larger scale than that, particularly in local villages where there is the greatest need for, and the greatest shortage of, social housing.

Councils are being prevented from using capital receipts for such building, and now they cannot negotiate with the developer. If we are to see development on green-field sites, let us make sure it is properly balanced and that it addresses the needs of local communities, rather than simply the needs of people who move out to retire or to commute—precisely the kind of green-field site development that we do not want. I have spoken at some length on that matter because it is probably the most immediate to politicians.

I agree strongly with most of what the hon. Member for South Suffolk said about transport. There is a strong argument for an increase in petrol duty, balanced by incentives for those driving more fuel economic and less polluting vehicles and by changes in the tax system, especially that for company cars, which encourages people to drive larger vehicles unnecessarily and to make unnecessary journeys to maximise their tax benefits. That system is nonsense and can be changed.

The hon. Gentleman mentioned bicycles. I would also urge the Government to consider tax relief for individuals who are provided with public transport, in the form of rail season tickets, for example, through their company.

The hon. Gentleman is also right about energy efficiency. I would love the requirement on housing surveys that he suggested to be imposed. I entirely agree with the policy of reducing VAT on energy-saving equipment and my party included it in our Budget proposals. However, I believe that, had there been a vote on the issue last night, it would certainly have been won. I regret that there was no vote, and I believe that the Labour party made a mistake in its motion by not picking that issue, which could have been won, and picking instead an issue for which there may be greater political support but on which it was always likely to lose. I hope that we shall have such a vote in the coming months or, even better, that the Chancellor will propose suitable amendments during the proceedings on the Finance Bill.

I agree with the hon. Member for South Suffolk that global warming is the biggest single threat that we face. It is such a threat because it is the most difficult problem to overcome, as well as being the most serious. Our current lifestyles depend on excessive use of resources, but an even worse problem is the fact that, as 80 per cent. of the world's resources are currently used by only 20 per cent. of the population, if the rest of the population even moves towards standards of life similar to ours, regardless of whether they adopt best environmental practice—which is in itself unlikely, given the costs that can be associated—the current targets set internationally and by the Government will not even begin to contain the situation.

It is important to make people understand that those problems are a priority. I was extremely pleased to hear what the hon. Member for South Suffolk said about carbon tax, which I have consistently advocated. Tax should be targeted on those energy systems which create the pollution, and other taxes should be cut to make it politically acceptable. For instance, we should cut employers' national insurance—the tax on jobs—to encourage people back to work and to encourage companies to employ people rather than machinery, and we should cut VAT so that people do not have a big net increase in their bills.

All those points concern environmental taxation in one way or another. That was a theme of the speech of the hon. Member for South Suffolk and it has been a theme of mine. There is a huge opportunity for a reforming Chancellor to change the tax system to benefit the environment and individuals and to help people to create warmer homes while using less energy, to get about without creating traffic congestion and pollution, and to be housed without destroying our environment.

By taxing differently, rather than simply increasing taxes, we need not impose a higher burden overall. The Chancellor who introduces such reforms will not only set the agenda for the next century but will be both a reforming and a popular Chancellor.

11.33 am

Mr. David Nicholson (Taunton): I congratulate my hon. Friend the Member for South Suffolk (Mr. Yeo) on raising an important subject that deserves more attention and more far-sighted debate in the House. He is building on his excellent work as a Minister in the Department of the Environment, and I am glad to see that his interest in such matters has not abated since his return to the Back Benches.

The most urgent problem facing our communities in the next few months is the housing requirements that are being directed at counties throughout southern England, but before dealing with that I want to touch on transport and energy conservation, which were mentioned by both my hon. Friend the Member for South Suffolk and by the hon. Member for Truro (Mr. Taylor).

The only dissenting letters about the Budget that I have received in the past week were from pensioners on fixed incomes, living in the countryside and dependent on their cars, who objected to the rise in petrol prices. I have had a good half dozen such letters. I had to explain that we and the Opposition parties are committed to raising the price of petrol continually through taxation.

The hon. Member for Truro and I have had some discussion in the past about the Liberal proposals for counterbalancing tax on petrol. I face a dilemma, and the hon. Gentleman faces a practical problem, because single people or pensioner couples on limited incomes in the countryside will tend to have older cars, which unfortunately, whether small or large—and they are often small—are pretty environmentally unfriendly; that is a shame in itself, but it also means that those people cannot benefit from the discrimination in favour of unleaded petrol.

The other dilemma arises because people in the countryside who have children will almost certainly need a rather larger than average car, especially if they give lifts to their children, to other people's children or to their neighbours. I would like more to be done to help communications in the countryside by encouraging neighbours to help each other by giving lifts. The idea that everyone can be encouraged through tax measures to have small and environmentally friendly cars is therefor subject to these practical difficulties.

I entirely support the encouragement of bicycle use. Taunton, the main town in my constituency, is ideally suited for more use of bicycles, and the Liberal council, with my full support, has done a great deal to encourage it in recent years. There is all-party support in my constituency for the development of cycle tracks and I am delighted to say that we have had considerable financial help from the Government.

On energy conservation, I do not want the Government—any Government—to levy different rates of VAT on different goods and services, as we got away from that in 1979, much to the benefit of small businesses. I therefore do not support the idea of reducing VAT on energy conservation materials to 8 per cent. I entirely agree with my hon. Friend the Member for South Suffolk,

[Mr. David Nicholson]

however, that there should be more support through grants for energy conservation services, as there is much work to be done and I believe that the backlog of work has created a waiting list. We are pleased with the modest increase announced in the Budget, but we shall not relax the pressure for more resources for such work.

The most important issue for my constituents and for most people in southern England is new housing development. Through a conjunction of population planners in London, the South West regional planning conference and others, Somerset was originally threatened with 50,000 new houses over the next decade or decade and a half. Pressures and negotiations may bring that down to about 45,000, but it is still too many. Such development on green-field sites would have implications for the water table and water conservation.

In and near my constituency, it is feared that the sort of development that we face over the next decade will cause the town of Taunton to spill across the M5, swamping the villages of Henlade, Ruishton and even Creech St. Michael, and bringing them into a Greater Taunton. I would greatly regret that. Just over my constituency border, my right hon. Friend the Member for Bridgwater (Mr. King) has referred to the danger that Bridgwater and North Petherton will join to create a Greater Bridgwater. Few people in the local communities want such development.

We have run up against difficulties with the Ministry for Agriculture, Fisheries and Food because sites such as Longforth farm to the north-east of Wellington and Monkton Heathfield between the village of that name and the M5 are grade 1 or 2A agricultural land. MAFF has objected to development on such sites even though they would be less intrusive green-field sites and probably appropriate for development in terms of communication and in every other regard. We have a dilemma, although I think that we may be making progress with MAFF.

There is better scope for the sensible development of villages. That would help the village services such as the garage, the post office, the pub and the school which the excellent Local Government and Rating Bill that we are putting through the House is trying to sustain. But there is no point in developers building 1960s or 1970s style large family houses on the edge of villages that have entirely different traditional architecture. The Prince of Wales has taken important initiatives on that. I hope that planning guidance will emphasise that we must develop more sensitive architecture for new village developments.

In my part of England, there are a number of disused airfields dating back to the second world war, some of which may be suitable sites for new villages. There may be scope for closing some of the military bases, where the ground is already developed, on Salisbury plain and turning them into villages. We can show some imagination and initiative to avoid intruding on the green-field sites that we and our constituents are anxious to conserve.

I want to spell out some shorter-term and some longer-term proposals to tackle the problem. They may go against several of the rhetorical and philosophical assumptions that Conservative Members have previously accepted—or at least espoused over the past 20 years. If we do nothing to curb demand for new housing and curb only supply, which is what our county councils and constituents are asking us to do, we will price people artificially out of communities; there will be an artificial house price boom.

We must consider greater use of empty properties, but they tend to be in urban areas and large conurbations. There must be greater use of brown-field sites but as I pointed out to my hon. Friend the Member for South Suffolk, that is less help to those of us with rural or semi-rural counties to look after.

I want no more intrusion on school playgrounds. We debate the resource problems of schools, but I am glad that even the urban schools in my constituency retain excellent playgrounds, usually right next to the school, which is a great benefit. When I was at a good grammar school in Lancashire, it was a mile and a half walk up the hill and down the other side to the playing fields.

I am sure that we can have sensible development, especially if emphasis is given to smaller-scale development. If we are moving towards a society in which more people live alone, we must consider the greater development of flats rather than large family houses.

Some of my other points are for the longer term but they must be considered. First, we must discover what we can learn from other countries, especially the Netherlands. My sister has lived there for 20 years. It has restrictions on to whom people can resell their houses, which must be offered first to people in the local community. The Netherlands, more than any other country in Europe, needs to use every acre of its land effectively because the supply of land is so limited. In the long term, the free market in the sale and resale of housing may have to be considered.

A perverse benefit of the recent recession was that the boom in the south-west has been curbed while the north of the country, for the first time in 100 years, has excellent economic development prospects. That may reverse the process of the past century whereby people have come from the north to seek employment and set up businesses in the south. However, the south-west has been the traditional target for people seeking to retire from the midlands, London and, indeed, all over the country. So, secondly, we may have to consider restricting the right of people to move from one part of the country to others when they retire. I might say to the hon. Member for Ceredigion and Pembroke, North (Mr. Dafis) that I know about that issue only too well because my mother lives in north Wales. Sooner or later, we may destroy the very facilities that attract people to the south-west in their retirement.

Mr. Matthew Taylor: A less draconian but more immediate measure would be to allow local authorities to require planning permission when a home is changed to a second or holiday home. That forces families to find other accommodation, possibly new-build accommodation, elsewhere quite unnecessarily. Such a measure would not stop such sales altogether but it would mean that the same planning requirements were necessary as for changing a home to a business.

Mr. Nicholson: I agree that that should be considered. All those matters, although they go against the philosophy of free markets and individual freedom that the Conservative party in particular has, for the past 20 years,

laid great store by—and which are indeed valuable social and economic objectives—may have to be questioned in the interest of conserving our heritage. There is widespread support for that.

Thirdly, we may have to consider curbing commuting by people who live 100 miles from where they work. That process causes constant building on green-field sites and adds to transport pollution. One way to start curbing it would be by substantially restricting all-day parking in cities and conurbations so that parking facilities are for local people who come to shop, not for those who commute from 100 or 150 miles away. That objective would have implications for rail travel which the House should consider further.

Fourthly, measures to counterbalance the break-up of families have been mentioned by my right hon. Friend the Secretary of State for the Environment. The segments of sundered families are requiring facilities for visiting children. Grandparents get sundered from families, live elsewhere and do not get support from them. It is not for politicians to preach, but I regret that we have not done more in recent years through fiscal, legal and social measures to try to halt that distressing process.

In addition to the environmental consequences that we are discussing, such separations also result in a great deal of unhappiness, misery and educational failure. Indeed, a lot of evidence shows that such family breakdown also leads to delinquency and crime. Greater success in holding families together could be an alternative to some of the more radical measures that I have suggested should be considered.

It is absolutely right that the House should debate such important matters, and look not just six months or even five years ahead, but 10 or 20 years ahead. I am grateful for the opportunity to contribute to the debate.

11.49 am

Mr. Cynog Dafis (Ceredigion and Pembroke, North): I am glad to make a brief contribution in this important debate on sustainable development, and I congratulate the hon. Member for South Suffolk (Mr. Yeo) on initiating it. He has highlighted the subject at an extremely important time, and I am glad that he intends to raise the matter again in the new year. I would like to co-operate in the process to ensure that the issue is given the prominence that it deserves.

This is an important time because 1997 is the year of Rio II. At the same time important meetings will be held of the conferences of the parties to the climate change and biodiversity conventions. The purpose of Rio II is to consider the progress that has or has not been made on Agenda 21 since 1992. The House of Commons briefing document—we get a lot of excellent stuff from the House of Commons Library on sustainable development and associated matters—states:

"Putting Agenda 21 into action will be vastly difficult."

I have no doubt about the difficulty of the task and the seriousness of the challenge, because sustainable development implies a major cultural as well as an economic and political shift. I entirely agree with the hon. Member for South Suffolk that the subject needs to be approached in the spirit of hope and creativity. We can celebrate the fact that the human race now has the capacity to move towards sustainability, which it was never able to do before, because of developments in technology and the enormous expertise and knowledge that is available to us.

Rio II needs to be taken seriously as an international occasion. One such indication would be an advance announcement that heads of state would attend. I would very much welcome a statement from the Prime Minister that he or the successor incumbent of his office will attend Rio II at New York in June. The Prime Minister was the first world leader to announce that he intended to attend the original Rio summit and that influenced the decisions of other world leaders. It is essential that the United Kingdom should take a lead this time, too.

The United Kingdom Government have taken a lead on climate change and greenhouse emissions. The achievement of stabilisation by the year 2000 has been fortuitous in part, nevertheless it is something to be pleased about. Earlier this year, the United Kingdom Government gave an important lead at the Berlin summit in establishing the targets that should be set. I hope that the Government will continue to do that and will confront the powerful vested interests that are trying to prevent such targets from being set.

The targets must be ambitious, because the current ones are hopelessly inadequate, except of course for the targets advocated by the Association of Small Island States. It has called for serious reductions because its people stand most to lose as a result of climate change.

Any discussion of greenhouse gas reductions must be considered in the context of global equity. There is a disgraceful and profound inequity in energy use. Currently 20 per cent. of energy is used by 80 per cent. of the population and vice versa. That must change. Those reductions must judged in the context of global equity and the idea of the global commons. That implies looking seriously at the question of sustainable consumption in the developed world.

The transport issue simply cannot be bucked, whether it is road or air transport, because we are witnessing a significant increase in the use of hydrocarbons, and therefore the production of carbon dioxide. Attempts to come to terms with changes in transport use imply far-reaching changes, for example, ultimately, a more decentralised pattern of production, distribution and consumption. In that context, I specifically urge the Government and the main Opposition party to support, at least in principle, the Road Traffic (Reduction) Bill, which is currently before the House. We are not kidding ourselves that it will get on to the statute book. It does, however, offer an opportunity to debate traffic reduction.

On greenhouse gas emissions, we must take far more seriously the potential of renewable energy. The current target for the year 2000 is 1,500 MW, which is almost trivial. It is useful, however, and I am glad to note that the Government recognise the importance of renewable energy. One should compare, however, the 1,500 MW with the 2,000 MW capacity of one power station at Pembroke were it to start to burn orimulsion.

It is good that we are beginning to move away from the notion of an inherent conflict between environmental protection and economic success. It is essential that we do that, because there is plenty of evidence to suggest that there is no such conflict in reality. We certainly need a new definition of what we mean by economic success. We need to adopt different indicators, such as the index of

[Mr. Cynog Dafis]

sustainable economic welfare, as a measure of economic success. Economic success does not always imply economic growth, and certainly not undifferentiated economic growth. The notion of sustainable development is important because we need to bring together the themes of environmental protection and economic success. That term has been mocked sometimes but we need to address it absolutely seriously and explore its important implications. The central aim of Government policy must be to integrate social welfare, development and employment opportunities within the context of global equity.

When we talk about environmental protection, we should also talk about environmental enhancement. That means increasing and strengthening the opportunities for biodiversity, not just protecting the reduced level of biodiversity which we have currently achieved.

I commend to the House a useful booklet entitled, "The Politics of the Real World", which has been produced by the Real World Coalition. The purpose of that publication is to influence debate during the general election campaign. The hon. Member for South Suffolk was pessimistic about that and he does not believe that it will feature in the campaign, but it certainly should given the crucial issue that it addresses.

It is not the intention of the Real World Coalition to influence the result of the election, but the agenda for debate during the campaign. Sustainable development should be at the heart of that debate. Not everyone will agree with everything that the booklet advocates, although the hon. Member for Taunton (Mr. Nicholson) will find that it contains at least some ideas that he would commend. I was extremely interested to note his call for the need for intervention in certain areas that are regarded as sacrosanct for the free market.

Not everyone will agree with everything in that booklet, but it is the best attempt that I have seen to spell out what the British Government could do in certain specific areas towards achieving real sustainable development. At the heart of that, and the key instruments to enable that development to be achieved, is a combination of public investment and tax reductions. I suggest that Labour Front Benchers should study that document carefully and integrate, if not all, at least large parts of it into their programme for government.

I hope that this is the first of many debates on sustainable development both before and after the election—although, in a sense, all debates about economic policy and other areas of policy should also be debates on sustainable development. It should not be regarded as a separate issue, but treating it as such is at least a way of getting the debate going.

The initiative should come, not only from individual Members of Parliament, but from right hon. and hon. Members on the Government and Opposition Front Benches. It would be welcome if the main Opposition party—whichever party that might be in a few months' time—used one of its main Supply day debates as an occasion for discussing this subject in greater depth than we have managed today. The hon. Member for South Suffolk has started something extremely important and I wish both him and the rest of us well in advancing this important agenda.

12 pm

Ms Joan Ruddock (Lewisham, Deptford): I join in congratulating the hon. Member for South Suffolk (Mr. Yeo) on obtaining this important debate. I, too, believe that sustainable development is fundamental, both to our national and our global futures. The hon. Gentleman said that it is the supreme issue for politicians—I could not agree more. All the ideas that he has outlined this morning deserve consideration and we shall look closely at this debate as we continue to formulate our policies for Government; but I suspect that the hon. Gentleman will get a dusty answer from the Minister, because sustainable development is not something that the present Government have been practising.

Let me remind the House of the definition of sustainable development. We accept the definition coined by the Brundtland commission in 1987 and believe that it is a useful working definition. According to the commission, sustainable development is

"development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

For Labour, crucial to that concept is the fact that it brings together social, economic and environmental considerations. Sustainable development is about improving people's quality of life and not just their standard of living.

Clearly, the Rio Earth summit in 1992 was a landmark for sustainable development. Within a few months of the next general election, we shall celebrate the five-year anniversary of Rio, which other hon. Members have mentioned this morning and which will be an extremely important date for the new Government. We expect to be that new Government and to play our full part in attending Earth summit II and meeting our international obligations.

Fine words and conventions are not enough. The sorry fact is that the Government's record on sustainable development is totally inadequate. They like to trumpet their green credentials, but the truth is very different. For a start, the Government are failing systematically to conduct environmental appraisals of their own policies. It is extraordinary that no Government Department has yet been able to provide any evidence that it is conducting such appraisals, despite the fact that the Department of the Environment has been advising Departments to do so since 1991 and that it was a White Paper commitment.

The annual report of the Round Table on Sustainable Development, published in April this year, recommended that

"all Government departments should ensure that environmental considerations are fully taken into account when policies and programmes are determined, and should have procedures for ensuring that compliance with those requirements can be assessed and published."

The Environment Select Committee published a report on the Department of the Environment's 1996 annual report, which stated:

"we wish to see in next year's Annual Report a much fuller discussion of how the Department has pursued its mission to integrate environmental concerns across Government."

It appears that the Government have so little insight into their failure to implement their own environmental appraisal policies that they have now commissioned independent consultants to examine the extent of the

problem. When asked about environmental appraisals conducted in 1995, the Treasury said that it had not carried out any such appraisals, despite major White Papers on competitiveness and deregulation, both of which have significant implications for the environment. The Department of Health said that the main environmental issues it faced were confined to purchasing policy. Even the Department of the Environment could not produce any evidence of having carried out an environmental appraisal on its own policies. If we contrast that with the 30 compliance cost assessments carried out by the Treasury in 1995, we begin to see how shallow is the Government's commitment to environmentally sustainable development.

I turn now to Green Ministers and the Departments' annual reports, both of which are supposed to contribute to sustainable development. The Green Ministers have had only seven meetings in five years, which hardly conveys any sense of urgency, and the Government have refused to publish the minutes of those meetings. Most departmental annual reports barely mention the environment, and information about the activities of Green Ministers and about departmental action to meet the commitments in the environment White Paper is notably absent.

The Government's evident lack of commitment to sustainable development is reflected not only in those complete failures to meet the promises of the White Paper, but in their many policies and actions in key areas, such as those to which the hon. Member for South Suffolk and other hon. Members referred and to which I now turn: land use, energy, transport, biodiversity and waste.

I shall not reiterate the points made by other hon. Members about land use, but say simply that the hon. Members for Truro (Mr. Taylor) and for Taunton (Mr. Nicholson) were both absolutely right to refer to empty homes. We have to make the best possible use of those properties that are already built, and a Labour Government will do that. We have clearly stated that we shall release the housing receipts, not only to enable new social housing to be built—primarily, of course, on brown-field sites—but to ensure that refurbishment takes place so that the waste of available and existing buildings is ended, once and for all.

Mr. David Nicholson: As I implied in my speech, the local authorities that are the main culprits in terms of maintaining empty properties are Labour councils—I am sure that both the hon. Lady and my hon. Friend the Minister have the figures. What does the hon. Lady propose to do about such authorities?

Ms Ruddock: There is not a shadow of a doubt that concerns in respect of local authorities are mainly about Labour authorities—that is because most local authorities are controlled by the Labour party. That reflects our success in the elections, as the hon. Gentleman knows. That the authorities cannot put to good use the properties that are in the worst state of repair is entirely due to Government policies—it is the Government who have restricted local authorities and who will not allow them to carry out the necessary work. We have said clearly that we will enable authorities to carry out the work and that we will achieve that policy through the release of capital receipts.

The Government have failed to deliver a coherent and sustainable energy policy. We still lose more than 30 per cent. of primary energy in conversion to electricity and secondary fuels and in the distribution system. As we have heard, renewables account for only 2 per cent. of electricity generated. Perhaps most shocking of all is the fact that 8 million households cannot afford the heating they need and that cold-related illnesses cost the national health service £1 billion a year.

Tackling fuel poverty through improving the energy efficiency of homes would be the most truly sustainable move, but the Government massively cut the home energy efficiency scheme budget last year. Although they have put some of that money back and given some to the Energy Saving Trust this year, of which action we naturally approve, that in no way compensates for the cuts of one third of the budget last year. The changes announced this morning will not produce more warm homes—only a different mix. That will not maximise the effectiveness of the Government's scheme. The Government have failed to support domestic energy efficiency in this country at a level consistent with having a sustainable energy policy.

The Government have failed to respond to the recommendation of the Round Table on Sustainable Development that the gas and electricity regulators should work within a framework encompassing environmental and social, as well as economic, objectives. They have ignored the round table's fears that market forces alone will not be enough to promote energy efficiency—a key element of a sustainable energy policy. Obviously, the Government's narrow ideological commitment to privatisation and deregulation in energy, as in transport, is undermining any possibility of sustainable development.

Mr. Yeo: Will not cutting the rate of VAT on domestic fuel, as the Labour party proposes, give a massive subsidy to extravagant and wealthy users of energy? Given that it is Labour's first clear commitment on taxation, is that not about the most unenvironmental commitment that it could make?

Ms Ruddock: The hon. Gentleman knows that we believe that environmental protection must be consistent with social equity. VAT on fuel imposes greatest burdens on the poorest people—those who are already cold. We shall put measures in place to tackle the problem, and I shall mention those towards the end of my speech.

In transport, the sector where energy consumption is increasing fastest, the Government have failed to apply any of the principles of sustainable development. One in seven of our children suffer from asthma, exacerbated by traffic air pollution. Since 1970, car travel has almost doubled, whereas rail use has remained unchanged. Bus and rail fares have increased by more than 50 per cent. in real terms since 1974, whereas the real cost of motoring has fallen.

Many eminent organisations, including the Round Table, and the Royal Commission on Environmental Pollution, have emphasised the need for change, but the Government continue with their failed and unsustainable policies. Their continued failure to invest in public transport was reflected, despite what Conservative Members say, in further cuts in last month's Budget, which undermine everything else that they may say about sustainability.

[Ms Ruddock]

The Government have prided themselves on being a world leader in biodiversity, and we congratulate them on much that they have done, but the Department of the Environment internal appraisal report, Minis 17, reveals that the Government intend to scale down the biodiversity secretariat in only two years' time, and we understand that they do not intend to publish that report. Moreover, Minis 17 says that short-term business pressures tend to

"squeeze out more strategic thinking and militate against cross-departmental working"—

further evidence of the Government's complete failure to integrate sustainable development into general policy making.

I am afraid that a similar picture emerges on waste, which is one of the most significant topics to tackle if we are to have sustainable development. The UK still has one of the worst recycling records in Europe. Ninety per cent. of domestic waste goes to landfill and only 5 per cent. is recycled. We are a long way from the Government's target that, by the end of the century, 25 per cent. of household waste will be recycled. It will fall to a Labour Government to ensure that that is achieved.

In conclusion, Labour in government has promised to put the environment at the heart of all decision making. Unlike the present Government, we intend to follow through on our promises. That is why my right hon. Friend the Member for Sedgefield (Mr. Blair) has promised that we shall set up a parliamentary environment audit committee to scrutinise legislation for its environmental impact. We have undertaken to present an annual sustainable development report to Parliament, and each year we will publish a "green book" alongside the Chancellor's Red Book, setting out the environmental implications of Government policy. We will review the guidance to the Environment Agency to ensure maximum pollution control.

Several of Labour's flagship policies will contribute significantly to a more sustainable society, not least because we shall have a national energy strategy. We shall have a sustainable transport strategy, which means that we shall make that vital shift from private use to public use. We will try to ensure that people are provided with the means to get out of their cars, although we all wish to continue to own cars.

We will create an environmental task force to provide skills and training for unemployed young people and enable them to take part in enhancing our local and national environment. We will set up a national self-financing domestic energy programme, which will tackle fuel poverty, create jobs and reduce harmful carbon dioxide emissions. We have announced that it will be kick-started using millennium funds. We will increase the proportion of electricity generated from renewables to 10 per cent. by 2010 and 20 per cent. to 2025 and promote the increased use of combined heat and power.

All those measures will make up our more significant contribution to tackling the problems of global warming. They are only a few examples of how Labour's policies will put the principles of sustainable development into practice. We expect to have the opportunity, in only a few months' time, to show how much our policies will conserve the use of finite resources, reduce noxious and harmful emissions and protect our countryside. In so doing, we plan to play our part in accepting the UK's obligations to the international community to introduce more sustainable development.

12.15 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. James Clappison): This has been a wide-ranging and far-sighted debate. In the time left to me, I shall do my best to respond to the arguments that have been made, but if I do not have sufficient time I shall write to hon. Members about their points.

I congratulate my hon. Friend the Member for South Suffolk (Mr. Yeo) on securing the debate. He has a considerable background and great interest in the subject, and his selection of it has given the House the chance to look to the future. Generally, there have been far-sighted contributions from both sides of the House.

I agree with my hon. Friend the Member for Taunton (Mr. Nicholson) and other hon. Members who echoed the sentiment that the issue of sustainable development is extremely important for the future. Many hon. Members mentioned the special session of the United Nations General Assembly that will take place next year, following up the work of the Rio summit. I assure hon. Members, including my hon. Friend the Member for South Suffolk, who rightly called for greater international co-operation, that this country will play a full role in that international summit, following up the role that we played at the Rio summit.

The hon. Member for Ceredigion and Pembroke, North (Mr. Dafis) was right in his generous acknowledgment of the role that my right hon. Friend the Prime Minister has played in those matters, taking a special interest as Prime Minister in environmental matters. My right hon. Friend was the first world leader to respond to the invitation to the Rio summit. It was good that so many other world leaders followed in his wake.

The hon. Member for Ceredigion and Pembroke, North has shown a profound interest in environmental matters—not only in Wales but worldwide. I know that he is interested in biodiversity, which I mentioned briefly, one of the important issues that were discussed at the Rio summit and will be followed up next year.

I share the views of my right hon. Friend the Secretary of State for the Environment that that is a very important subject, and that some Governments fail to treat the biodiversity convention with the seriousness that they apply to other parts of the Rio process. Effective international action is needed if we are to ensure conservation and sustainable use of the world's species and habitats. None of us owns the world; we have it on loan. As was rightly said, debate on that subject will affect future generations. We want to pass on to them the wealth and variety of species and habitats that we enjoy in this country and worldwide.

The hon. Member for Lewisham, Deptford (Ms Ruddock) was very wide of the mark in her comments about biodiversity, because our plans for biodiversity are set out in our biodiversity action plan. We have set targets for 116 species and 14 habitats for the immediate future—with many more to come. That undermines everything that the hon. Lady said this morning. She should know that our biodiversity action plans are the envy of the world; people come here just to see how we are approaching the subject. If the hon. Lady wants evidence

of a neglect of biodiversity, she would do well to look at her party's draft manifesto, which does not mention it at all. Apparently her party's leadership does not consider it a subject worth contemplating.

I come next to climate change, an important Rio subject on which my hon. Friend the Member for South Suffolk touched—drought, floods, changes in sea level and consequent economic and social changes. The hon. Member for Truro (Mr. Taylor) rightly accorded the issue considerable importance. The Kyoto conference a year from today will provide the occasion for further global agreement to reduce greenhouse gas emissions. We are pushing for all developed countries to renew their efforts and to take the next step—by agreeing to reduce those emissions to between 5 and 10 per cent. below 1990 levels by the year 2010. The United Kingdom is already on course to return its emissions to 1990 levels by the year 2000. We are one of a minority of developed countries to do that; we are also among a minority of countries in the European Union to do so.

My hon. Friend stressed that he wished us to take a lead. We have already adopted a prominent role and, as my hon. Friend recognised, we shall continue to take a lead in this matter. We recognise that the current target is inadequate to meet the ultimate objective of the convention: to stabilise greenhouse gas emissions in the atmosphere at a level that would prevent dangerous human interference with the climate system. My hon. Friend was therefore right to say that we must do more. It is also right that developed nations should take the lead. Unless the richer nations of the west take seriously our responsibility for dealing with the pollution from which we have grown rich, we cannot expect the newer nations, which themselves are perfectly properly seeking to raise their standards of living, to take up their share of the burden.

We shall also follow up those other important Rio subjects: the forests and the oceans. We are continuing the work of the intergovernmental panel on forests set up by the post-Rio Commission on Sustainable Development, and we are also taking the lead with respect to the oceans. Last year, we took the lead in organising an international workshop with Brazil, held here in Westminster, in which we worked with others to develop an international approach to tackling the problems of the oceans.

In today's debate, we have been called on to monitor our progress in achieving sustainable development. I can tell my hon. Friend the Member for South Suffolk that, when we published our "Strategy for Sustainable Development" in 1994, following the Prime Minister's commitment at Rio, we promised to monitor its progress by means of a set of key indicators, to be produced within two years.

Defining what we mean by sustainable development is not easy. I listened with interest to the philosophical remarks by the hon. Member for Ceredigion and Pembroke, North. It is all about reconciling two basic aspirations: economic development to secure rising standards of living now and into the future; and protecting and enhancing the environment, now and for the future. The crucial point is whether we can continue to grow economically without inevitably causing further environmental damage by consuming ever more resources and producing more pollution. In short, sustainable development—in the words of my right hon. Friend the Secretary of State—means "not cheating on our children".

If we are to improve our policies to achieve this sustainable development, we need to monitor them by coming up with useful indicators. We published a preliminary set of "Indicators of Sustainable Development for the United Kingdom" in March of this year, following extensive discussions across Whitehall. The report is one of the first of its kind in the world. Although other countries and international organisations, such as the Organisation for Economic Co-operation and Development, have published sets of environmental indicators, we believe that the United Kingdom is the first country to produce a set of indicators which explicitly links economic and environmental elements.

I want next to consider how such indicators and targets work in practice, especially in relation to energy efficiency. My hon. Friend the Member for South Suffolk made some strong comments about the performance of the government estate in this context. I understand what he said, but I can assure him that the Government do care and that we are taking action to secure the targets to which he referred. In 1990, members of the ministerial group on energy efficiency collectively agreed the target of improving energy efficiency on the government estate by 15 per cent. in the five years to 31 March of this year. Given the size and diversity of the estate, that was a challenging target, which showed the Government's commitment to improving energy efficiency and their willingness to set an example.

In the first three years of the initiative, progress was slow, and at the end of March 1994—the last 12-month period for which figures have been published—it was only at the rate of about 6 per cent. It is, however, in the nature of such exercises that the initial effort is on something of a learning curve, with greater improvements coming through in the later stages. I am glad to say that the signs are that that will apply in this case.

My hon. Friend will be pleased to know that an announcement to conclude the five-year initiative will be made in a few days' time. He will understand that I cannot pre-empt that announcement at this stage, but I am sure that he will be pleased by the figures that are revealed. The initiative will not end with that announcement. My right hon. Friend the Secretary of State has sought agreement from colleagues to the establishment of a new target requiring a 20 per cent. improvement by the year 2000.

Meanwhile, the Government are seeking to reduce the amount of land converted from rural to urban use by maximising the re-use of previously developed land. I have heard the calls today from my hon. Friend the Member for Taunton (Mr. Nicholson). The Government set a target in last year's housing White Paper: half of all new housing to be built on previously developed land. Last week, when launching the Green Paper "Household Growth: Where Shall We Live?", my right hon. Friend the Secretary of State declared that the Government were seeking views on an aspirational target of 60 per cent., or even more, for new housing.

My hon. Friend the Member for South Suffolk urged us to set the even higher target of 75 per cent. I listened carefully to his arguments, including those for applying the sequential principle to the subject of housing development: I also heard his arguments for a green-field tax. Other hon. Members also seemed to be in favour.

[Mr. James Clappison]

Certainly great progress has been made in the past 10 years, with the proportion of new housing on recycled sites rising from 38 per cent. in 1985 to 49 per cent. by 1993.

The scope for the re-use of sites obviously varies from region to region. The major metropolitan areas with tight boundaries show the highest rates of re-use, with London achieving about 85 per cent.; while in the more rural counties the scope for re-use of urban sites is more limited. My hon. Friend the Member for Taunton mentioned the changes in the character of Taunton that might ensue with expansion. I am sure that his comments struck a chord with people in many other areas, including the south-eastern counties. Moreover, his comments about the need for sensitivity in village architecture will have struck a chord with many.

I can assure my hon. Friends that we take this issue seriously. We are approaching it carefully and examining the whole subject of urbanisation with great care. We are keen to preserve our green belt and countryside as much as possible. The policies that we have put in place will go a long way in that direction.

I heard what my hon. Friends had to say about transport. They will know of our published national air quality strategy and the measures and targets that we have implemented to support it. My hon. Friend the Member for Taunton may be pleased by some of the contents of the Local Government and Rating Bill. He called for help for rural car users. We recognise the importance of the car to rural areas, and he will find that that Bill includes car-sharing schemes to help rural dwellers.

I have been able to touch on some of the subjects raised in this far-seeing debate. The hon. Member for Deptford began promisingly in her speech, but unfortunately had to revert to type. She failed to catch the mood of the House and see the importance of the issues for future generations. She also failed to set out any policy targets or commitments. She spoke about sustainable development, but those two words do not appear in the Labour party's draft manifesto. It is widely recognised that that document is thin in environmental commitments and priorities, and sets no targets. We have set our targets and put in place the policies to achieve them.

Ms Ruddock: Will the Minister give way?

Mr. Clappison: I will not give way to the hon. Lady in the last minute. She was wrong in all that she said about environmental appraisal and the other topics that she raised. She did not do justice to the subject, she did not lift her eyes above the horizon of party political warfare and she did not set a tone for the future of sustainable development.

Brazilian Mahogany

12.30 pm

Mr. Alan Simpson (Nottingham, South): If one asks Members of Parliament which aspect of the political agenda gives them the greatest trouble when they visit schools, the reply will almost certainly be, "the environment." That is a tribute to teachers, to television for reminding us what a small planet we live on, and to campaign groups such as Friends of the Earth, which are putting out a new message: the personal is the political is the environmental.

Schoolchildren are likely to challenge us on subjects such as tuna/dolphin netting, the overfishing of the seas, overcropping the land, the excessive use of pesticides or the destruction of the rain forests. It is hard to come away without feeling that our children know a great deal more than we do about the responsibilities that we carry for the future.

It should come as no surprise, then, that there is continued pressure on the United Kingdom to tackle the serious problem of illegally and unsustainably logged Brazilian mahogany—the species known as Swietenia Macrophylla. That is the subject of Friends of the Earth's campaign launched in 1993 under the title "Mahogany is Murder". The three questions that I shall address in this debate are "Why Britain?", "Why intervene?" and "Why now?"

On the first question, Britain is the second largest importer of Brazilian mahogany in the world. We are exceeded only by the United States. With that exception, Britain imports six times more Brazilian mahogany than any other country. Our share constitutes 30 per cent. of Brazilian mahogany exports. The 18,000 cu m of Brazilian mahogany that we import each year is a sizeable part of that world trade. Given such a role, Britain cannot disconnect itself from the questions of how mahogany is logged and what damage is done both to the sustainable environment in which it grows and to the lives of the Amazonian Indians in whose reserves it is mainly found.

The second question is why is there a case for intervening. The world has long ignored the devastation that has taken place in central and south America through the logging of Brazilian mahogany, much of which lies in the protected Indian reserves. Logging in those reserves is illegal under the Brazilian constitution, which guarantees the rights of Indians to occupy and exclusively use their ancestral lands. Sadly, those rights exist in theory rather than in practice.

The illegal logging of Brazilian mahogany has been accompanied by murder, bribery, intimidation and, albeit unwittingly, disease. In the past 15 years, since coming into contact with loggers from the world outside, the population of the Uru Eu Wau Wau tribe has been halved. Every month 4,000 to 5,000 trucks of illegally logged mahogany come out of the Guayayara area of Brazil. Every mahogany sawmill in Brazil creates a further 500 km of new roads into the reserves and rainforests each year to extract that one species.

In 1993, a furore was caused when the Brazilian Government ordered the main logging companies to remove their equipment from the tribal reserves in Pará state and to pay compensation. In addition, the tribes and environmental campaigners in Brazil put out a cry for

international help. That was the background to the Friends of the Earth campaign, "Mahogany is Murder". It also gave rise to a gentlemen's agreement between UK timber importers and the timber exporters based in Brazil. Since that time, however, a series of studies and protests have made it clear that illegal exploitation continues on a large scale.

In May this year the Channel 4 "Dispatches" programme brought home to us how extensive that is. The programme documented the continuing intrusion into tribal lands, the widespread illegal logging that continues and the well developed network that exports the illegally and unsustainably logged Brazilian mahogany to Britain. We know that 10 out of the 14 Indian reserves in Pará state are involved in illegal logging by timber export companies.

The third question, "Why now?", focuses on what action Britain has already taken and what action we must take in the immediate future. It would be wrong to suggest that people in Britain are indifferent to what is happening to the Brazilian rain forests. As a result of considerable campaigning, five of the major DIY stores in Britain—Sainsbury's Homebase, B and Q, Do It All, Great Mills and Texas—have all ceased to sell Brazilian mahogany. They do not want to stop selling it completely; they want a framework in which they can sell it legitimately, in the knowledge that that mahogany has been legally and sustainably produced. They ask that, in addition to the individual and company responses in Britain, there should be a publicly led response from the UK Government.

The Government have a window of opportunity. In July next year there will be a meeting of an international body known as the Conference of Parties. That particular meeting is referred to as COP 10. At the last conference Britain supported a proposal that Brazilian mahogany should be listed on appendix II of the Convention of International Trade in Endangered Species—CITES. The proposal was narrowly defeated. It would have required the production of a non-detriment document by timber exporting companies and countries, which would show proof of sustainable growth in both the forestry and cutting policies.

The proposal would require clear monitoring policies and international access to open information for verification purposes. The motion was narrowly defeated, but it has a chance of success in the next round. However, there is one big "but" that we must address: will the proposal be on the agenda of the next conference?

The deadline for submitting a proposal is 10 January next year, and the current campaign seeks a commitment from the United Kingdom Government that they will put down such a proposal. They could do so in their own right or in conjunction with other countries. If we do not submit that proposal, we shall allow the illegal and unsustainable trade in Brazilian mahogany to continue. That is all that I and the current campaign ask: we urge the United Kingdom Government to make that commitment.

The Government have expressed their continuing concern about the illegal and unsustainable logging of Brazilian mahogany. However, concern is not enough. There are some wonderful lines in a song by Tracy Chapman that say:

"A love declared for days to come is as good as none".

That sentiment applies to the Government in this case. It is not enough for us simply to be concerned: we must grasp the opportunity to put the proposal on the agenda of the next COP 10 conference. I recognise that that does not guarantee its success; I understand that the case must be made at the conference and that the arguments must be won. Other countries—particularly those who export mahogany—will have to be convinced that that is the only basis upon which future trade in endangered species will be allowed in a sustainable world economy.

The Government must not duck the issue: we must address it now. I hope that the Minister will take the opportunity today to confirm that, at the forthcoming conference, the United Kingdom will propose that Brazilian mahogany be listed on appendix II of CITES. I ask him for that assurance today.

12.42 pm

Mr. Jacques Arnold (Gravesham): We must be grateful to the hon. Member for Nottingham, South (Mr. Simpson) for raising this important subject in the House today. I declare my special interest as chairman of the all-party British-Brazilian parliamentary group. We are talking about a significant industry in the Amazon basin, which covers an area of 1.5 million sq km—six times the size of the United Kingdom. It is estimated that 20 million cu m of mahogany are growing in the basin. To put the matter in perspective, 250,000 cu m of mahogany—or one eightieth of the total—were harvested over a two-year period earlier in the decade.

The problem is how to control the unreasonable ripping out of mahogany from the Amazon jungle. The Brazilian institute IBAMA deals with such matters and tries its best, under very difficult circumstances, to enforce strict controls. It is interesting to note that some 70 per cent. of logging operations granted management plan status have had their plans cancelled or suspended following inspection. The IBAMA is making increasing progress in this area, thanks to the rapid development of air-borne sensors and photography which enables it to observe what is occurring in that vast area. It recently confiscated some 48,000 cu m of illegally harvested mahogany and the proceeds of its official sale have released considerable sums for projects promoting the self-sustainability of Amazon basin tribes, such as the Kayapó.

How can we help the Brazilian Government—and particularly their agency, IBAMA—to control mahogany harvesting? We should not kill the trade entirely by controlling exports. Thousands of jobs in the Amazon basin depend on legal hardwood harvesting. It is significant that the United Kingdom provides overseas aid to projects that attempt to sustain the livelihoods of inhabitants of the basin. We should remember that more than 50 per cent. of the mahogany harvested in the Amazon basin is consumed within Brazil, and therefore would not be subject to Convention on International Trade in Endangered Species listing.

Inclusion of Brazilian mahogany in appendix II of the convention must depend on scientific evidence that the species is near extinction. There is no such evidence at present, despite much discussion about the matter. A decision should not be made on the basis of politics or emotion. Britain can assist with the scientific and technical side of detection and support the Brazilians in their efforts. We can also help by researching alternative

[Mr. Jacques Arnold]

employment prospects within the Amazon basin, as is occurring at Kew gardens and the Edinburgh Forestry Institute. We must not give in to emotion and repress the trade. That would send it underground and the price of mahogany would decrease, making it more affordable for the Brazilian population and resulting in increased mahogany extraction.

If Brazilian mahogany were listed, it would be subject to European Union quotas—that organisation is quite capable of enforcing a zero quota—which would have a devastating effect on legal mahogany extraction, which is controlled, and foster the illegal extraction of cheap wood for sale in Brazil. That would have the opposite effect to that which the hon. Gentleman and I desire.

12.46 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. James Clappison): The hon. Member for Nottingham, South (Mr. Simpson) has raised an issue of great interest to the House and beyond. I welcome the opportunity to comment briefly on the Government's approach to the subject. I shall answer in detail the hon. Gentleman's question about our attitude toward the listing of Brazilian mahogany under appendix II of the Convention of International Trade in Endangered Species.

It may be helpful if I begin by reminding the House that CITES provides a framework for regulating international trade in wild plants and animals. The convention has been agreed by more than 130 countries and levels of control differ according to the degree of threat to the species. Commercial trade in more than 800 species is banned and trade in a further 25,000 species is subject to licensing procedures. The convention has three levels of controls on the international trade in endangered species. Broadly speaking, those listed on appendix I may not be traded; those listed on appendix II—to which the hon. Gentleman referred—may be traded only when both the exporting and the importing states agree that the shipment would not harm the conservation status of the species; while appendix III species are subject to monitoring at the request of the state or states for which they are listed.

The hon Gentleman has asked the Government to submit a proposal to the conference to list Brazilian mahogany on appendix II of the convention. International trade in Brazilian mahogany has been monitored under CITES since November last year, when the species was added to appendix III. Provisional figures show that some 25,500 cu m were imported into the United Kingdom in the 12 months since then. Adding the species to appendix II of the convention would not, in itself, ban imports into the United Kingdom or anywhere else but it would place an obligation on the exporting countries to ensure that timber was logged sustainably.

A proposal to list the species on appendix II failed to secure the necessary two-thirds majority vote at the last CITES conference, in 1994, despite support from the United Kingdom and other members of the European Union. If a new proposal is put before the next conference, we will consider it carefully in the light of the scientific evidence and current circumstances. I cannot anticipate the Government's position on possible future proposals at this stage, although it is a matter of record that we have twice supported CITES controls on Brazilian mahogany, but I can say, in response to the hon. Gentleman's concern, that we are not persuaded that the United Kingdom should take the initiative and submit a proposal to the conference. I shall tell him why.

We believe that CITES listing proposals should generally be made by the range states for the species concerned. If that is not possible, there should at least be close consultation with them. Like all international agreements, CITES depends on co-operation between the member countries for its success. That does not mean consensus. There will be differences of opinion, and sometimes the evidence demands that species be protected even if some range states disagree, but no debate will be productive if the starting point is one country seeming to tell another what to do with its natural resources.

The House will have listened with interest to the contribution of my hon. Friend the Member for Gravesham (Mr. Arnold) in that regard, particularly to what he said about help that this country gives to assist sustainable development in Brazil. In addition to the help to which he referred, the Overseas Development Administration is providing £19 million of aid to assist Brazil with sustainable forest projects.

CITES exists because some conservation problems require global solutions. Sometimes, range states make listing proposals themselves. Sometimes they may lack the capacity to do so alone. On other occasions they may feel that CITES controls are unnecessary. Whatever the circumstances, pre-conference consultation is a prerequisite of informed discussion. The CITES parties endorsed that principle four years ago when they agreed that draft proposals should be circulated to range states well in advance of the deadline for final submission.

It is very late for the United Kingdom to begin consultations on a Brazilian mahogany proposal for the next CITES conference when final documents have to be submitted, as the hon. Member for Nottingham, South rightly said, by 10 January 1997. We would be in breach of the agreed way of working if we went ahead without any consultation.

That does not mean that we shall take a back seat at the conference. The United Kingdom has always been active in promoting international action through CITES. In preparation for next year's conference, we are heavily engaged in a major initiative on the impact of traditional east Asian medicines on a wide range of animals and plants, some of them critically endangered. This is in addition to our responsibilities as vice-chair of the convention's standing committee. We shall also take a close interest in the outcome of the international working group on timber, which was established following the UK's initiative at the 1994 conference.

Mr. Simpson: The UK was involved in last month's conference in Puerto Rico, particularly with regard to Brazilian mahogany being at risk as an endangered species. What are the prospects of the conference's findings being fed into the next round, the COP 10 round? Following the "Dispatches" programme, in what way will the knowledge that the UK has about members of the Brazilian Timber Exporters Federation being actively involved in illegal and unsustainable logging and

exporting to the UK form part of the representations that the United Kingdom is making and the action that the United Kingdom plans to take?

Mr. Clappison: We will, of course, reflect on the content of the conference, to which the hon. Gentleman referred, in our approach towards next year's conference. We will be governed as well by the principles, which I have just outlined, in the approach we take. They are valuable principles if we are to achieve international co-operation. We will seek information on the subject and will reflect carefully on it. I will deal with the important issue of private loggers in due course. The hon. Gentleman might be aware that I dealt with that subject at length in an Adjournment debate earlier this year.

I shall put the matter into context, because many of the concerns expressed about the species are as much to do with forest management in the producer countries as the effects of international trade. The vast majority of timber logged in the Amazon is used domestically. My hon. Friend the Member for Gravesham adverted to that when he said that up to 50 per cent. of it was used within Brazil. CITES recognises that the prime responsibility for managing wildlife lies with the countries concerned. The convention's controls provide an additional and essential safeguard for species that qualify for listing, but that does not take away the responsibility of individual countries to manage their own resources sustainably.

I now deal with the internal situation in Brazil. I understand that, shortly after the previous Adjournment debate on mahogany in July this year, the Brazilian Government announced new measures to regulate timber extraction in the Amazon basin. Private landowners were to be restricted to clearing 20 per cent. of forests on their land rather than the previously allowed 50 per cent. A two-year moratorium was proposed on the granting of new authorisations for the commercial exploitation of mahogany and other timber species. Where logging continued, management plans and practices would be inspected by the responsible Government agency. There would be an extra US$6 million for new facilities and equipment. Monitoring rates of deforestation would be intensified. Those measures were confirmed at a recent meeting of the International Tropical Timber Organisation.

I shall touch briefly on some of the actions that the UK is taking to help preserve and enhance the world's forests. I have already mentioned the funds that have been made available from the ODA. I can tell the House that current projects cover basic scientific research, biodiversity conservation and trials of sustainable land management approaches. The UK is also committed to supporting the objectives of a large multi-donor pilot programme to conserve the Brazilian rain forest.

Many other international initiatives on forest management concerned with conservation and sustainable use are in progress. The first international consensus in that sphere was a statement of principles on the sustainable management of the world's forests, agreed at the Earth summit in Rio. The UK played a leading role in securing that agreement. The UK also played a major role in establishing the UN intergovernmental panel on forests, which will report to the Commission on Sustainable Development in 1997 with specific proposals to follow up the principles agreed in Rio.

Mr. Chris Davies (Littleborough and Saddleworth): Will the Minister give way?

Mr. Clappison: I should be grateful if the hon. Gentleman would restrain himself for a minute. I will make a little more progress, if I may.

We hope that the panel will produce agreement on criteria and indicators for sustainable forest management on the basis of national plans, and devise a mechanism for periodic international review of the forestry sector.

European countries followed up Rio with a commitment to the Helsinki guidelines for sustainable forest management. Thirty-eight European countries are now committed to implementing them. In 1994, we published "Sustainable Forestry: The UK Programme", which details UK action for sustainable forestry management at home.

CITES has been the focus of the debate. We acknowledge that it has a role to play in all this activity. It is one of the oldest of the international wildlife agreements. It offers practical safeguards for species threatened by over-intensive international trade. As an importing country, we must do our best to satisfy ourselves that the timber that we buy from other countries has been logged without endangering forest biodiversity, which is so very precious for the world. We must also recognise that, in many cases, conservation of the world's forests depends on sustainable harvesting. Import bans are not a sensible option for species such as Brazilian mahogany.

Controlled monitoring under CITES might be a useful addition to the forestry management measures that the Brazilian Government are taking. We do not believe that it would be helpful for the UK to take upon itself the responsibility of sponsoring a listing, but we have supported proposals in the past to list mahogany on appendix II and so provide further safeguards. I can reassure the House that we will look carefully at any proposal that meets the agreed criteria.

The hon. Member for Nottingham, South mentioned internal activities in Brazil and the relationship between United Kingdom companies involved in this trade and Brazilian producers. He knows of discussions that have taken place. I shall certainly take a close interest in those discussions and will write to him, giving details of the outcome. That will interest the hon. Gentleman who will know that many United Kingdom firms adopt a responsible approach to this matter and have been concerned to have full discussions with Brazilian producers.

I hope that I have outlined the Government's responsible course and that I have satisfied the hon. Member for Littleborough and Saddleworth (Mr. Davies). I do not have time for interventions but if the hon. Gentleman would care to write to me on any of the subjects that I have raised in the debate I shall be happy to deal with it in correspondence. I think that I have satisfied the House that we are taking a responsible approach on the issue of mahogany through CITES and that we are playing our full part in international efforts to conserve valuable forests, and especially mahogany forests.

Uniform Business Rate (Dorset)

12.59 pm

Mr. Ian Bruce (South Dorset): I am grateful for the opportunity to take half an hour of the House's time to follow a debate about preserving the rain forests with one about preserving small businesses in Dorset. I am grateful to see my colleague, if I may call her that, the hon. Member for Christchurch (Mrs. Maddock) in her place. I have been in touch with all my colleagues in Dorset, who have given me their comments, and I think that we are of one mind in terms of what I shall say. They send their apologies because they are in Committees at the moment.

I have been trying to get this debate from late spring. We have gone through the whole gamut of writing to Ministers, talking to people in the Valuation Office and trying to put some pressure on Ministers and on the valuation people for a debate on rates revaluation. The Chancellor must have realised that I would be lucky in the ballot for an Adjournment debate because he moved swiftly in the Budget to try to defuse the problem by announcing a complete freeze on business rates for smaller businesses. We in Dorset are universally delighted. I note that my hon. Friend the Member for West Dorset (Sir J. Spicer) and the hon. Member for Christchurch are nodding in agreement. We are delighted that small businesses have got their message through to the Chancellor and that there has been a freeze in business rates.

That opens up the debate about what will happen in future. The Government have clearly been listening. The effect of business rates on small businesses is marked and in our next term in government, we shall have to address it seriously. Much of what I shall say will be directed towards what we should do in our next term in office when we shall again make reforms to ensure that Britain remains the enterprise centre of Europe, if not of the world.

First, I shall give the reasons why we in Dorset were particularly concerned about the rating revaluation that was carried out on the basis of valuations in April 1993 and came into being in April 1995. We were first told of the valuations in about January 1995 and that gave rise to a great deal of concern. Businesses in Dorset suddenly found that they faced increases which, in the context of the national picture, seemed extraordinarily perverse and strange. The flow of trade in some businesses in specific parts of towns—especially in Wareham and Swanage in my constituency, although there are pockets throughout Dorset; certainly in Portland but not to the same extent—had gone in the opposite direction from that of businesses in other parts of the towns. However, those businesses had large rate increases while the rates for some other businesses had been reduced.

After the announcement in January 1995, one would have thought that the fuss would die down. I spoke to the valuation officer in Bournemouth this morning and asked how the appeals were going. I was told that they were proceeding quite well and that there was virtually nothing outstanding for more than 18 months. I thought that there would not be many appeals left and I asked, "What is the position in Purbeck?" It has one of the smallest local authorities in the country and it has 374 outstanding appeals on business rates. Many of my constituents would not believe that there were 374 businesses in Purbeck, let alone appeals. This is plainly a serious matter.

I asked the Valuation Office about the list that came in during 1990, thinking that we would have finished with that. However, several hundred appeals from throughout Dorset are still outstanding from that list. That seems to go on for years and causes great uncertainty in businesses. In my later remarks about why the whole system should be changed, I shall try to address that.

Why do appeals take so long? The system relies on rental values, is contentious and requires a review every five years. It is unacceptable to spend five years after that review, which is the norm, sorting out the appeals and the problems. A business whose rates are suddenly doubled suffers blight despite the fact that transitional reliefs are coming through and the Government have listened and have frozen business rates. A proprietor who is thinking of selling his premises or his business, has to say to the new owners, "Eventually you will have to pay twice the current rates."

Sir Jim Spicer (West Dorset): Is there not another factor in any system that is based on rental values? Many empty shops are owned not by individuals but by property companies. Those companies have the premises on their books at a book value that is kept artificially high because they keep their rental asking price high. To what extent is that taken into account on valuation? No discount seems to be allowed for the fact that it is an artificial price world rather than the real world.

Mr. Bruce: My hon. Friend makes his point clearly and I do not need to repeat it. However, I shall give an example.

The businesses in a whole street in Wareham had had little change of ownership, although there were many empty properties. A new business man came along who thought that he could make an enormous success of a business and wanted the premises, but he had not been well advised about the rent for the premises. As a result, all the businesses in the street have been completely skewed because one person was badly advised about rent.

A landlord is entitled to charge whatever a tenant is willing to pay. However, if a person pays twice the going rate for premises and that is the only rental information that is available to the Valuation Office because nobody else has taken up new leases—people are all trickling out of business—that new lease will be used as the criterion for bumping up everybody's rateable value.

Of course, the converse could occur. Somebody could obtain a knockdown rate, but when that happens the rating valuation officers say, "Hang on a minute. These are special circumstances, because somebody was desperate to let his property." As a result, they discount the information. There are many problems, and I shall show why the system is unsatisfactory.

First, I shall deal with the appeals procedure. Not only does it take a long time to get to appeal and for people to talk to valuation officers, but often the valuation officers decide to wait a year or so until the case has almost reached the tribunal and then make time to talk to the business person about whether the rate is right. They may negotiate before the tribunal sits.

If the case reaches a tribunal, there will usually be a strange situation in which a group of lay people, whom I do not criticise, honestly compare the evidence of an

acknowledged independent valuer—who is not doing anything dishonest, but giving his or her honest opinion of the value—with the evidence of a valuer, who is perhaps a member of an institute of chartered surveyors, acting on behalf of, and trying to achieve a reduction for, his client, the ratepayer. The tribunal will therefore have two sets of evidence and information.

Tribunal members might say, "The independent valuer is giving us independent advice, as is the appellant's valuer, who may be trying to point out the best possible case to reduce rates." They tend to say to themselves, "We had better, as an independent tribunal, take the independent valuer's advice." If the independent valuer has it wrong in many cases, he will win even more appeals, whereas logic would dictate that he should lose them. It is difficult for the tribunal system to obtain independent advice. Perhaps tribunals should take independent advice from a completely disinterested valuer to evaluate the situation.

The current tribunal system is not working. I have received some very irate letters from valuers saying, "When people come to see me and ask whether I will represent them in a tribunal, I tell them in all honesty that they may be wasting their money, because I will give my honest, independent advice. As the appeal tribunal will accept the evidence presented by the independent valuer, we may well be wasting our money—sending good money after bad."

The basis of the universal business rate is a big problem, and I shall give a few examples of why it does not work. We should remember that, in the system, we are trying to measure local businesses' ability to pay, or to gain an idea of what services they are receiving from local authorities. A fairly popular conception among other ratepayers is that businesses should pay something towards maintaining the local community, but how do we measure those factors? We do so by considering the rental value, which has remarkably little relevance—it is of such little relevance that it is almost perverse—in determining what benefits a business gives to the community or receives from it.

We have many hotel premises in Dorset. When someone stays in a hotel, the amount that they pay is very closely related to the cost of providing those premises. The business's rating is based on the property and rental values, which almost means that it is being rated on its total turnover. However, in products bought from a manufacturer, for example, only a tiny proportion of the price will be related to the rent paid. Therefore, we are rating not according to the business's overall value and activities but according to the accommodation element of its costs. That feature is perverse, and it often affects businesses in small retail premises.

Small Dorset villages with only one village shop very much welcome the Government's—albeit indirect—efforts to address the issue. The Government are trying to overcome the system's inherent problems with business rating valuation by bypassing it.

Mrs. Diana Maddock (Christchurch): The hon. Gentleman has touched on the issue of the viability of villages. However, the viability of our town centres is also an important issue, many aspects of which we have discussed. Does he agree that sorting out, first, the appeals system and, secondly, the method by which we raise rates is vital if we are to tackle the problem of viable town centres—something that all hon. Members would like to do?

Mr. Bruce: It is always a delight for me to be able to agree with the hon. Lady. We have done something special for villages that will help to ensure their viability, but that will not deal with the problem of the viability of small town centres, where very few people go.

So often, market towns are attractive places for people to live and retire. Property values, and therefore rental values—even the rental value of a shop—will be higher. It is then less a question of, "Shall I move into a different business?" than, "Shall I close the business and convert those business premises to living premises?" The valuation will be based on a value of the business's premises and not necessarily on its viability.

If one has a fairly valuable property in the middle of small, sleepy market town to which few people are moving, in which there is a shop that may require a large stock and a large area in which customers can browse, the owner-manager—who perhaps cannot pay himself a salary—will pay an enormous rate, based on the floor area. If I were making microcomputers and employed 50 people in out-of-town premises, perhaps on an industrial estate, the rent, and therefore the rates, that I would have to pay for those premises per staff member would be relatively small. Conversely, the one-person shop owner with large premises but few customers and little turnover would pay extremely high rates. We must deal with that problem.

There is also a marked difference between types of manufacturer. For example, a manufacturer of polystyrene packaging, which is very bulky, will use much more floor space than another manufacturer. We require a system that recognises such differences.

Inevitably, people will say, "We have local rates on local property for local businesses so that local people know that they are contributing towards the overall rates burden." That is not true of the UBR. Whatever the local authority collects from its businesses will be cut from its revenue support grant. It is all smoke and mirrors.

There is absolutely no relation between what local businesses contribute to the local economy and the amount that is spent—a fact that often comes as a great shock to local people and businesses. If half the businesses in my constituency went out of business and there were a massive increase in unemployment, the standard spending assessment for my area would increase because of the various factors considered in it. We would then, although we were collecting less money from businesses, receive more money in the RSG. Every pound that we do not collect from businesses will be made up in the RSG from central taxation, which is a complete nonsense.

I suggest to my hon. Friend the Minister that the Government should not fiddle about with the problem if they are serious about tackling it. Let us commission some real studies into how we can collect taxes from local businesses that will go to local councils to be spent by them, and let us do away with all the costs of systems for valuations, appeals and tribunals. Let us change the basis of the tax. No one is happy if business taxes go up, but I would be happier with an extra 1 per cent.—I think that that might be sufficient—on corporation tax specifically

[Mr. Bruce]

for local taxes, or with some other mechanism, even one based on turnover. That would be more accurate than trying to link the rate to the rental value business premises.

I hope that my hon. Friend will comment on the appeals procedure and why it takes so long. I hope that he will give us more information on this year's welcome freeze and some idea of the future of the unified business rate for small—indeed, all—businesses.

1.19 pm

The Parliamentary Under-Secretary of State for the Environment (Sir Paul Beresford): I congratulate my hon. Friend the Member for South Dorset (Mr. Bruce) on raising the issue of business rates. He and others have made strong representations on what they regard as their constituents' difficulties with the business rate. Many ratepayers in Dorset are unhappy with the new rateable values that they have been given as a result of the most recent valuation, which came in on 1 April. They are also unhappy about the speed of the appeals procedure. We recognise that considerable pressure is being applied on that point. I commend hon. Members from Dorset for pushing those issues.

There have been considerable increases. Rateable values in Dorset as a whole rose by about 8 per cent., although in Purbeck they rose by as much as 32 per cent. in some instances. That is quite a dramatic rise. The rateable values of shops as a class rose by 8 per cent. in Dorset overall, but by 24 per cent. in Purbeck. If there is a positive side to that for Purbeck, it is that it is obviously a nice area, in which people seem to want to live, with the result that valuations go up. However, as my hon. Friend has said, the increases are considerable.

The 1995 revaluation produced little change in the total rateable value across the country, but there were dramatic changes in some regions, including Dorset. My hon. Friend suggested several ideas that I shall consider—we are looking at the issue at the moment. However, in any form of valuation, regular revaluations are needed to keep up with shifts in popularity and in the basis of property valuation throughout the country.

Before 1990, business rates were set by the local council. We should reflect—as I am sure that my hon. Friend will—on some of the effects of that up and down the country. I lived in London at that time and I remember the difference between the rates set for businesses in Tottenham Court road, under the Labour-controlled Camden council, and those next door in Westminster. Businesses were driven out by the business rates set by Labour councils.

Some of the alternatives being put forward by Opposition parties would be dramatically damaging. If we returned to a system under which local authorities set the business rates, areas with Labour or Liberal Democrat councils, with their expenditure procedures and their lack of decent co-ordination and quality control, could end up with high council taxes and high business rates.

Mrs. Maddock: What research has the Minister done into the differences between businesses when local authorities were responsible for the rates and how that system compares with the situation since the change to the uniform business rate?

Sir Paul Beresford: One does not have to do research. One had only to walk the streets of London. The boundaries between Conservative-controlled authorities and Labour or Liberal-controlled authorities were clear. The shops ran away from the business rates under Liberal and Labour-controlled authorities. The doors along Tottenham Court road were shut permanently.

If we had a Labour Government and responsibility for business rates were returned to local authorities, with the inefficiency that we have come to expect from Labour and Liberal authorities and the removal of compulsory competitive tendering and of capping, the effects on businesses would be dramatic.

Let us return to the problems of today. We recognise that those ratepayers whose bills have risen need help. We have put in help through the transitional scheme, which ensured that the increases in bills caused by the revaluation were phased in over several years.

In its original form, the scheme provided for a maximum real-terms increase of 10 per cent. For properties with a rateable value of £10,000—or £15,000 in London—an even tighter annual limit of 7.5 per cent. applied. The protection given under the scheme was enhanced in 1995, with the limits on real-terms increases for 1996-97 being reduced to 7.5 per cent for larger properties and 5 per cent. for small properties. As my hon. Friend has said, this year's Budget provides further help for smaller properties—their bills for 1997-98 will be frozen at the 1996-97 level and there will no increase in cash terms. That will be a real-terms reduction of 2 per cent. I am sure that my hon. Friend recognises that that is a step in the right direction.

As a result of the Budget changes to the transitional scheme, the 1997-98 rate bills of small properties for which the rateable value rose significantly in 1995 will be, at the most, 10.5 per cent. more in real terms than the 1994-95 bills. If the property contains living accommodation, the maximum real-terms increase over the 1994-95 bill will be only 5.5 per cent.

Villages have also been mentioned. There has been a dramatic shift in the situation for villages. The Local Government and Rating Bill currently in Committee will make a dramatic difference, enabling local authorities to pitch in and help. They will have to reflect the mandatory 50 per cent. reduction for the key general stores and post offices in villages with a population of less than 3,000. Councils will be able to top that up to 100 per cent. and will also be able to give great help with business rates to small shops in the same villages.

Larger properties did not benefit from this year's Budget, but many will still be receiving help under the transitional scheme. Any property for which the rateable value rose in 1995 by the average increase of 32 per cent. in Purbeck will have a lower rate bill next year than would have been the case if the new rateable value had been reflected fully.

I know that many rateable values rose significantly in 1995. Many people in that situation found it difficult to relate that rise to what they thought had happened to the local property market. However, it is important to remember that the change in rateable values reflects the

change in the property market between April 1988 and April 1993, not the change between 1990 and 1995, because the 1995 rating list was based on the rental market in April 1993 and the 1990 list was based on the rental market in April 1988. If my hon. Friend considers carefully what I have said when he reads *Hansard* tomorrow, he may well accept that there were considerable changes in the property market between the late 1980s and the early 1990s. Those changes are now being reflected.

As my hon. Friend has pointed out many times, valuation is not an exact science. That is why any ratepayer who feels that his valuation is too high can appeal to an independent valuation tribunal. Many are doing so. I know that because I, too, have a small business, and considered doing the same.

My hon. Friend expressed concern about the speed with which appeals against rateable values are dealt with. If he reflects on the dramatic changes in the value of property in the relevant period, he will recognise that that inevitably gives rise to an enormous volume of appeals, particularly given the complications and the downturn in the market after the date for calculating rateable values.

The rateable value of a property can be reduced on appeal. If that happens, all sums above the new rateable value are refunded and interest is paid. However, that does not ease the cash flow problem for small businesses. The Valuation Office, which is responsible for maintaining the rating lists, is committed to clearing by the end of 1997 all appeals that were made in the first year of the 1995 list. It is further committed to assuring that, by 1 April 1998, appeals will be cleared within 12 months of being made. I should stress that both the Valuation Office and valuation tribunals are prepared to give priority to appeals made by small businesses and, especially, unrepresented ratepayers. They will also give priority in cases of hardship where it is brought to their attention.

Given the lack of time, I should reflect briefly on the other aspect that assists small towns and the shops in them, such as those mentioned by my hon. Friend the Member for South Dorset: the general nature of the economy. The economy is moving forward strongly. In addition, we are doing much through other systems, such as the planning and urban regeneration systems, to revive small towns and bring businesses back into them. That effort is starting to show in many towns.

I shall have to continue to look at the business rate and the business rate system. Every system—

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): Order. We must move to the next debate.

Electricity Generation (East Lothian)

1.30 pm

Mr. John Home Robertson (East Lothian): I am grateful for the opportunity to raise this subject, which is obviously very important to many people in my constituency. East Lothian is literally the powerhouse of Scotland. It has the capacity to generate almost half the electricity that the country needs, from power stations at Torness and Cockenzie. With the deep mine at Monktonhall, in the constituency of my hon. Friend the Member for Midlothian (Mr. Clarke), who is in his place, and the opencast site in Blindwells, East Lothian people produce a significant amount of coal too.

There are limits to the amount of opencast activity that any area should have to put up with, and I shall be bringing a delegation to see the Minister next month to discuss the case for fairer and more effective planning controls over private opencast developments. Today, however, I want to concentrate on East Lothian's two power stations.

With capacity to generate 1,320 MW at Torness and 1,200 MW at Cockenzie, East Lothian can satisfy fully 42 per cent. of Scotland's peak winter demand of 5,962 MW. Torness employs 630 people and Cockenzie 240, so the industry is crucial to my constituency's economy.

I am obviously not happy about the fact that Scottish Power, and now Scottish Nuclear, have been privatised by the Tory Government, and I am particularly concerned about the irresponsible privatisation of the nuclear industry. Of all industries, the nuclear industry is uniquely sensitive, and should remain under public control and in public ownership.

The privatisation of Scottish Nuclear and Nuclear Electric was the biggest public rip-off of them all. All eight power stations, including the best and newest advanced gas-cooled reactor at Torness, were sold to private speculators for less than the cost of building just one of them—Sizewell B. It was a matter of, buy one power station cheap and get seven more free. Sadly, Torness is one of the freebie stations. It also happens to be one of the best. According to British Energy, Torness power station produced 0.9 TW hours in October—the highest output of all eight nuclear power stations in the United Kingdom.

Having bought Torness cheap, the board of British Energy wants to run it on the cheap, too. It has announced plans to cut the work force from 630 people to 550—80 job losses on a nuclear site where safety considerations must be paramount and undermanning could create risks. I should like to cite one example of such risks, which has been drawn to my attention by employees at Torness power station.

I understand that, ideally, teams of staff should be dedicated to each of the two reactors. That principle is already being breached by the penny-pinchers of British Energy. Towards the end of August, an operations engineer from reactor II was sent to do some work on reactor I, which was off load for refuelling. He received an instruction to shut the main steam isolator for the turbine, which he duly did, but, unfortunately, he shut the valve on reactor II, which was on load, instead of that on reactor I, which was shut down; so reactor II tripped, and it took a day to bring it back on load.

[Mr. John Home Robertson]

I offer that as one cautionary tale of the false economies of undermanning at such a power station. We shall have to be extremely vigilant now that the Government have given the nuclear generating industry to private owners. I use the term "given" deliberately, because that is what has happened to Torness.

I turn to the imminent Government decisions that will be crucial to the future of Cockenzie power station. As the smaller of Scottish Power's two main coal-burning stations, Cockenzie currently operates as a major standby generator, available to produce electricity if there is a problem at another station or for export to England and Wales.

Cockenzie is very good at that job. Its engineers can fire up their plant very quickly, and the costs are very competitive for that purpose. The plant is in good order, and Scottish Power intends to invest in further improvements. The station should have a secure future until 2010. Since Scottish coalfields produce low-sulphur coal, the environmental impact would be acceptable.

If Cockenzie could gain access to wider markets, its output would increase and its costs would become even more competitive. Conversely, if a predatory competitor in the electricity market were to dump cheap electricity on to the already over-supplied Scottish market, the future of Cockenzie power station and the jobs of 240 of my constituents would be in serious jeopardy. I ask the Minister to face up to the Government's responsibility on both those counts.

Scottish Power is striving to increase the capacity of the transmission system to make it possible to export electricity. There is 9,323 MW of generating capacity in Scotland, which is 1,870 MW more than what is required to cover our peak demand, plus a reasonable planning margin. As Scotland's standby station, Cockenzie could be seen as that spare capacity. Its average load factor last year was just 21.3 per cent., so Cockenzie must export if it is to survive. In financial terms, it is very competitive, so Scottish Power is able to export much electricity from Cockenzie to England and Wales through the recently upgraded cross-border interconnector.

Mr. Phil Gallie (Ayr): Will the hon. Gentleman give way?

Mr. Home Robertson: I would be grateful if the hon. Gentleman would bear with me, since I want to make a number of points, and time is short.

Last year, 2,154 GW hours were exported from Cockenzie down the interconnector to England and Wales—so far, so good. To use Cockenzie to its real potential, however, access is also needed to markets in Northern Ireland and—hopefully—the Republic of Ireland. An interconnector between the electricity systems of Scotland and Northern Ireland would be good news for the Scottish electricity and coal industries, and very good news for consumers on the island of Ireland.

The two parts of Ireland are the only parts of the European Union that do not have access to electricity supplies from other countries. I know from contacts with people in the Republic—through the British-Irish parliamentary body—and hon. Members who represent Northern Ireland constituencies that they would welcome access to competitively priced electricity from Scotland.

Scottish Power and Northern Ireland Electricity have worked up detailed proposals for an undersea interconnector, which have been considered in great detail at public inquiries in Scotland and Northern Ireland. Both inquiries led to recommendations that the project should go ahead with overhead pylons carrying 275 KV lines from Coylton in Ayrshire to the coast, and an undersea cable to connect it to the system in Northern Ireland.

A written answer from the Minister that I received only yesterday confirmed:

"The Reporter"—

at the public inquiry—

"considered that undergrounding of any part of the proposed line was unnecessary."

I am very well aware that electricity transmission pylons are detrimental to any landscape; we have plenty of them in East Lothian. I clearly remember the public inquiry into the Torness pylon lines, which was very controversial. The original proposal was to take the lines by the easiest route along the foot of the Lammermuir hills, but the inquiry proposed a less obtrusive alternative route between the hills, and it was accepted by the reporter and the Secretary of State at the time.

A suggestion that all the visible stretches of the lines should be laid underground at massive expense would not have been taken seriously. If that was now on offer, I would be truly delighted if sections of the cable at Johnscleugh, Mayshiel and Humbie were put underground, but I do not honestly think that that is realistic. The pylons are a sacrifice that we had to make for the benefit of the wider Scottish and national economies.

Today, the Secretary of State for Scotland seems to be playing by different rules. I do not criticise people in South Ayrshire for seeking to minimise the impact of that important development on their landscape, except that I must say that some of them seem to have slightly short memories. It is not all that long since coal and electricity were important elements in their local economy, too. The reporter at the inquiry considered those representations, and he concluded that the Scottish-Irish electricity interconnector should go ahead.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Is not my hon. Friend aware that South Ayrshire produces more opencast coal than any other part of Scotland and, indeed, the United Kingdom? A number of applications are also currently being considered by the local authority. Coal still plays an important part in the economy of South Ayrshire.

Is my hon. Friend also aware that we have to take account of environmental considerations? Hundreds of people turned out to public meetings in Maybole—not rich landowners, as suggested by my hon. Friend, but ordinary people—to object to the siting of the pylons. Is it not reasonable that the Secretary of State for Scotland should make a proposal for undergrounding just part of the line where it passes through the most beautiful scenery in Scotland? Is not that sensible, and a reasonable compromise that should be accepted by Scottish Power?

Mr. Home Robertson: With respect, no. The Secretary of State is changing the ground rules. If we could start all over again, I would love to put lots of sections of the transmission system in East Lothian

underground, but it is simply not fair to apply completely different rules in South Ayrshire to those which apply in other parts of the country.

The position now is that the Secretary of State for Scotland made an announcement, not in the House but elsewhere, two weeks ago, and he brought his political perspective to bear—at the behest, I suspect, of the President of the Board of Trade, Mr. Struan Stevenson and other people who should know better.

The Secretary of State announced that he was minded to grant consent only if four sections were put underground, at a cost of £28 million, which could put the whole enterprise and the jobs of 240 of my constituents in jeopardy. He has given Scottish Power until 20 December to respond to that unwarranted and unprecedented imposition, and I can only speculate about their reaction. I have serious fears about the news that my constituents at Cockenzie might get for Christmas. In the name of fairness to my constituents and of consistency in planning decisions, I appeal to the Minister to reconsider that extraordinary decision.

I refer to another reply that the Minister gave me yesterday. I asked him what estimate he had made of the value to the Scottish economy of an electricity interconnector with Northern Ireland. His reply was, "None." He simply said that it was a matter for the private companies concerned, Northern Ireland Electricity and Scottish Power.

With respect, it has enormous potential value to the Scottish economy. The agreement with Northern Ireland Electricity would run for 15 years and would represent a coalburn of 600,000 tonnes, which is worth about £20 million a year. The interconnector would also attract £61 million of European union grant support. All that could be put in jeopardy.

Mr. Gallie: Does the hon. Gentleman recall environmental arguments that the best way to use Scottish coal was sending the electricity by wire? The proposal would mean coal by wire to Northern Ireland. Will the hon. Gentleman also comment on North Yorkshire, because there seems to be a block on upgrading the interconnector there, which would also be of great value?

Mr. Home Robertson: I am aware of that. We have so much excellent generating capacity in Scotland, and it should be used. Any artificial blocks, whether in Yorkshire or through planning constraints in South Ayrshire, should be reconsidered urgently.

But that issue is not the only one threatening the future of Cockenzie power station. I urge the Minister to look hard at PowerGen's mischievous threat to construct a gas-fired power station at Gartcosh in Lanarkshire. There is manifestly no need for any more generating capacity in Scotland. We have more than enough already. The idea would create only 35 jobs in north Lanarkshire, so it would be a woefully inadequate use of the site at Gartcosh. As the Minister knows, all the Members of Parliament and local authorities in Lanarkshire have expressed their opposition to the plan.

I say that the ploy is mischievous because it seems to be a device contrived by PowerGen to destabilise Scottish Power in its home market. My concern is that the reporter at the inquiry is supposed only to consider purely local planning issues for the Gartcosh neighbourhood.

I have a copy of the paper that has been put to the reporter, including a statement of matters that seem to the Secretary of State to be likely to be relevant to the reporter's consideration of the application, and it lists 12 criteria, all specifically local to the Gartcosh neighbourhood. I fear that those strict criteria for the inquiry could prevent him from taking into account effects elsewhere in Scotland, such as the threat to the economy of East Lothian and the likelihood that a loss-lead gas-fired station at Gartcosh could cause the premature closure of Cockenzie power station, with the loss of 240 jobs in my constituency, not to mention many more in the mining industry and in other parts of Scotland.

The Scottish Office is taking serious risks with my constituents' employment. I am grateful to the Minister for listening to my concerns today; I strongly urge him to give positive and unequivocal support to the principle of the Irish interconnector and to remove any unreasonable conditions that have been considered by the Secretary of State. I urge him also to resist the threat of an unwanted and entirely inappropriate gas-fired power station at Gartcosh.

1.45 pm

The Parliamentary Under-Secretary of State for Scotland (Mr. George Kynoch): I am grateful to the hon. Member for East Lothian (Mr. Home Robertson) for raising this important issue. The energy industry is, of course, of fundamental economic importance, and I know that, with two power stations in his constituency and coal mining interests in the area, he takes a close interest in the subject. I am also glad to see the hon. Member for Midlothian (Mr. Clarke) in his place.

I will turn in a moment to the specific issues that the hon. Member has raised, but I would first like to remind the House of the basis of the Government's energy policy. The Government's aim is to ensure secure, diverse and sustainable supplies of energy in the forms that people and businesses want, at competitive prices.

Mr. Norman Hogg (Cumbernauld and Kilsyth): Can the Minister explain how Scottish Power, behaving in a predatory fashion, can take over Southern Water? How does that square with the objectives of Government energy policy? How do water and electricity mix?

Mr. Kynoch: I will not be diverted from the subject of the Adjournment debate today, but I am sure that the hon. Gentleman is aware of the competitive marketplace, and I will be touching on that issue later on.

We believe our aim can be best achieved through the free market, which is the most effective and efficient means for meeting our energy needs. It determines prices best and exposes costs to rigorous test. Competition gives businesses the strongest incentive to meet the needs of customers and empowers the purchasers of fuel and consumers of energy, enabling them to get the best possible deal.

As a result of our policy, consumers have enjoyed real benefits. Since the privatisation of Scottish Power and Hydro-Electric in 1991, electricity prices have fallen by about 8 per cent., with further reductions coming as a result of nuclear privatisation. With the introduction of full competition into the electricity supply industry in

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1998, I am sure consumers will benefit yet further from a greater freedom of choice, a greater range of suppliers and from lower prices.

Government should not attempt to impose all-embracing plans about how much energy and what kind should be produced or consumed by whom. Uncertainties about supply and demand, technology, and the behaviour of people and companies, doom such plans to failure.

The hon. Member for East Lothian raised a number of specific issues, and I will try to deal with them in turn in the short time available to me.

On the subject of the Scotland-Northern Ireland interconnector, I should begin by reminding the House that my right hon. Friend has not refused to give the go-ahead to the project. He has looked at the evidence that was presented to the inquiry, as it is proper that he should do, and he is minded to take a different view from the reporter of the weight to be attached to locally significant areas of landscape quality. The areas involved are the Water of Girvan; Nick of the Balloch; Duisk valley; and the Water of Tig and Dunnach Burn.

I repeat, my right hon. Friend has not refused Scottish Power's application. In fact, he has stated that he is minded to grant consent to it, subject to appropriate conditions but excluding the four sections I mentioned, where he is presently minded to conclude that undergrounding of the line is appropriate. Scottish Power and others have been asked to comment by 20 December. The hon. Gentleman will appreciate that there is little more that I can add about that aspect of the proposal at this stage.

My right hon. Friend will listen carefully to what Scottish Power and the other parties have to say, and will announce his decision in due course.

Mr. Home Robertson: Will the Minister give way?

Mr. Kynoch: I should like to conclude this section of my speech, and I shall give way to the hon. Gentleman afterwards if there is time.

I appreciate the hon. Gentleman's concerns. Electricity generated from power stations in his constituency might well be exported through the interconnector. However, I must repeat that the Government cannot try to second-guess the market. Ultimately, a decision on whether the project goes ahead, assuming that all the necessary legal consents are given, will be a matter for the commercial judgment of the companies involved—Scottish Power and Northern Ireland Electricity.

Mr. Eric Clarke (Midlothian): Will the hon. Gentleman give way?

Mr. Kynoch: Briefly, but very briefly, because time is limited.

Mr. Clarke: I thank the Minister for giving way, and I congratulate my hon. Friend on raising this issue. May I tell the Minister, who is obviously interested in electricity generation, that the base load is taken up by nuclear power. It is unfair and wrong to say that there is diversification if nuclear power takes the base load and other stations, especially coal-fired stations, take only peak-period load. That is what my hon. Friend the Member for East Lothian was saying. We cannot make the decision. Why have an inquiry for six months and a report, and then ignore it? Will the Government do the same with Gartcosh?

Mr. Kynoch: There seems to be a split in the Labour party about the interconnector. The hon. Member for East Lothian and the hon. Member for Midlothian (Mr. Clarke) are arguing one way, whereas the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) is arguing the other. I wonder whether they could elucidate for the House what Labour party policy is on the subject—and what the hon. Member for Hamilton (Mr. Robertson) might say about it.

Mr. Home Robertson: Can the hon. Gentleman cite any precedent for a Secretary of State mucking about with the findings of a reporter at a public inquiry? If the right hon. Gentleman intends to change the ground rules in that way, is there anything to stop my constituents, or people elsewhere, asking for existing sections of the transmission system to be put underground, on exactly the same grounds as those being cited in South Ayrshire?

Mr. Kynoch: If the hon. Gentleman had listened to me earlier, he would have heard clearly what the Secretary of State says. I hope that he will agree that it is only proper for my right hon. Friend fully to consider all the arguments put before the public inquiry.

The hon. Gentleman will be aware that the Minister with responsibility for the Northern Ireland Department of the Environment has asked Northern Ireland Electricity to think again about the site of the converter station at Islandmagee. Clearly there are important issues at stake for people on both sides of the Irish sea.

I shall now talk about Gartcosh.

Mr. Gallie: Will my hon. Friend give way?

Mr. Kynoch: Very briefly, because time is limited.

Mr. Gallie: I accept that the Secretary of State is right to take on board local opinions on such issues, and at least to re-examine them. I also accept that the Minister has not totally finished talking about this subject, but may I point out that, when the power station was built at Inverkip, a stretch of cable was put underground, to protect the environment, and that to the high costs involved must be added the continuing revenue costs for the maintenance of that underground cable?

Mr. Kynoch: I am sure that my right hon. Friend will note those comments by my hon. Friend, whom I am pleased to see here for the debate, because he has always expressed a great interest in power—[*Laughter.*] I mean, Mr. Deputy Speaker, that my hon. Friend has a great interest in power generation.

The hon. Member for East Lothian has also raised the matter of PowerGen's application to build a power station at Gartcosh. Hon. Members will know that the application has been referred by my right hon. Friend to a public inquiry, which should start next April. My right hon.

Friend has, as is entirely proper, written to the reporter explaining general Government policy on such matters, and mentioning the issues that at present appear to him most likely to be relevant to the decision that he will have to take.

The Government's general policy is clear: matters such as need, location, design and choice of fuel for power stations are usually best left to developers in line with their own commercial judgment. As I have already said, that policy has brought substantial benefits to consumers.

Again, I appreciate the hon. Gentleman's concern about jobs in his constituency, but the Government strongly believe that competition in the industry is in the public's best interests. No one can easily predict the shape of the generating market in future, and it would be foolish for the Government to introduce uncertainty to the market now, when it is showing how successful it is in delivering cheaper and more reliable supplies of electricity.

There does, however, seem to be confusion in some quarters as to what my right hon. Friend's statement actually means for the scope of the inquiry. I should therefore like to make it absolutely clear that it is for the reporter to decide what evidence he believes should be laid at the inquiry. There is no question of my right hon. Friend seeking to limit the scope of that inquiry.

Mr. Clarke: Will the Minister give way?

Mr. Kynoch: No, I must press on, because of the time.

The hon. Gentleman also raised concerns about nuclear privatisation. I would say that the new arrangements are settling down well. I remain confident that Scottish Nuclear will continue to be an important part of the Scottish economy, and that nuclear power remains safe.

The hon. Gentleman talked about Torness and safety. That, of course, is a matter for the company, within the rigorous safety standards policed by the nuclear installations inspectorate. I know that the matter is paramount for the company.

Scottish Power and Scottish Hydro-Electric are, of course, bound to take Scottish Nuclear's output until 2005 under the nuclear energy agreement. That gives substantial certainty to Scottish Nuclear, enabling it to plan for the future. I am confident that it will rise to the challenge of competition with other generators.

Both in his letter to the Secretary of State and in his speech this morning, the hon. Gentleman referred to opencast mining. I shall look forward to seeing him when he visits me, but I must point out that responsibility for dealing with planning applications and local planning matters rests in the first instance with the local council concerned.

The Government have put in place a firm regulatory and legislative regime to encourage competition and innovation in the energy industries. I am surprised at the defeatist attitude that Opposition Members have taken towards the ability of Scottish Power and Scottish Hydro-Electric, together with the Scottish mining industry, to deal with competition.

Let me remind the House that, since privatisation, the two Scottish electricity companies have not only participated in the competitive market that the Government created in 1990 but have done so successfully. They have competed fiercely with each other in Scotland—

Mr. Home Robertson *rose—*

Mr. Foulkes: Will the Minister give way?

Mr. Kynoch: No, I shall not, because I have four minutes left, and I want to complete my speech so as to cover the topic.

Several hon. Members *rose—*

Mr. Kynoch: Opposition Members have had quite a say in the debate. Clearly there is a significant split on the Opposition Benches, but there is an Opposition split on almost every policy—and I would like to finish my speech.

Mr. Foulkes: On a point of order, Mr. Deputy Speaker. May I make it clear that I am speaking as a constituency Member of Parliament elected to represent Carrick, Cumnock and Doon Valley, not as a Labour party spokesperson?

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): I am sure that that is true, but it is not a point of order for the Chair.

Mr. Kynoch: I have noted what the hon. Gentleman said, Mr. Deputy Speaker. Of course he will speak for his constituents, but it would be reasonable to think that there might have been some consensus on the Opposition Benches on a topic that may have such a major impact on Scotland.

I was talking about the two Scottish electricity companies and their success in competing fiercely with each other in Scotland, and also in the market in England and Wales. Of course some business has been lost to suppliers from England, and more business may be lost in future. But both companies have been successful in doing much more of their business in England and Wales, especially since Scottish Power's successful acquisition of MANWEB and Southern Water, which was mentioned by Opposition Members.

As for coal, the Scottish electricity industry has said that it will continue to buy Scottish coal so long as it is competitive in price and quality, and it is taking as much as the coal industry can produce. I have no doubt that the industry will respond to the challenge, and will continue to be a successful supplier to Scottish Power and Scottish Hydro-Electric.

Certainly those companies' commitment to coal has been maintained—indeed, increased. Power stations have been fitted with special burners that reduce the amount of nitrous oxides emitted. Scottish Power has secured a substantial European Community grant to test gas over-burning at Longannet power station, with a view to raising its efficiency and reducing emissions. I was most impressed with what I saw when I visited Longannet not long ago.

The company is also testing at Longannet a new technique that extracts sulphur dioxide efficiently from flue gas. Those developments all exemplify the

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entrepreneurial attitude of both Scottish Power and Hydro-Electric, and augurs well for their ability to deal with the competitive threats that the future undoubtedly holds. *[Interruption.]* Does the hon. Member for Cumbernauld and Kilsyth (Mr. Hogg) want to say something?

Mr. Norman Hogg: The Minister has not yet explained to us how all that competitiveness and all those entrepreneurial skills and the rest square with buying a water company in the south of England. What is a Scottish electric company doing buying such a company?

Mr. Kynoch: I would have thought that the hon. Gentleman would be pleased and proud of a Scottish company using its expertise to diversify, in the interests of the efficiency of service delivery.

No market is static, and change is inevitable. Opposition Members sometimes find that difficult to take, but the policies of the Government have released the entrepreneurial drive of those major Scottish companies so that they can meet the challenges that face them. Competition drives down costs—

Mr. Home Robertson *rose—*

Mr. Kynoch: The hon. Gentleman knows that I have less than one minute left.

Competition encourages innovative approaches to the provision of services, and that can only be good for consumers and employees—

It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

TRADE AND INDUSTRY

Working Time Directive

1. **Mr. Norman Hogg:** To ask the President of the Board of Trade what legislation he intends to bring forward to implement the working time directive. [5779]

6. **Mrs. Fyfe:** To ask the President of the Board of Trade what his Department is doing to ensure that the provisions of the working time directive are implemented in the United Kingdom. [5785]

10. **Mr. Benton:** To ask the President of the Board of Trade what measures his Department is taking to ensure that the provisions of the working time directive are implemented in the United Kingdom. [5789]

The President of the Board of Trade and Secretary of State for Trade and Industry (Mr. Ian Lang): I shall issue a consultation document on the working time directive shortly. We will do all we can to prevent damage to British businesses and jobs from the implementation of this directive.

Mr. Hogg: Is the President of the Board of Trade aware that Britain and Italy are the only European Union countries where workers have no legal right to paid holidays? Is he further aware that 2.5 million British employees have no paid holidays, and no legal entitlement to paid holidays? Will those people have a feel-good factor this Christmas? Is the right hon. Gentleman doing all this to placate the Euro-sceptics on the Conservative Back Benches?

Mr. Lang: The directive is, of course, about much more than holidays. I welcome the fact that working conditions and holidays—their length and quality—have improved out of all recognition as a result of the successful growth and expansion of the British economy in recent years. The Government consider that these matters should be negotiated by employers and employees at the workplace, taking account of the circumstances of the company and its ability to enter negotiations with its employees.

Mrs. Fyfe: Does the Secretary of State accept that long working hours harm family life? If so, why is the Tory party—which calls itself the party of the family—doing so much to harm family life?

Mr. Lang: Working hours in this country have been getting shorter, and that may well continue to happen. Working hours and conditions should be negotiated by the employer and the employee at the company or workplace, and not by bureaucrats in Brussels.

Mr. Benton: Is the President of the Board of Trade aware that many men and women in my Bootle constituency work excessively long hours, often for a low wage? Does he agree that that is in no way conducive to family life? Will he look again at the directive and make an effort to eliminate the activities of unscrupulous employers who thrive on offering low wages and long working hours? That would give an added inducement to family life. If the right hon. Gentleman looks again at the directive, he will find that he has a great opportunity to do just that.

Mr. Lang: Family life is best enhanced by an expanding economy creating additional jobs. In those countries with social conditions that are rigid and burdensome on companies, the consequence is that the number of jobs reduces. That is one of the reasons why unemployment in this country has been falling for several years and now stands at just over 7 per cent., whereas the EU average is more than 11 per cent.

Mr. Batiste: Is the real issue not what the directive says but the fact that issues of this kind must be determined in this country rather than in Brussels? If subsidiarity and our opt-out of the social chapter mean anything, all these issues have to be determined in our country. That is why people are so upset by the directive.

Mr. Lang: My hon. Friend is absolutely right. In the context of the social chapter opt-out negotiated by my right hon. Friend the Prime Minister at Maastricht, that has been clearly understood in the past. That the matter should be decided in this country by employers and employees at the workplace is central to the Government's determination that the issue will be resolved in our favour at the intergovernmental conference.

Mr. Congdon: I very much welcome my right hon. Friend's intention widely to consult business and industry to try to minimise the cost of that crazy directive for companies in this country. Will he assure me that the Government will redouble their efforts to prevent our European partners from imposing social costs on us by the back door?

Mr. Lang: I certainly give my hon. Friend that assurance. It is not insignificant that the additional burdens on business in this country represent 18 per cent. of the wage roll, whereas in Germany the figure is 32 per cent. and in France 41 per cent. That may help to explain why unemployment in Germany is more than 10 per cent. and in France more than 12 per cent.

Mr. Ian Bruce: Mr. Bryan Cassidy, the Conservative Member of the European Parliament representing my area, suggested that implementation of the directive might not require Her Majesty's Government to impose any penalties on British business. Could we implement the directive and impose no penalties on any business that was in breach of it?

Mr. Lang: It is precisely such points that I hope will become clear in the consultation period, and I envisage that we will consult for a period of three months to enable all such submissions to be put to the Government for further consideration.

Mr. Barry Jones: Can the right hon. Gentleman help my constituents at Shotton steelworks, who work a 12-hour shift rota and want to continue to do so? Is he

aware that it is the only steelworks in the industry that works that rota? The workers would be grateful if he would confirm that they will be allowed to continue such work.

Mr. Lang: Indeed they will. I welcome the hon. Gentleman's contribution, and I hope that those on the Opposition Front Bench heard him. I also welcome the fact that Shotton is doing so well as a result of privatisation and of the improved efficiencies that have flowed from it.

Mr. Stephen: Does my right hon. Friend agree that the working time directive has nothing to do with shorter working weeks and that it is simply a European manifestation of the socialist and corporatist nonsense that we had in this country in the 1960s and 1970s? It is an attempt to get more money for the same or less work; such practice is making continental Europe uncompetitive and Britain competitive in world markets.

Mr. Lang: I absolutely agree with my hon. Friend's central point. It is precisely to maintain the competitiveness in our economy that, during the consultation period, we are seeking to identify ways to minimise the cost of implementing the directive and to avoid unnecessary burdens, and to decide how best to exercise the derogations and flexibilities that have been negotiated as a result of the efforts of previous British Ministers.

Mrs. Beckett: Surely the Secretary of State has not forgotten that the Government's case against the directive is supposed to be that it is not a health and safety matter and that he claimed that that was supported by Professor Harrington's report. Although Professor Harrington was critical of some of the studies on which the directive was based, because they related mostly to shift work, he went on to draw attention to the risks to health and safety of inadequate rest periods and pointed out that a review of the evidence showed that working 48 to 56 hours was probably detrimental to health and safety—the opposite of what the Secretary of State claimed.

As the directive was negotiated before the opt-out on the social chapter and could not conceivably be a sneaky way around it, does that not show that, yet again, the Government are being incompetent and dishonest and acting in bad faith, which is why people can no longer trust the Tories?

Mr. Lang: I am surprised that the right hon. Lady should take that line. She misrepresented Professor Harrington's report the last time we had an exchange on the matter and she seems to be trying to do the same again today. The study states that the scientific basis for establishing optimal hours of work is in doubt. The last time she stood at the Dispatch Box on this subject, she suggested that the Government were suppressing a report by the Department of Health on stress at the workplace, and it transpired that the report had been published six months earlier, so I think that she has quite a lot to apologise for.

"Industrial Action and Trade Unions"

2. **Mr. John Marshall:** To ask the President of the Board of Trade if he will make a statement about the representations he has received about the Green Paper "Industrial Action and Trade Unions". [5780]

The Minister for Competition and Consumer Affairs (Mr. John M. Taylor): The Green Paper was published on 19 November and the consultation period lasts until the end of February next year. To date, I have received one representation, from the Trades Union Congress.

Mr. Marshall: I am sure that my hon. Friend recognises that the people of Britain welcome the transformation of industrial relations over the past 17 years, which is due to the reforms of the Conservative party, which were opposed by the Labour party. Does he also recognise that London commuters and those who occasionally receive letters in London are fed up with the disruption of postal and London Underground services by strikes and with the sponsored silence of Labour Members whenever there is a strike?

Mr. Taylor: My hon. Friend is certainly right and I am sure that the majority of the British people agree with him.

Mr. Winnick: Does the Minister accept that one important aspect of democracy is the right to strike? That right must be preserved at all costs. On costs to industry, the best change for industry would be removal of this totally discredited Government.

Mr. Taylor: The more important conclusion is that the number of strikes in the public sector is much higher than in the private sector. Clearly, we must do more about privatisation.

Mr. David Shaw: When my hon. Friend considers the representations that he has received, will he look carefully at the accounts of the trade unions that made representations? Will he examine the political funds and parliamentary panels and ensure that how much they contribute to the office and other expenses of Labour Members is published? Much of the information in those union accounts is not identifiable and one cannot discover which Labour Members receive money in that way.

Mr. Taylor: I am certainly prepared to take those points into account. The unions are paymasters to the Labour party to the tune of millions of pounds. That may well explain why the Labour party does not agree with the Green Paper.

Privatised Utilities

3. **Mr. Hanson:** To ask the President of the Board of Trade when he next expects to meet the regulators of privatised utilities to discuss profit levels. [5782]

The Minister for Science and Technology (Mr. Ian Taylor): The regulation of the privatised utilities is a matter for the independent regulators. I have regular

meetings with the director general of the Office of Telecommunications to discuss telecommunications matters generally.

Mr. Hanson: Is the Minister aware that, since privatisation, electricity companies alone have had profits of £9 billion? Does he agree that that hardly smacks of firm regulation in the interests of prices for consumers? Will he say how he intends to ensure further regulation of privatised utilities, and will he support Labour's call for a windfall tax to put the money to good use?

Mr. Taylor: I certainly will not support Labour's absurd windfall tax, which would penalise the consumer first. It would also penalise the investment proposals of the privatised utilities and greatly damage their long-term success. Industrial electricity prices have fallen 15 per cent. in real terms, which is of enormous benefit to industry. Even some elements of the Labour party, such as the Fabian Society, know that the attempted fiddling of Labour Front Benchers with the RPI minus X formula is ultimately likely to damage consumers as well as the industries.

Mr. Quentin Davies: Has my hon. Friend seen reports that Mr. Cruickshank, the Director General of Telecommunications, has expressed anxiety about the threat of a windfall tax and suggested that it would make it difficult for him to fulfil his regulatory responsibilities? Does that not clearly imply that, in the event of such a tax being imposed, he would feel that he had to relax correspondingly some of the price constraints that he currently imposes on British Telecom to maintain satisfactory investment in our communications industry? Would that not mean that a windfall tax would be paid directly by consumers?

Mr. Taylor: That is an assumption that one might reasonably make. I have seen remarks attributed to the director general voicing those concerns. The simple fact is that the Labour party has not fully understood the implications of independent regulators. If an independent regulator is looking at stimulating competition in the industry and looking after consumer interests, it is likely that he will raise a question mark about madcap schemes that are likely to damage the industry.

Mr. Malcolm Bruce: Will the Minister accept from me that the Liberal Democrats oppose a windfall tax, because we believe that it is wrong in principle and would be difficult to enforce? If there are excess profits within the utilities, that money has come from the consumers and should go back to them. Will the Minister ensure that measures are introduced to ensure that the consumers benefit? As I represent one of the areas of the country that has the coldest and longest of winters, will he also ensure that the regulator does more to use what resources exist within the utilities to increase energy efficiency and reduce fuel poverty?

Mr. Taylor: I certainly accept the hon. Gentleman's comments about energy efficiency. Various aspects of the Government's policy and that pursued by my right hon. Friend the Secretary of State for the Environment prove that we take that issue seriously. The whole purpose of regulation is to benefit the consumer as well as to stimulate investment. The RPI minus X formula gives an incentive to industry to increase efficiency and profits and then to plough back more in investment. I am sure that the independent regulators will have noted what the hon. Gentleman has said.

Mr. Hawkins: Does my hon. Friend agree that one of the nonsenses of the Labour party's windfall tax proposal is that it arises out of the politics of envy, which is so prevalent on the Labour Benches? The Labour party did not do its calculations correctly, because it thought that that tax would hit only the bosses of the privatised industries, and it did not realise when it announced its proposal that it would directly attack consumers. But the penny has dropped with the consumers. It is too late for the Labour party to back out of that proposal, even though it has tried to back out of everything else that it has always really stood for.

Mr. Taylor: The Labour party's inability to focus on the real issues that interest consumers is increasingly apparent. I also point out that the windfall tax would not help pensioners in any way. That is another matter that the Labour party must address quickly.

Mr. Battle: I wonder whether the Minister is even aware that no less a body than the Institute of Directors, not known to be a supporter of the Labour party, has said of our plans for a one-off windfall levy:

"We acknowledge that some of the utilities do have spare funds at the moment and that the economic impact of the tax might therefore be insignificant."

What will the Minister do to ensure that, when the regional electricity companies are taken over, they remain within the reach of the regulator and that their profits are not hidden or spirited away? Recently, the hon. Gentleman's predecessor, the Minister for Energy, went before the Select Committee and said that he believed that the system of regulation was so ad hoc and unaccountable that it needed to be overhauled. Does the Minister support that suggestion, or will consumers have to wait for the election of a Labour Government to tackle that problem?

Mr. Taylor: Given the basis of the windfall tax, consumers must look forward with dread to the arrival of a potential Labour Government, because of the damage that would do to their interests in relation to those industries.

I am sure that the hon. Gentleman has read about the great concern registered by the Confederation of British Industry about the impact of the tax, not least on the cost of capital, which would ultimately feed through into higher prices for the consumer.

As for the competition policy exercised by my right hon. Friend the President of the Board of Trade, such facts are taken into account when he comes to any conclusion. Regulation and its impact are of continuing importance to the interests of the industry and the growth of competition within it. The Director General of Electricity Supply recently made detailed proposals about such competition for 1998.

Mr. Atkins: Has my hon. Friend had conversations with the Director General of Telecommunications about the increasing problems of the cloning of digital

telephones, which causes immense inconvenience to many people, not least some of my constituents, particularly when they realise that the machines and devices used for the cloning of their telephones can be bought in the average store? That equipment can damage, with impunity, the rights and interests of ordinary people who use their mobile telephones in the ordinary way.

Mr. Taylor: I am grateful to my right hon. Friend for raising that matter, because cloning costs the mobile telephone industry about £100 million a year; therefore, that impacts on the public as well in certain areas. Although the problem will be reduced as we move to digital mobile telephony, know as GSM, it is nevertheless always possible that the criminals will become more sophisticated. In those circumstances, I warmly welcome the private Member's Bill that has been tabled by my hon. Friend the Member for South Dorset (Mr. Bruce), and I commend it to the House.

Deregulation

4. **Mr. Kevin Hughes:** To ask the President of the Board of Trade how many items of legislation relating to his Department have been repealed since the beginning of the deregulation initiative in January 1994; and how many statutory instruments were introduced over the same period. [5783]

The Minister for Small Business, Industry and Energy (Mr. Richard Page): Since 1 January 1994, my Department has revoked 93 regulations and over the same period introduced 315 statutory instruments.

Mr. Hughes: Does the Minister agree with the 19 Conservative Back Benchers who recently signed an early-day motion pointing out that the Government have, in fact, introduced 13 times as many statutory instruments as they have issued deregulation orders? Is that not another example of the Tory Government saying one thing and doing another?

Mr. Page: The hon. Gentleman does not quite grasp the whole principle of the deregulation that is taking place. We live in an increasingly complex world, but I have to point out that, although he might try to take comfort from the 315 statutory instruments, 65 were deregulative, and so reduced the burdens, and 26 were fee orders. I hope that when, in the fulness of time, we come to legislation, we can give the parliamentary draftsmen the ability to give authority to the Secretaries of State to increase fees—say, in line with inflation—within tight regulative limits.

The other side of the measures is that they are methods of consumer protection. Would the hon. Gentleman want the removal of those regulations that give protection against babies' dummies containing carcinogenic materials or of those that protect consumers from unsafe electrical and gas appliances? There is a great deal of consumer protection in those regulations.

Mrs. Roche: Small businesses up and down the country would have been longing for the Minister to sit down, not because they were not interested in hearing him, but because they wanted him to be put out of his misery.

Given that the Minister does not agree with the 19 of his Back Benchers and a former Minister for Trade who have views on deregulation that differ from the Government's, what has he to say to the Institute of Directors which, in its recently published and well-received report, said that the problem with regulation and burdens on small business is that there are too many regulations, the rules are too complicated and they are not enforced in a fair or consistent way? Given the Government's record, does that not show why small businesses all over the country are saying that enough is enough with this Government?

Mr. Page: As the small business Minister, I am more than aware of the effect that regulations have on small business. The hon. Lady conveniently puts to one side the initiatives taken by my right hon. Friends the Prime Minister, the Deputy Prime Minister and the Secretary of State. In fact, more than 750 regulations have already been repealed or amended—more than 400 in the past 12 months. We expect the total to rise by 1,000 at the end of this year.

I look the hon. Lady straight in the eye as I tell her that we have put in place a system of regulation to make sure that anything coming forward is looked at to make sure that it has a cost in relationship to benefit, that a risk analysis has taken place and that there is no gold-plating. In addition, of course, we consult with appropriate bodies.

Even our representations in Europe are having some effect. Mr. Jacques Santer has said that he wants to see fewer and better regulations coming forward, and that is exactly what is happening. The Government are looking after small business.

Working Time Directive

5. **Dr. Goodson-Wickes:** To ask the President of the Board of Trade what consultations he has had over health and safety aspects of the working time directive. [5784]

Mr. John M. Taylor: I continue to believe that the measures in that directive are mainly about terms and conditions of employment and not about health and safety, but my Department will be initiating a thorough consultation process very shortly.

Dr. Goodson-Wickes: Will my hon. Friend confirm that the working time directive, which is causing much concern to successful businesses in my constituency, was adopted as a health and safety measure? In the light of this country's admirable record on health and safety, is it not ridiculous that social engineering is being introduced under the emotive guise of health and safety? Will my hon. Friend assure the House that the Government, at the intergovernmental conference, will defend vigorously our admirable opt-out and do away with that most unwelcome measure?

Mr. Taylor: I give that assurance. My hon. Friend has a great deal of experience in these matters. He is correct to say that that directive is wrong in law, has the wrong

treaty base and is wrong in practice. Moreover, these things should be decided here, not in Brussels, and should be decided here between employer and employee.

Mr. Clapham: If the Minister believes that the directive is not related to health and safety, will he tell the House why there are more accidents at the end of a long shift than at the beginning?

Mr. Taylor: I think it is pertinent to recognise that in this country, we have the widest spread of working hours in Europe. Our average working hours are pretty much the same as those in the rest of Europe: some people work shorter hours in this country; some work longer. It is part of the flexibility of our labour market.

Utilities (Privatisation)

7. **Mr. Dover:** To ask the President of the Board of Trade what assessment he has made of the impact of privatisation on the performance of the utilities. [5786]

The Minister for Industry (Mr. Greg Knight): Privatisation, with independent regulation, has brought substantial benefits to the consumer in the form of lower prices, higher standards of service and wider choice, and it has led to a welcome improvement in efficiency.

Mr. Dover: Will the Minister confirm that, in addition to all those benefits, there has been an enormous increase in capital investment—indeed, in the water industry, £600 or more per household throughout the country? That has meant that North West Water in my area has been much more able to solve any water contamination problems and to improve water quality across the board. That has been nothing but good for local residents.

Mr. Knight: My hon. Friend makes a good point. Since 1990, the water companies have invested about £15 billion and they intend to invest about £24 billion in future years to improve water quality. All that will be done at no cost to the taxpayer.

Mr. Wigley: Is the Minister aware of growing unease among many people that the maintenance and safety of power lines are deteriorating? Not only was that manifested in the problems during the recent cold weather, but the Department of Trade and Industry must be aware that a farmer in my constituency had several of his livestock electrocuted and his wife injured by electricity leaking from such power lines. Will the Minister examine the standard of regulation to ensure that no corners are cut in maintaining the standard of power lines, thereby maintaining the safety of those who might otherwise be seriously injured?

Mr. Knight: Currently, the electricity companies invest about £1 billion a year, so there is record investment. However, the hon. Gentleman raises a very important point. I am not aware of the circumstances of the case in his constituency; if he would care to send me details, I will certainly consider the matter.

Mr. Gallie: Will my right hon. Friend comment on the safety record of the privatised electricity suppliers? Have not accidents in those industries plummeted since privatisation?

Mr. Knight: My hon. Friend is right: higher investment levels have generally led to better safety.

Mr. Pike: Does the Minister recognise that companies such as North West Water, which have a monopoly to connect sewers and water supplies for builders building new properties, are ripping off those builders and charging about 10 times a realistic price? Is it not time that that rip-off was stopped, so that people building houses can get a fair deal?

Mr. Knight: If the hon. Gentleman really wanted a detailed reply to that question, he would have provided specific details. I invite him to do so, and I shall look into it.

Small Firms

8. **Mr. Bellingham:** To ask the President of the Board of Trade when he next expects to visit business links in East Anglia to discuss measures to encourage small firms. [5787]

Mr. Page: I have no plans at present to visit business links in East Anglia. However, my right hon. Friend the Minister for Industry was in Norwich on Monday last, when he met very many small business men and several representatives from business link.

Mr. Bellingham: I am grateful to the Minister for that reply. His right hon. Friend the Minister for industry went down very well when he visited Norwich, and I have had good feedback from business link and the local training and enterprise council.

Is the Minister aware that the business link in my constituency, which recently took over from the enterprise agency, has already established itself as an excellent one-stop shop for small and medium-sized businesses? Is he further aware that the link is currently in the process of merging with the local training and enterprise council and the chamber of commerce? Can he assure me that, when such mergers take place, the focus of business links will not be lost? Can he tell me the precise role of business links in reducing unemployment in constituencies like mine?

Mr. Page: The business link in Norwich began a year and a week ago, and I have had reports of significant progress. It will supply the drive to ensure that small businesses in the area operate to the high professional standards necessary to compete in the world's industrialised markets. I know that the business link is working hard to put together a series of packages to identify finance for small firms. I also know that unemployment in my hon. Friend's constituency—

I looked it up before I came here—is as low as 5.5 per cent. That is still far too high, of course, and I hope that the business link initiative will bring it down much lower.

Mr. Mackinlay: Is not the problem for small businesses in Norwich, Peterborough, Basildon, Harlow and many other constituencies that will be in the cockpit at the next general election the fact that far too many people are unemployed and therefore lack the purchasing power to sustain small businesses? Is not the answer to get Britain back to work, so that people have money to spend and can actually pay taxes to fund essential public services as well as purchasing the services and products of small businesses?

Mr. Page: I am glad to note that the hon. Gentleman is such a firm supporter of Conservative party policies. Under this Government unemployment has dropped steadily for the past few years: we are going in a completely different direction from the rest of Europe and I am convinced that it is the small business sector that is driving that success forward. What would kill that sector would be the minimum wage and the social contract that the Labour party wants to impose on small businesses.

Business Grants

11. **Mr. Campbell-Savours:** To ask the President of the Board of Trade what representations he has received from trading standards officers about the activities of companies selling advice on access by traders to business grants. [5790]

Mr. Greg Knight: The Department is actively working with the Office of Fair Trading and trading standards departments in cases of misrepresentation. Firms should be aware that their local business link can offer reliable advice free or at low cost.

Mr. Campbell-Savours: The Minister has obviously been briefed on the activities of European Business Services in the north-west of England, which is ripping off small business men in my constituency. Cannot the law in this area be reviewed, the more so as it is proving extremely difficult to prosecute companies such as EBS even when it is clear that they have been involved in forms of criminal conspiracy?

Mr. Knight: I have been briefed to the extent that a similar scam has been operating in my constituency and I take the same view of such practices. We already have in place certain safeguards: the Sale of Goods Acts, the Trade Descriptions Act 1968 and the Unfair Contract Terms Act 1977. Those pieces of legislation can be used by trading standards officers to prosecute companies when an offence has clearly been committed.

Singapore Summit

12. **Mr. Jacques Arnold:** To ask the President of the Board of Trade what his priorities are for the World Trade Organisation summit in Singapore in December. [5792]

Mr. Lang: I have three priorities: first, the substantial work programme to carry forward trade liberalisation in the WTO; secondly, the completion at least in outline of an information technology agreement aimed at the progressive elimination of tariffs on products with the widest possible participation by WTO member countries; thirdly, real progress on negotiations to liberalise basic telecommunications, which are scheduled to conclude by February 1997.

Mr. Arnold: I am very encouraged by my right hon. Friend's reply, which shows that Britain is a leading campaigner for free world trade. When my right hon. Friend goes to the summit meeting, will he strongly oppose the Helms-Burton Act passed by the United States, which has the effect not just of preventing Americans from trading with Cuba but of imposing restrictions on third countries? I am sure that this House condemns the Cuban regime as the last remaining undemocratic country in Latin America, but the Helms-Burton Act is not the way to go about it: the way to deal with the problem is in political forums, not by damaging world free trade.

Mr. Lang: I am grateful to my hon. Friend. I know that the matter was debated in Standing Committee recently and I agree with him. We have made it clear to the Americans in robust terms that we disapprove of that extra-territorial action on their part. As my hon. Friend will know, President Clinton has suspended title III for a six-month period, but that does not remove the uncertainty or the continuing threat of title III, and title IV continues to apply. I hope that the Helms-Burton Act will not remain in place and that the matter will be disposed of. On the broader issue of support for free trade and trade liberalisation, I am happy to reassure my hon. Friend of the Government's strong commitment to pursuing that agenda.

Mr. Foulkes: Why does the Secretary of State not support the social chapter of the World Trade Organisation, which is being promoted by a number of countries, including the United States, and would outlaw such appalling practices as child labour? Why is the Secretary of State so dogmatic that anything called a social chapter, however good it is, must automatically be opposed by the Government?

Mr. Lang: This Government defer to no other Government in our condemnation of child labour. We are signatories of the United Nations convention on human rights and we believe that such matters should be pursued through the appropriate organisations. The World Trade Organisation, however, is a body concerned with trade. The best way in which we can help to improve working conditions in other countries is to open trade with them, to increase that trade and to help prosperity to spread.

Mr. Rathbone: As my right hon. Friend pursues the point raised by my hon. Friend the Member for Gravesham (Mr. Arnold) and other matters, will he remind the House how beneficial it will be for us to speak as part of the membership of the European Union?

Mr. Lang: My hon. Friend is right. Membership of the European Union enables the United Kingdom to participate in a major trading bloc. Nevertheless, it is also important that we promote the free trade agenda to which we subscribe, which is not so robustly supported by some of our partners in the EU.

Mr. Bell: May I tell the President of the Board of Trade and the House that, in relation to the Helms-Burton Act,

the Opposition give their full support to the Government? We did so in Committee this morning and will continue to give our full support on that issue.

On the point made by my hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes), why does the Secretary of State want to build world trade on the back of human rights? Why is he not prepared to accept a working party at the WTO next week to deal with forced labour, exploitative child labour and the lack of trade union rights and collective bargaining at the workplace in the third world? Why does he not support the United States, the French Government and the rest of our European partners on that?

Mr. Lang: I thank the hon. Gentleman for his support on the Helms-Burton issue. On working conditions in other countries, we have seen evidence of how the Labour party would like to intervene and control working conditions in this country and to encourage the European Community to intervene and control them, thus adding to the burdens on business in Britain. The hon. Gentleman seeks to carry that interventionism to every other country around the world. Does he not recognise that imposing such burdens—imposing rigidities on the liberalisation of trade—would reduce economic activity, employment opportunities and the quality of working conditions in those countries? That epitomises perfectly the Opposition's protectionism and interventionism and shows that they do not support the free trade agenda.

Mr. Fabricant: Is not Britain the fifth largest exporter in the world, and does not a quarter of our gross domestic product come from exports? Does my right hon. Friend agree that the best way to promote exports is not through trading blocs such as the North American Free Trade Area or the European Union, but through global free trade? Is not global free trade jeopardised by the sort of nonsense being promoted by the Opposition with their international social chapter—another barmy proposal from the barmy Opposition?

Mr. Lang: I agree with the statistics that my hon. Friend mentioned. He is right to emphasise the importance of promoting the multilateral free trade agenda. Free trading blocs can have their place, so long as they are not exclusive and do not confine their benefits to their members. We want the free trade agenda to be spread widely. If a bloc such as my hon. Friend describes contributes to that, it can form an acceptable part of the multilateral agenda. But the globalisation of trade liberalisation is our main objective.

"Industrial Action and Trade Unions"

13. **Mr. Canavan:** To ask the President of the Board of Trade what responses he has received to the White Paper, "Industrial Action and Trade Unions". [5793]

17. **Mr. Harry Greenway:** To ask the President of the Board of Trade what representations he has received on his recent Green Paper, "Industrial Action and Trade Unions"; and if he will make a statement. [5797]

Mr. Lang: The Green Paper, "Industrial Action and Trade Unions", was published on 19 November and the consultation period will last until the end of February next year. To date, I have received no written responses.

Mr. Canavan: Has ever a Green Paper on industrial relations so united the Trades Union Congress, the Confederation of British Industry, the Institute of Directors, the Institute of Management and the Engineering Employers Federation, all of which have expressed their opposition to the ill-conceived legislative proposals which are widely perceived to be a simple pre-election gimmick and, thankfully, will never see the light of day as the Tories will be kicked out at the general election?

Mr. Lang: I have received no written responses yet, so the hon. Gentleman cannot possibly know what they will say. I cannot remember a trade union or industrial relations Green Paper that the Labour party has not opposed tooth and nail. By implementing the proposals in those Green Papers, the Government have succeeded in reducing the number of industrial disputes in this country so dramatically that we are now highly competitive, with vastly improved productivity. The number of days lost through strikes is currently about one twentieth the level under the last Labour Government.

Mr. Greenway: Will my right hon. Friend go further and confirm that 29 million days were lost through strikes under the last Labour Government? According to the latest figures, that figure has fallen to 437,000. Most of those strikes—some 70 per cent.—occur in the public utilities and in the public sector where there is no alternative service. Does that not show that the unions, encouraged by the Labour party, exploit the public when they are in a position to do so and that their power must therefore be curbed?

Mr. Lang: My hon. Friend's figures are correct. He is also right to identify the purpose of our Green Paper: it will ensure that the interests of the public, who depend on those monopoly services, are taken fully into account. Clearly, the Opposition do not care about the public. They do not care about the commuters left freezing on the platform, or the companies that depend upon the postal service delivering the mail on time. The Government do care, and we intend to ensure that people's rights are taken into account in future industrial disputes.

Clean Coal Technology

14. **Mr. Tipping:** To ask the President of the Board of Trade what steps he has taken to promote the further development of clean coal technology. [5794]

Mr. Page: In the past 12 months, in partnership with United Kingdom industry and universities, we have initiated 51 clean coal technology research and development projects worth more than £16 million.

Mr. Tipping: Has the Minister seen estimates that, by the year 2003, more than half our electricity will be generated by gas? If that is correct, does it not imply, first, that the coal industry faces further difficulties and, secondly, that it is vital to invest in clean coal technology in the longer term to ensure security of supply?

Mr. Page: There are two aspects to my response to the hon. Gentleman. First, I believe that British industry can take advantage of a vast export market by using the types of technologies advanced through those research and development programmes. Secondly, the Government

believe that any demonstration of clean coal technology is best undertaken as part of the European Commission's development programme. The project could cost £300 million or £400 million. Officials took a group of industrialists to Brussels recently, and that is the best way to ensure that that sort of technology is introduced into the United Kingdom.

Mr. Beggs: In addition to the steps already taken, will the Minister make contact with the Environmental Engineering Concepts company in my constituency, which has produced a product that promotes almost 100 per cent. combustion and reduces noxious emissions and maintenance costs? That product would be invaluable in promoting clean coal technology.

Mr. Page: Since 1993, 43 United Kingdom companies have taken part in a host of projects that have produced the kind of product to which the hon. Gentleman refers. I could give the House a list of companies that have enjoyed extremely good export sales from technologies of that kind. I will ensure that my Department contacts that company to evaluate its position in the process.

Business Failures

15. **Mrs. Bridget Prentice:** To ask the President of the Board of Trade how many business failures there have been since April 1992. [5795]

Mr. Ian Taylor: Since the beginning of April 1992, there have been 80,780 company insolvencies, comprising 31,690 compulsory liquidations and 49,090 creditors' voluntary liquidations. In addition, there have been 119,509 bankruptcy orders.

In the most recent 12 months, company insolvencies accounted for 1.4 per cent. of the total number of companies registered, compared with 2.6 per cent. in 1992.

The overall number of company insolvencies has decreased by 43 per cent. since April 1992.

Mrs. Prentice: Is the Minister saying that it is acceptable that more than 219,000 businesses have gone to the wall since the last election, including 10,000 in the last quarter? Does that not give the lie to the Minister's claims that Britain is the enterprise centre of Europe?

Mr. Taylor: If the hon. Lady understood business, she would understand that it is the exact opposite, because she has forgotten that there are 400,000 business starts per annum, which shows that the entrepreneurial spirit is alive and well in this country. Nobody is pleased when a company ceases to trade or goes into insolvency, but it is nevertheless an expression of the risk that one can take in this country. I repeat that company insolvencies accounted for 1.4 per cent. of the total number of companies registered in this country. There are 3.7 million companies registered in the United Kingdom. If the hon. Lady looks at the proportions, she will realise that the entrepreneurial spirit is very much alive and well and is doing exceptionally well in this country.

Mrs. Peacock: How many more businesses are present in the United Kingdom, and how does that compare with the number that were here in 1979?

Mr. Taylor: There are currently 3.7 million businesses in the United Kingdom, compared with about 2.9 million when we came to power in 1979. The Government's success in favouring the smaller business community—for example, by the measures introduced by my right hon. and learned Friend's the Chancellor in the Budget last week—shows just why, overall, business has profited very well from the Conservative Government.

Firework Safety

16. **Ms Lynne:** To ask the President of the Board of Trade if he will introduce further proposals to improve firework safety. [5796]

Mr. John M. Taylor: I place a very high priority on improving controls on fireworks. Following the thorough review that I initiated earlier this year, I am considering a number of possible measures.

Ms Lynne: Can the Minister at least guarantee that, by next 5 November, there will be stricter guidelines on the import of fireworks, especially from China, as those were most responsible for the horrific accidents? Will he also say whether there are any new proposals for tougher sentencing or tougher penalties on shopkeepers who sell fireworks to children?

Mr. Taylor: I am excluding nothing from the review that we are carrying out. In particular, I am considering how aerial shells can be controlled. These are, generically, the kind of fireworks to which the hon. Lady referred. I am prepared to look at the import licensing regime, which was replaced in 1993, but I have to tell the House that the Health and Safety Executive says that the single authorisation scheme which replaced that regime in no way weakens safety controls. In fact, it makes them more flexible.

Mr. Nigel Griffiths: Why does the Minister not listen to the British fireworks business when it tells him that the abolition of import controls on fireworks has caused three deaths from aerial shells and that the Government's deregulation of firework safety regulations has caused injuries to soar to record levels? Does he not realise that the number of fireworks sold is likely to rise before new year's day as people celebrate with fireworks on that day? Why does he not now invoke section 11(5) of the Consumer Protection Act 1987 to take immediate action to ban aerial shells before more people are killed as a result of Government negligence in this matter?

Mr. Taylor: I do not accept that assertion. I do not accept its attribution either. I am taking this matter extremely seriously. As far as I am concerned, one person injured is too many. There are serious issues here and I am determined to get this right. Time spent now will be well spent—I assure the House of that.

Working Time Directive

18. **Mr. Burden:** To ask the President of the Board of Trade what legislation he intends to bring forward to implement the working time directive. [5798]

Mr. John M. Taylor: My right hon. Friend the President of the Board of Trade will issue a consultation document very shortly.

Mr. Burden: Surely it is disingenuous of the Government to continue to insist that this is not a health

and safety issue when it has been well established that there is a link between being forced to work excessively long hours and employee ill health. Does the Minister accept that even those such as the Confederation of British Industry who are opposed to the working time directive are calling on the Government to bring in clear guidelines to get the measure implemented and on the road? The Government are making themselves look stupid by continuing to sabre-rattle on a patently sensible suggestion.

Mr. Taylor: The United Kingdom observes the law, and we need to know what we can do about enforcement and derogation. This ground has already been covered. The Government think that this is not a health and safety matter at all but an employment matter and should be covered by the social chapter, in which case we would have the benefit of our opt-out. Those arguments will be carried whole-heartedly into the intergovernmental conference.

Research and Development

19. **Mr. Olner:** To ask the President of the Board of Trade what has been the percentage change in total Government spending on research and development since 1985. [5799]

Mr. Ian Taylor: Estimated Government expenditure on research and development in 1996-97 is 36 per cent. higher than the cash expenditure in 1985-86.

Mr. Olner: In precise terms, there has been a reduction of 16.5 per cent. since 1985 in Government-funded research and development. Is it any wonder that we are now 15th out of 22 in the Organisation for Economic Co-operation and Development league in terms of spending on this sort of research and development? We are a manufacturing nation and we cannot go forward with any strength in the future without research and development that is properly funded. Are there are any hidden cuts in the science budget that was decided yesterday?

Mr. Taylor: The hon. Gentleman forgets that his figures encompass defence expenditure, which has been declining. He also forgets the cessation of fast breeder reactor research and launch aid, so the statistics are naturally distorted. The science budget is up by 20 per cent. and the amount spent by universities and research councils is up by 12 per cent. over the period that we are discussing. That is very important for the long-term strength of our research and development base.

The hon. Gentleman is right to be concerned that too many of our companies are not necessarily investing in research and development at the right intensity in relation to sales. I should like to see an improvement in that, given the dramatically increasing need for us to innovate and present new products which will compete in the wider world. There is certainly no lack of effort by the Government to ensure that the science base is strong.

Mr. Hoon: In the light of that answer, how does the Minister explain the Government's figures published the "Forward Look of Government Funded Science and Technology 1996", which shows that the severe cuts in Government-funded research and development for both civil and defence purposes are set to continue. Why is the United Kingdom the only OECD country showing a real terms reduction in annual Government funding of civil research and development?

Mr. Taylor: The hon. Gentleman must have heard the earlier reply as I am sure that he normally pays great attention. There are various distorting factors in the total civil research budget. The figures that I gave for the science base, which include money for university infrastructure from the Higher Education Funding Councils and through the research councils, is up in real terms.

The Budget announced by my right hon. and learned Friend the Chancellor of the Exchequer last week specifically emphasised the Government's commitment to the science base by making sure that there is a cash increase year on year. That is important to ensure that the research councils' expenditure plans are safeguarded. Further details will be provided in January when we allocate to the various research councils. I assure the hon. Members for Ashfield (Mr. Hoon) and for Nuneaton (Mr. Olner) that the United Kingdom's science base is strong and healthy and that our spending efficiency compared with other countries, not least those in the G7, is admirable.

Nuclear Industry

20. **Mr. McAllion:** To ask the President of the Board of Trade what recent discussions he has had with the Trades Union Congress and the Scottish TUC in relation to the privatisation of the nuclear industry. [5800]

Mr. Page: My right hon. Friend has had no such discussions.

Mr. McAllion: Did the Minister read last weekend's press reports in Scotland, which stated that Scottish Nuclear and Nuclear Electric plan to build eight new nuclear power stations in the early years of the next millennium? Given that the Government's current policy is that there should be a moratorium on the construction of new nuclear power stations, and the fact that there is increasing concern about radioactive leaks and leukaemia clusters around nuclear plants, does the Minister agree that it was the height of irresponsibility for the Government to push ahead with privatisation of the nuclear industry?

Mr. Page: The day the hon. Gentleman starts believing what he reads in newspapers is the day he is in real trouble—just as he cannot believe, for example, that the Labour party will win the next general election.

Investment

21. **Mr. Purchase:** To ask the President of the Board of Trade which countries in the Organisation for Economic Co-operation and Development invest more per person than the United Kingdom. [5801]

Mr. Greg Knight: Investment can take many forms, both tangible and intangible. No figures are available to

make international comparisons of total investment in all its forms. Nevertheless, the investment climate in Britain is excellent. Cash flow is strong, taxes and interest rates are low, and domestic and overseas markets are growing. I hope that the hon. Gentleman will welcome that.

Mr. Purchase: Of course we welcome the fact that the climate is improving. It is a great pity, however, that the improvement has not been manifested in actual investment. As I pointed out at a previous Question Time, gross investment in the United Kingdom is not on a par with that in other OECD countries: we are 18th in that league—well behind Germany, France and Japan—and the position is not improving, but worsening. Gross investment has fallen by about 15 per cent. since the most recent general election. Will the Minister deal with those problems?

Mr. Knight: If the problems exist, it is because we started from such a low base due to the appalling lack of investment under the last Labour Government. Since 1979, total investment has grown faster in the United Kingdom than in France and Italy, and we have kept pace with Germany.

Working Time Directive

22. **Mr. Michael Brown:** To ask the President of the Board of Trade what plans he has to ensure that the United Kingdom is no longer required to implement the working time directive. [5802]

Mr. Lang: We shall insist that the intergovernmental conference addresses our concerns. As I told the House on 12 November, that means both ensuring that the working time directive no longer affects the United Kingdom and securing measures to prevent any other "social engineering" directives being forced on the United Kingdom by similar manoeuvres.

Mr. Brown: While I wish my hon. Friend success in those discussions, have not we learnt a clear lesson? Whatever opt-outs we may have on a single currency, the social chapter or whatever, will the Minister confirm that, when we sign those deals, we need to ensure that we are satisfied, five or 10 years down the track, that we have obtained something that means something to us? If we do not join the single currency and if we sign a special deal on the stability pact, is not the lesson to be learnt that we should ensure that we and the European Union agree on the meaning of that deal?

Mr. Lang: Of course I agree with the sentiments expressed by my hon. Friend, but he will be aware that the working time directive did not form part of the social chapter. Our objection to the working time directive is the way in which it was artificially brought into force through article 118A of the treaty, which is a health and safety measure. By no stretch of the imagination can the working time directive properly be called a health and safety measure.

Mr. Sheerman: Surely the President of the Board of Trade is being dishonest in this matter—

Madam Speaker: Order.

Mr. Sheerman: Misleading the House—

Madam Speaker: Order. I ask the hon. Gentleman to re-phrase what he has said and to use proper language in the House, and not to accuse Ministers of misleading or anything else.

Mr. Sheerman: I withdraw it—economical with the truth, then. The President of the Board of Trade knows that that was the reason why the Government went to the European Court, but the decision went against them. If they are a party of law and order, they should now follow the court's judgment and implement the directive. That is the truth, is it not?

Mr. Lang: The hon. Gentleman may not be aware that the Government have already made it clear that we will implement the directive. At the same time, however, we will ensure at the intergovernmental conference that arrangements are made so that it ceases to have effect in the United Kingdom. Moreover, very soon we shall publish a consultation paper, and then take account of industry's attempts to reduce the burden that the directive will impose on us. We shall then introduce appropriate legislation.

"Industrial Action and Trade Unions"

23. **Mr. Winnick:** To ask the President of the Board of Trade what representations he has received on the Green Paper, "Industrial Action and Trade Unions". [5803]

Mr. John M. Taylor: The Green Paper was published on 19 November and the consultation period lasts until the end of February next year. As I said earlier, to date I have received one representation—from the Trades Union Congress.

Mr. Winnick: Clearly the rest have taken no notice of the Green Paper, which is irrelevant to industry and its needs. Is it surprising that people are beginning to wonder whether the Green Paper is part of the Secretary of State's political agenda to build up his prospects of succeeding the Prime Minister as Tory leader?

Mr. Taylor: To take the slightly serious part of that question, will the hon. Gentleman share his thoughts about the irrelevance of the Green Paper with those who have been inconvenienced by strikes on the underground, strikes in the postal services, strikes on the railways and strikes by the fire service, not least in Derbyshire? If the hon. Gentleman wants to be trivial about that inconvenience, he can suit himself, but the rest of the British people do not think like that.

Partial-Birth Abortion

3.30 pm

Mrs. Elizabeth Peacock (Batley and Spen): I beg to move,

That leave be given to bring in a Bill to prohibit partial-birth abortions.

Partial-birth abortion is defined in the Bill as

"an abortion in which the person performing the abortion partially vaginally delivers a living foetus before killing the foetus and completing the delivery."

The procedure, which originated in the United States, is usually used after the 20th week of pregnancy, and often much later. The practitioner, guided by ultrasound, pulls the living unborn child through the mother's vagina, except for the child's head, which is deliberately kept just within the uterus. The practitioner then puts surgical scissors or another medical instrument into the back of the skull, inserts a catheter and sucks out the brains.

In 1992, Dr. Martin Haskell of Dayton, Ohio, wrote an eight-page paper explaining step by step how to perform the procedure. Haskell himself has performed more than 1,000 such procedures, for which he coined the term "D and X". It is also known as brain-suction abortion. A diagram illustrating the procedure has been circulated widely to hon. Members. It was confirmed as accurate by a spokesman for the American National Abortion Federation in evidence to the House of Representatives judiciary sub-committee in June 1995.

The Bill would amend the Abortion Act 1967 to prohibit the partial-birth abortion procedure. Under the Bill, any person performing a partial-birth abortion would be guilty of an offence punishable on summary conviction to imprisonment for a term not exceeding six months, or a fine not exceeding level 5 on the standard scale, or both. No proceedings would be brought without the consent of the Attorney-General. It would not be an offence for a medical practitioner to perform a partial-birth abortion if he or she reasonably believed that the procedure was immediately necessary to save the life of the mother, and that no other procedure would achieve that.

It is not known to what extent the technique may be practised in the United Kingdom. Provided that the terms of the 1967 Act are complied with, there is nothing to stop a practitioner from using it. Replies to parliamentary questions show that abortion notification forms do not specify whether abortions are carried out by that method.

The Secretary of State for Health has stated that the Royal College of Obstetricians and Gynaecologists has asked all its members and fellows to ensure that they record details of any abortions involving intra-uterine decompression of the head of the foetus on HSA4—the form that notifies the chief medical officer of all abortions. However, there is no legal requirement for practitioners to notify the use of the technique.

In the partial-birth abortion method, a woman visits the abortion clinic on three successive days. On the first two days, her cervix is mechanically dilated with material called laminaria. The baby is removed on the third day. *American Medical News* reported on 5 July 1993 that two leading practitioners of the method, Dr. Haskell and Dr. McMahon, had stated in interviews:

"the majority of foetuses aborted this way are alive until the end of the procedure."

Dr. Martin Haskell, the principal exponent of the technique in the United States—he has performed it more than 1,000 times—said in a tape-recorded interview with the *American Medical News*:

"In my . . . case, probably 20 [per cent. of abortions by this method] are for genetic reasons. And the other 80 per cent. are purely elective."

Elective abortion is another name for abortion on demand. Dr. Haskell's statement refutes the claim by some advocates of abortion that the procedure is used only where the woman's life is in danger or in cases of extreme foetal abnormality. The RCOG has claimed that the procedure would be used in Britain only in extreme cases of disability. Nevertheless, under the Abortion Act 1967, there is nothing to prevent a practitioner from using the technique in abortions certified under any grounds.

In the previous parliamentary Session, an early-day motion calling for a ban on partial-birth abortion was tabled. Several hon. Members signed an amendment objecting to such a ban, in which they cited the objections of the RCOG and the British Medical Association, and argued that it was not the role of Parliament to regulate the details of clinical procedures. No one suggests that the opinions of those bodies should be excluded from the debate, but there is particular cause for concern about the RCOG's opposition to a ban of the procedure in view of its guidelines on termination of pregnancy for foetal abnormality, which stipulate that, to avoid the possibility of prosecution,

"a legal abortion must not be allowed to result in a live birth".

That means that steps must be taken to ensure that the unborn child is dead before being expelled from the mother. The practice of partial-birth abortion would conform with those guidelines.

In a paper opposing a similar Bill, which was sent to members of the other place at the time of the Bill's introduction by my right hon. and noble Friend Lord Braine, the RCOG stated:

"partial-birth abortion could be considered more respectful to the foetus than established methods of abortion . . . in which the foetus is removed from the uterus in fragments."

As the editor of *The Sunday Telegraph* aptly commented, "respectful" is not the first word that springs to mind at the description of the sucking out of a baby's brain.

The fact that an unborn child has a disabling condition is no reason for killing the child, and in such an appalling manner. Furthermore, disability in the child does not mean that the procedure is indicated for the benefit of the mother. Even in cases of hydrocephalus, a condition which enlarges the head of the foetus, there are alternative methods of clinical management. If necessary, a caesarean section can be performed.

Former abortionist Dr. Bernard Nathanson wrote in 1983 that the "destructive operation" in which a baby's head was crushed to allow vaginal delivery became obsolete towards the end of world war two as a result of medical advances that greatly improved the safety of caesarean sections. In the light of Dr. Nathanson's observation, it is ironic that, despite continuing advances in modern obstetric care, partial-birth abortion is defended as though medicine had not progressed since the 1940s.

Furthermore, there is evidence that the procedure could endanger the mother. Dr. Pamela Smith, head of the obstetrics teaching programme at Mount Sinai hospital in Chicago, told the US Senate Judiciary Committee that the

[Mrs. Elizabeth Peacock]

partial-birth abortion procedure is an adaptation of a procedure occasionally used to deliver a baby in a breech position, but that that procedure carries risks for the mother and its use is recommended only to deliver the second baby in the birth of twins.

The Bill allows a medical practitioner to perform a partial-birth abortion if he or she reasonably believes that it is immediately necessary to save the life of the mother and that no other procedure will achieve that. Evidence that before the 10th week of human development foetal structures relating to pain are present and functional supports Dr. Giles' and others' opinion. Even many of those among us who do not agree with the principle of the right to life of the unborn child accept that avoidable suffering should not be inflicted on the foetus. Under current practices, there are more restrictions on how the remains of aborted babies may be disposed of than on how they may be killed.

It is perplexing that several hon. Members who called on the Government to ensure more humane treatment of veal calves signed the amendment opposing a ban on partial-birth abortion. Surely Parliament has no less interest in protecting the young of our own kind from cruel and unusual punishment than in protecting the welfare of animals. I hope that the House will give me leave to introduce the Bill.

3.40 pm

Mrs. Ann Clwyd (Cynon Valley): Partial-birth abortion, more correctly described by doctors as intact dilatation and evacuation, is a procedure used on rare occasions by some doctors in the United States of America when they believe it to be in the best interests of the woman. It is not currently used in the United Kingdom. Members may have already noted from the *Official Report* that on several occasions Conservative Members have asked how many times partial-birth abortions have taken place. On each of those occasions, Ministers have repeatedly confirmed that they are not aware of that procedure being used in the United Kingdom. A Bill therefore to prohibit its use is clearly unnecessary and a misuse of the valuable time of the House.

The descriptions of the procedure, as it is supposedly carried out in the United States, are both inaccurate and misleading. Descriptions such as the one we have just heard contain horrific accounts of the foetus being partially delivered while alive. It is my understanding that, on the rare occasions when intact dilatation and evacuation is carried out in the United States, the foetal heart is humanely stopped before the procedure. President Clinton himself has recently vetoed attempts to ban the procedure, referring to it as a potentially life-saving, certainly health-saving, measure for a small but extremely vulnerable group of women and families.

Emotive, grisly descriptions of abortion procedures are often used by those who oppose abortion to shock and repulse people. The anti-choice movement considers it an important tactic because it believes that those who are pro-choice attempt to deny what is involved when a pregnancy is ended. That is not the case. Those of us who support legal abortion do so because we believe that it is necessary for the well-being of the woman.

It seems that the Bill proposed by the hon. Member for Batley and Spen (Mrs. Peacock) is an attempt to reintroduce the topic of abortion to the House. She may expect that the emphasis on the details of that technique—her version—will attract support for further legislation to limit the availability of legal abortion. The present abortion law was accepted as necessary by a majority of both Houses in 1990. Nothing has changed since to justify any amendment.

Abortion at any stage of pregnancy is performed only after careful consideration and within the grounds permitted by law. Late abortions are often of wanted pregnancies, terminated because a severe foetal abnormality has been detected. Those women are especially vulnerable and it is important that when decisions are taken by doctors about the management of their care, they are free to act in the best interests of their patients.

When, earlier this year in another place, Lord Braine introduced a private Member's Bill to prohibit partial-birth abortion, it was opposed by the British Medical Association and the Royal College of Obstetricians and Gynaecologists. Those organisations support the view, which has also been expressed by Ministers in response to questions on the matter, that methods of abortion are a matter of clinical judgment.

As the procedure referred to as intact dilatation and evacuation is not used in this country, the Bill that the hon. Lady seeks leave to introduce would not affect abortion practice directly. It would, however, undermine the principle that a clinician should have freedom to choose the method of abortion most appropriate to a specific clinical situation.

That could interfere with doctors' ability to act in the interests of their patients. A gynaecologist or obstetrician could be convicted of a criminal offence, even when his or her peers considered the actions taken to be the safest and most appropriate management of an abortion. The clinical decisions taken by doctors could be influenced by their fear of prosecution. That would be an unacceptable outcome, and I ask the House to oppose the motion.

Question put, pursuant to Standing Order No. 19 (Motions for leave to bring in Bills and nomination of Select Committees at commencement of public business), and agreed to.

Bill ordered to be brought in by Mrs. Elizabeth Peacock, Sir Andrew Bowden, Mrs. Ann Winterton, Mr. Thomas McAvoy, Mr. A. J. Beith, Ms Liz Lynne, Mr. Toby Jessel, Mr. Keith Vaz, Mr. David Atkinson, Mr. Joe Benton, Sir Michael Grylls, and Rev. Martin Smyth.

PARTIAL-BIRTH ABORTION

Mrs. Elizabeth Peacock accordingly presented a Bill to prohibit partial-birth abortions: And the same was read the First time; and ordered to be read a Second time upon Friday 14 February, and to be printed [Bill No. 37].

Points of Order

3.46 pm

Sir Jim Spicer (West Dorset): On a point of order, Madam Speaker. The House noted with concern the demonstration that occurred yesterday, but it was with far greater concern that we noted another factor. We have seen demonstrations over many years, but we have seldom seen a demonstration that has had the support of Members within the Chamber. You made your views known very firmly, Madam Speaker, and I wonder whether those views might be reinforced if we could establish which Member of the House issued the tickets concerned. What further action might you be prepared to take to make it clear that the House will not accept support for demonstrations?

Madam Speaker: I am pleased that the hon. Gentleman has raised that point of order. It has been the custom of the House and all its Members to pay no attention on the infrequent occasions when demonstrations take place in the Gallery. I hope that that custom will be followed in future by all Members of the House. I might add that the tickets yesterday were provided by an Opposition Member; those today were provided by a Government Member.

Mr. Robert G. Hughes (Harrow, West): Further to that point of order, Madam Speaker. It is important not only who issued the tickets but whether, as you said, the demonstrators had support from the Floor of the House. When I went into the Members Lobby after the demonstration yesterday, I was concerned to see that the hon. Member for Cynon Valley (Mrs. Clwyd) appeared to have a great deal of knowledge when she briefed the press about what had happened. Clearly she knew what was on the banner, which had not been unfurled and so could not have been read from inside the Chamber. If Members were aiding and abetting such a demonstration, I hope that you will take the most serious view.

Madam Speaker: Of course I would, but I must have evidence. I have no reason to believe that Members of the House were aiding and abetting anything yesterday. I think that they were over-enthusiastic, and did not recognise their responsibilities to the House.

Mr. Nicholas Budgen (Wolverhampton, South–West): On a point of order, Madam Speaker. It is normal for there to be a period of reflection between Report and Third Reading of any Bill. This gives an opportunity for those who are affected to advise their Member of Parliament as to whether they wish him or her to support the Third Reading or not. This period of reflection will not be allowed in respect of the Firearms (Amendment) Bill, which is just another indication of how the Bill is being rushed through the House. In those circumstances, will you suggest to the Government that they explain how those affected can be consulted if there is no gap between the two stages?

Madam Speaker: It is not always the case that there is a period of reflection between one reading and another. Indeed, the House itself came to a conclusion that we should deal with the Bill in this way.

Mr. Andrew Faulds (Warley, East): Further to the earlier point of order, Madam Speaker. As you will recall, I wrote you an extraordinarily warm, gracious and gentle letter yesterday, pointing out that as an old, old Member of the House, I do remember that the practice was that the Gallery does not exist. Yesterday—I regret having to make this point—there were two breaches of this practice. There was the recognition of Dame Vera Lynn—God bless her, but she should not be recognised as having sat in the Gallery. The second offence was not clapping the demonstration—Members are entitled to do that, in my view—but recognising that a demonstration had taken place. That was totally out of order. I will give as much muscle as I can to your powerful right arm if you enforce these regulations.

Madam Speaker: I have already made my views clear on one of the points. The hon. Gentleman is quite right—in this Chamber, we do not recognise what goes on in the Gallery. On his second point, the hon. Gentleman wrote me a charming letter. But, unhappily, I have to say that he is quite wrong about Dame Vera Lynn. The hon. Member for Castle Point (Dr. Spink), who put the question, did not make the point that the lady was in the Gallery, but that she was in the precincts of the House. There is a very clear distinction.

Mr. Faulds: I stand corrected, Madam Speaker.

Madam Speaker: Another charming letter tomorrow will be appreciated.

Mrs. Ann Clwyd (Cynon Valley): Further to the point of order raised by the hon. Member for Harrow, West (Mr. Hughes), Madam Speaker. Since he named me specifically, may I say that I had no knowledge of the demonstration yesterday, nor of the demonstration today? However, I am well aware of the issues that were being raised. It is a question of genocide, and I have campaigned on this issue since 1989. It is regrettable that, in order to draw the attention of this House and the press to the issue and to the policy of the British Government, people have been forced to demonstrate in the Gallery.

Madam Speaker: We must now move on.

FIREARMS (AMENDMENT) BILL (ALLOCATION OF TIME)

Ordered,

That the Report [3rd December] from the Business Committee be now considered.—[*Mr. Peter Atkinson.*]

Report considered accordingly.

Question, That this House doth agree with the Committee in their resolution, *put forthwith, pursuant to Standing Order No.80 (Business Committee) and agreed to.*

Following is the report of the Business Committee:

That the resolution of the Committee reported to the House on 26th November be varied by substituting for the provisions of that Resolution the following provisions:

'That—

(1) the order in which proceedings on Consideration are taken shall be new Clauses relating to air weapons, new Clauses relating to compensation, other new Clauses, amendments to Clauses, amendments to Schedules.

(2) on the allotted day which under the order of 18th November (as varied by the Order of 25th November) is to be given to the proceedings on Consideration and Third Reading those proceedings shall, subject to the provisions of that Order, be brought to a conclusion as follows.

Proceedings	*Time for conclusion of proceedings*
New Clauses relating to air weapons	5 p.m.
New Clauses relating to compensation	7.30 p.m.
Remaining proceedings on Consideration	11 p.m.
Third Reading	Midnight

Orders of the Day

Firearms (Amendment) Bill

[ALLOTTED DAY]

As amended (in the Committee), and not amended (in the Standing Committee).

New clause 5

FIREARMS POWERED BY COMPRESSED CARBON DIOXIDE

'.—Any reference to an air rifle, air pistol or air gun—

(a) in the Firearms Acts 1968 to 1996; or

(b) in the Firearms (Dangerous Air Weapons) Rules 1969 or the Firearms (Dangerous Air Weapons) (Scotland) Rules 1969,

shall include a reference to a rifle, pistol or gun powered by compressed carbon dioxide.'.—*[Miss Widdecombe.]*

Brought up, and read the First time.

3.52 pm

The Minister of State, Home Office (Miss Ann Widdecombe): I beg to move, That the clause be read a Second time.

Madam Speaker: With this, it will be convenient to discuss also the following: New clause 3—*Extension of power of Secretary of State to require a certificate for air weapons—*

'. Section 1(3)(b) of the 1968 Act (which exempts air weapons from the requirements of that section unless declared specially dangerous) shall be amended by substituting for the words "declared by rules made by the Secretary of State under section 53 of this Act to be specially dangerous" the words "specified by rules made by the Secretary of State under section 53 of this Act.".'.

New clause 2—*Power of Secretary of State to vary certain age limits—*

'After section 24 of the 1968 Act, there shall be inserted the following section—

"Power of Secretary of State to vary provisions of s.22 and s.24

24A.—(1) The Secretary of State may, by order—

(a) vary any age limit, or

(b) extend to firearms, shot guns or air weapons the application of any provision,

specified in section 22 (acquisition and possession of firearms by minors) or section 24 (supplying firearms to minors) of this Act.

(2) An order under this section shall be made by statutory instrument.

(3) Any order under this section which provides only for the increase of any age limit or age limits shall be laid before Parliament and shall be subject to annulment in pursuance of a resolution of either House.

(4) Any order under this section which includes any provision of a kind other than that specified in subsection (3) above shall be laid before Parliament in draft and shall be subject to approval by resolution of each House.".'.

Government amendments Nos. 80 and 81.

Miss Widdecombe: I regret that I must urge the House to resist new clauses 2 and 3. I shall deal first with new clause 2, and Opposition Members will not be surprised

to hear that I cannot accept it. We had a long debate on the subject in Committee, and my position now is no different from what it was then.

Age limits for firearms were not examined by Lord Cullen. There are sometimes good reasons why young people need, and can benefit from, proper and controlled access to firearms—for instance, if they are growing up on a farm. The current law allows for that. The Firearms Consultative Committee—the independent committee that advises the Government on firearms matters—looked at the subject of age limits in firearms legislation in its third annual report of 1991-92, and concluded that further restrictions were not necessary. In reaching that view, the committee was conscious of the value of allowing young people access to firearms so that they can learn at an early age, and under strict supervision, the correct way of handling them and the importance of safety measures.

The committee considered again the question of air rifles and young shooters generally in its sixth annual report, as recently as 1994-95. It concluded that the law should be simplified in relation to young people but did not recommend any further restrictions on their access to air weapons, shotguns or firearms. It stressed again the importance of introducing young people to shooting under proper adult supervision, which is more likely to make them become responsible adult shooters. All the Firearms Consultative Committee's reports are in the Library of the House.

I sympathise with the desire to take another look at the restrictions, which are complicated. That is why I gave an undertaking in Standing Committee to refer the matter back to the FCC. We have asked it to examine the issue afresh and report back to the Government before the Bill completes its passage through both Houses, and we await that report with interest.

Even if we were to agree to changes in the age limits, I do not think that it would be right for the Government to make changes in that important matter by the negative resolution procedure, as new clause 2 would have us do. It is important that any changes to that vital aspect of firearms legislation are made with the full and positive consent of Parliament. I ask the House to reject the new clause.

Nor can I support new clause 3. There was considerable debate on air weapons in the Committee. As I said then, the Firearms Consultative Committee examined the subject of air weapons in its second annual report and concluded that the tightening of the present controls on air weapons would not reduce weapon misuse to any substantial extent. In reaching that conclusion, the committee said:

"The Committee were aware, that a balance needed to be struck between the imposition of controls designed to prevent the unlawful use of air weapons and the need to avoid curtailing the legitimate activities of many shooters who use them responsibly, for vermin control or in pursuit of their sport, without any danger whatsoever to the public safety or the peace. We were aware that air weapons are used extensively in target shooting and to train young shots in the basics of good gun handling and marksmanship."

Those are important points, which should not be forgotten.

I understand the concerns about misuse of, and breaking the law on, air weapons. That is why we have asked the Firearms Consultative Committee to consider the issue again following the debate in Standing Committee, in which I undertook to draw the FCC's attention to the points that had been made.

The possession of many air weapons already requires a firearm certificate. The distinction between those air weapons, defined as high powered, that need a certificate and those, defined as low powered, that do not, is based on a measure of the muzzle velocity of the weapon.

An air pistol with a muzzle energy of greater than 6 ft/lb or, for any other air weapon, greater than 12 ft/lb, requires a firearm certificate. Those limits are set by the Firearms (Dangerous Air Weapons) Regulations 1969 and the Firearms (Dangerous Air Weapons) (Scotland) Regulations 1969. The Firearms Consultative Committee will consider whether those muzzle energies are still appropriate or should be lower, thus bringing more air weapons into the certification process.

As I said earlier, we have asked the committee to submit a report to the Government before the Bill completes its passage through both Houses. I understand that the committee has already given the subject of air weapons and age limits initial consideration at a recent meeting, on 28 November.

New clause 5 has been tabled in response to a new clause tabled by my hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin) in the Committee of the whole House. It will exempt low-powered carbon dioxide weapons, both long and short-barrelled, and including carbon dioxide powered paint ball guns, from the general prohibition on handguns. Those firearms are no more dangerous than the low-powered airguns that are already exempted under the current law. The effect of the new clause will merely be to bring carbon dioxide weapons into line with air weapons. We have had it in mind to do that for some time, but we have not previously had a suitable legislative vehicle. Under the new clause, any further controls that we decided to bring in for air weapons would apply automatically to carbon dioxide weapons.

Amendments Nos. 80 and 81 are minor amendments. Amendment No. 80 deals with the fact that the definition of "air weapon" in the Firearms Acts already means an air rifle, air pistol or airgun to which section 1 of the 1968 Act does not apply, so the words are not necessary in new section 5(1)(aba).

Amendment No. 81 clarifies that low-powered smooth-bore air or CO_2 weapons should not classed as prohibited weapons. Paintball guns are smooth-bore and a court in Scotland ruled that, due to an unintended consequence of the drafting of section 5(1)(ac) of the Firearms Act 1968, they should be regarded as prohibited weapons. The amendment makes it clear that that should not be the case.

4 pm

Mr. Doug Henderson (Newcastle upon Tyne, North): New clause 2 deals with the age at which young people can own, use or purchase a firearm such as an airgun or shotgun. The current law is confused, and there was extensive discussion in Committee of that. I may be wrong but I got the feeling that, at the end of those discussions, the Committee was not absolutely clear about what the regulations were in every circumstance.

The easiest summary of the current position is that someone has to be 17 to purchase an airgun or shotgun, but on private land with supervision there may be circumstances in which it is lawful for someone under that age to use an airgun. Shotguns can be used by people

[Mr. Doug Henderson]

aged 15 without supervision; with supervision, and in some circumstances—it those circumstance about which there is dubiety—they can be used by people under 15. Generally speaking, 14 or 15 is far too young for someone, especially unsupervised, to be given the responsibility of handling a dangerous weapon such as an airgun or shotgun.

We need to review the age limits. It cannot be right that someone aged 14 or 15 can use a gun but cannot watch films at the cinema that depict the violent use of the same guns. It cannot be right that someone can use a gun but cannot drive a motor bike, even in regulated circumstances. Our previous legislation on such matters has got us into a muddle. It is not clear what the intentions of the House were when the regulations were drawn up. They have been up drawn up piecemeal over a long period.

In Committee, the thrust of our argument was that there should be a review. People should be 18 to be able to purchase a weapon as lethal as an airgun or shotgun; at 17, people could use the said weapons unsupervised; there should be no use under the age of 14 in any situation; and supervision would be required between 14 and 17. It was argued in Committee that some reflection might be helpful and that the Government should report to the House at an early stage on proposals to provide a regulatory environment and change the age limits. However, the Government argued, as the Minister said again today, that it would be more appropriate for the matter to be referred to the Firearms Consultative Committee. If the Government had been prepared to say that they would be guided by the committee's report, that would have been progress.

The problem is that, even if the Government had said that, that would not have convinced many members of the public. Few of them will be convinced that the Firearms Consultative Committee is a genuinely independent body, which will consider all aspects of the sale and use of guns. It seems to me that when two thirds of that committee has a clear interest in shooting, it cannot be described as an independent and objective body.

The Government may genuinely wish to review the age limits and regulatory regime and want to gain the political capital from making such a step forward, but surely they cannot gain that when they are dependent on the Firearms Consultative Committee for such advice. If the Government were genuinely committed to such a review, they would want a far more independent body, of the status of the inquiry chaired by Lord Cullen, to consider the use of shotguns and airguns.

Sir Jerry Wiggin (Weston–super–Mare): The hon. Gentleman's attack on the Firearms Consultative Committee shows that he has little knowledge of why it was instituted and when. It was instituted as a result of the Firearms (Amendment) Act 1988 for the specific purpose of making sure that those with some knowledge of shooting could persuade their fellow committee members of a line of thought, based on their knowledge of the sport.

If the hon. Gentleman is suggesting that there should be a committee of non-experts, frankly he might as well consult Ministers without any special knowledge or any other body without that knowledge. The whole purpose of the Firearms Consultative Committee is to offer specialist knowledge to the Home Office. If by any mischance the hon. Gentleman ever becomes a Minister, he will be extremely glad of that specialist opinion.

Mr. Henderson: The hon. Gentleman must consider the difference between a body that gives technical advice and that which assesses the use of weapons, the circumstances of their use, the dangers involved and protections that may be necessary not only for those users but for the rest of the public. Those are two different types of committee and the persons serving on them should have different backgrounds. If the hon. Gentleman were honest with himself, he would recognise that. I am sure that he would also recognise that the Firearms Consultative Committee does not meet the second criteria of being genuinely independent and having the ability to look at those different aspects of use.

Mr. Frank Cook (Stockton, North): I seek to be helpful to the House. The difference of view that is apparent now appears to be based on the idea that the gun culture, which frightens all of us, is endemic. I want the House to consider a serious point. When I look at television programmes, videos or films, I see the likes of Starsky and Hutch or Cagney and Lacey dashing around in great cars and blasting people's heads off. That is what I look upon as the gun culture—the Sylvester Stallone syndrome, which believes that a firearm will resolve any argument and deliver a solution to any problem.

I want the House to consider that in gun clubs there exists the counter to that culture. Those clubs are subject to strict discipline and a strict regime. Anyone who suggests not conforming with that regime is promptly rebuked, chastised and taken to task. Gun clubs create and impose the kind of regimen that counters the undisciplined behaviour that we see on our screens. If we remember that, perhaps we will go some way to understanding the point that the hon. Member for Weston-super-Mare (Sir J. Wiggin) has tried to make.

Mr. Henderson: I am grateful to my hon. Friend, but I am sure that, in common with the hon. Member for Weston-super-Mare (Sir J. Wiggin), he would recognise that there is a distinction between a committee that gives technical advice and one that assesses the general environment in which weapons are used. I hope that my hon. Friend will consider that, if we want to examine the use of shotguns or airguns, we need a more independent committee than one which, I accept, is well qualified to give technical advice.

I recognise my hon. Friend's point about the television culture and the violence that is endemic in many programmes and I share his abhorrence of that. I wish that fewer of our television programmes were dominated by that culture, because it has an impact on society.

My hon. Friend also said that he believed that there was a tough regime in pistol clubs and that there were sufficient regulations to protect the public. I hope that I have accurately paraphrased my hon. Friend's point. I disagree with his views on how we should deal with the problem of guns in our country. I think that we should prohibit the use of all pistols, whereas, as I understand his arguments, my hon. Friend would want us to allow certain pistols to be used in certain regulated circumstances.

Through new clauses 2 and 3, I ask the House to consider the need for a regulatory regime for airguns and shotguns. My hon. Friend already acknowledges that such

a regime is essential to cover the use of pistols and I presume that he would also be in favour of one to cover rifles. I hope, therefore, that he will support Labour Front Benchers' arguments in respect of new clauses 2 and 3.

It is not only Members of Parliament who are aware of the need for change, and the House should be aware of three short pieces of evidence before it reaches a decision on this matter. Lord Cullen himself, in paragraph 9.119 on page 132 of his report, raised the problem of the dangers of air weapons and

"the question of whether they should be . . . unavailable until a later age than at present."

The second piece of evidence is the 1973 Green Paper on the control of firearms in Great Britain, which recommended a ban on under-18s buying any variety of firearm and an age limit of 16 for firing, under supervision, air weapons and shotguns. That important Green Paper is often forgotten, but it contained some telling observations.

Mr. A. J. Beith (Berwick–upon–Tweed): For the record, I hope that the hon. Gentleman will confirm that, having drawn attention to the issue of airguns, Lord Cullen added:

"I make no recommendation on these matters".

Perhaps he was wise not to do so, because where he has made recommendations, we seem to ignore them.

Mr. Henderson: I am not as grateful to the right hon. Gentleman as I usually am when he intervenes. All hon. Members are aware of Lord Cullen's comments on airguns and shotguns.

The police also have a firm view on this issue. In its submission to the Cullen inquiry, the English and Welsh police service joint commission—an ad hoc committee comprising the organisations that represent chief constables, superintendents and other members of the police force—argued that there should be a rationalised system of age limits: 18 for ownership and 16 for supervised use.

There is compelling evidence of confusion about the ages at which certain things are lawful or not lawful; and there is a considerable weight of intelligent public opinion that believes that there is a need both to sort out that confusion and to reflect on the need for any change. In some respects, the Minister acknowledged those points in her earlier remarks, before I had the chance to put the case in favour of new clauses 2 and 3.

There is a need for action. If the Government are to accept advice from the Firearms Consultative Committee before the Bill receives Royal Assent and if they feel that they can act upon that advice, new clause 2 would give them the opportunity to make changes. I hope that the Minister accepts my argument and that the Government will reconsider their opposition to new clause 2.

New clause 3 is closely linked. It addresses the question of which firearms should be subject to licence and which should not. Currently, airguns are not normally subject to licence and shotguns are subject to a separate licensing system. New clause 3 has been tabled in relation to airguns.

Very many airguns are in circulation. Estimates vary from 1 million to 2 million—there are no accurate figures. Airguns certainly cause problems. Figures for notifiable offences recorded by the police in which firearms are reported to have been used, classified according to "how involved" and "principal weapon", show that in 1995, in England and Wales, there were 13,104 incidents, 7,549 of which involved airguns and caused damage to both persons and property.

There are very many of those weapons in circulation and there is considerable evidence of the damage that has been caused. Indeed, there have been many well-reported cases of people being killed, sometimes accidentally, by airguns, so there should be no doubt in the House that those are serious weapons.

4.15 pm

This morning, I received a communication from the English Association for Shooting and Conservation, which comments on new clauses 2 and 3. Its evidence shows how, dangerously, people are complacent about airguns. It says, and this includes a quotation from the Home Office publication "Firearms Law: Guidance to the Police":

"Under current law youngsters are taught about shooting in a safe environment, overseen by an adult. This system encourages one-to-one training and safety awareness, ensuring that the young shooter develops responsibly. 'It is in the interests of safety that a young person should be properly taught at a relatively early age.' There is no evidence to suggest that the current law is inadequate."

I could not believe what was written in that evidence, because, as I am sure that hon. Members, whatever their views, are well aware, that is not the real world of my constituency and most constituencies, where there is considerable use of airguns to abuse both property and individuals.

A while ago, in my constituency, my car was attacked with an airgun by some kids who thought that that was good fun. If the window had been open and a passenger had caught the pellet in the eye, it would not have been a laughing matter.

There is a serious problem, and people who argue the case for shooting do themselves no justice by making observations such as those that I have quoted. Obviously, there is no proper training or supervision of many of the users of airguns in most of the circumstances in which they are used. If hon. Members have doubts, they should ask the cats in their constituency. They will give evidence that airguns are used for a purpose for which they were not intended.

Mr. Gordon Prentice (Pendle): Does my hon. Friend share my anxiety about the ease with which it is possible for young people to get their hands on airguns? On Saturday, in my local branch of W.H. Smith, I picked up an issue of *Airgun World*, which was one of six magazines advertising and selling airguns through the post without checking the purchaser's age.

Mr. Henderson: My hon. Friend demonstrates the need for an urgent review of that question with a view to introducing regulations that will cover the sale and use of airguns and the ages at which people may buy and use those weapons.

New clause 3 gives the Government the opportunity to introduce a system of licensing for airguns. I know that many problems are involved; I know that there are no easy answers when it comes to licensing. If, although I doubt it, the Firearms Consultative Committee were to give advice that persuaded the Government that it was

[Mr. Henderson]

essential to take speedy action, our new clause would give the Government authority to take that action. If the Government recognise that there is a problem—that there is abuse of airguns and something needs to be done—the House should have the courage to take action before there is a tragic incident that brings the matter before the House. That will happen, as night follows day.

It is not good enough for the Government to recognise that a problem exists but not be prepared to take action to tackle it.

Mr. Frank Cook: Has my hon. Friend heard today's news reports of the action taken against Mr. Richard Law, whose weapons have been confiscated, whose ammunition has been taken away and whose certificates have been withdrawn? The police have the authority to do all that now when they see what they believe to be a dangerous situation involving offensive weapons. By all means let us tighten the law, but us not waste time foolishly on unnecessary arguments. The police already have the powers, when they choose to exercise them. Indeed, had they exercised them in the case of Mr. Thomas Hamilton, Dunblane might not have happened.

Mr. Henderson: I am aware of the incident in question, but I do not want to comment on it because I do not know the details. My hon. Friend, if he talks to the police in his area, will know that it is difficult for them to intervene in relation to the use of airguns—

Mr. Cook: But they do.

Mr. Henderson: I have to differ with my hon. Friend. I have overwhelming evidence from police officers in my area that major abuses occur all the time, and that the law does not give the police enough powers. They have to prove that someone is using a weapon in a part of the country for which he does not have permission. It is difficult for the police to know whether permission has been granted and whether the person is using the airgun in a public or private place. The police themselves do not think that they have sufficient powers under current laws to take quick enough action to prevent abuse. That is why they are calling for changed age limits and for a regulatory regime.

Mr. Cook: In May of this year, a constituent of mine was reported to the police as having an unreasonable attitude. He is 74 years old, a highly respected member of society and a trustee of a major pension fund. He did, however, possess two shotguns and an air rifle, with certificates for the shotguns. Once the police were informed of his attitude being unreasonable they visited his house, protected and armed for the purpose—they called it "tooling up". They withdrew the man's shotguns and airgun and his certificates and ammunition.

Following my appeal to the police, they said that they were quite satisfied that the complaint constituted sufficient evidence to withdraw the man's weapons: he still has not got them back. I therefore repeat my question: what more authority or power is necessary if the police can behave in that way already?

Mr. Henderson: I thank my hon. Friend for telling me about that particular case, but it does not alter my view. The vast majority of hon. Members recognise that abuses take place all the time in their constituencies, and they involve the unlawful use of airguns. The police lack the power to intervene, for the reasons I have outlined already. Hence the need to cut down the general availability of those weapons, and to consider how the law can be tightened up and licensing can be introduced, where appropriate.

Mr. Alex Salmond (Banff and Buchan): I cannot believe that Mr. Richard Law is being cited as a case of police activity by the hon. Member for Stockton, North (Mr. Cook). On a previous occasion when the police took action and secured a conviction against Mr. Law, his conviction was subsequently overturned in the Court of Appeal on what many people would consider a technicality.

Mr. Henderson: I am not sure that I understand the point that the hon. Gentleman makes. I recognise that in some circumstances the police have the authority to intervene and to take action. although they may encounter difficulties in the courts afterwards. In the overwhelming majority of cases, the police do not take action because they do not believe that they have the power to make the charge stick in court. That is the point that I am trying to establish. I hope that the Minister will acknowledge that a major problem exists, and that that is why action is necessary.

Sir Hector Monro (Dumfries): As I am serving on a Standing Committee which sits in the afternoon, I could not take part in the earlier debates on the Floor of the House or in the Standing Committee that considered the Bill. I have, however, been following matters carefully and reading the debates.

I take issue with the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) on the composition of the consultative committee. The committee must be part expert and part lay. It is a typical committee, with a good knowledge of firearms and the shooting sports—target shooting, international shooting and sporting shooting. The committee needs great skill to give the Minister the right advice.

I support Government new clause 5. The reference to compressed carbon dioxide is a significant move forward, and will be extremely helpful.

I support the Minister in opposing the new clauses tabled by the Opposition. I strongly believe that it is important to learn to use weapons at a reasonably early age. To start with an airgun, under proper supervision, is a useful way to begin. It is wrong of the hon. Member for Newcastle upon Tyne, North to criticise the British Association for Shooting and Conservation for running schemes to instruct youngsters in the use of weapons—airguns and shotguns. I remember learning to shoot when I was about eight or nine years old. It was valuable to become competent early in life, because with competence goes safety. If the instructor is skilled in safety, that is a great advantage to the youngster learning to shoot.

If the new clauses were passed, I am extremely concerned that they would enable the Government of the day to alter regulations relating to firearms and airguns without primary legislation. We would all deprecate that, as statutory instruments can sometimes slip through the

House without many Members knowing what is going on. It would be wrong for us to ease the way in which legislation could be changed. I do not doubt the sincerity of the hon. Gentleman's reason for wanting to change the age at which weapons may be used, and I accept that the present rules applying to the ages of 14 and 17 are a little complicated.

We should not make the use of air rifles more difficult. Previous debates have highlighted the importance of airguns to the disabled, as there is little recoil from such weapons. We know how well members of the British team did at the Paralympics this year, winning a gold and a silver medal. We would not want anything to prevent that sport from continuing.

The hon. Gentleman is too critical of the existing legislation. As the hon. Member for Stockton, North (Mr. Cook) said, the legislation is in place and gives the police immense powers, which one often wishes they would exercise more vigorously in cases where teenagers and others are seen to use air rifles in dangerous circumstances. I would support any move by the police to take action when they considered that necessary. It must be borne in mind, however, that the Association of Chief Police Officers saw no reason to introduce further legislation on air rifles.

I support my hon. Friend in the aim of her new clause, and in opposing the further restrictions proposed by the Opposition.

4.30 pm

Mr. A. J. Beith (Berwick-upon-Tweed): Lord Cullen referred to airguns—so it is right that we should discuss them—but he made no recommendations about them. Airguns present some problems, particularly in urban areas, even though they are less likely to be involved in crimes or accidents than firearms. That is especially true on housing schemes in urban areas, where it is pretty difficult to satisfy the rules applying to airguns.

An airgun should not be used within 50 ft of a public road, a public footpath or in a public place. It is pretty unlikely that that condition will be satisfied in many inner-city areas. Therefore, the presence of large numbers of airguns on estates is undoubtedly a source of much anxiety. No one should deny that a problem exists, but it is a finely balanced argument whether we should proceed at this stage to embrace airguns in the licensing system on the back of this very important legislation.

We must consider also whether we should achieve that goal via the negative resolution procedure—the least satisfactory parliamentary process—which does not guarantee that the matter will be brought to the House or that any vote taken in Committee will lead to a vote on the Floor of the House. It is a very unsatisfactory parliamentary procedure, and should not be used to impose otherwise reasonable restrictions on individual rights.

I have two further anxieties about proceeding in this manner at this stage—I do not regard them as conclusive, but I ask hon. Members to consider them. First, there is a danger that we might overload the licensing system while we are adding new procedures to it. It is vital that the system be vigorous and effective in respect of firearms and shotguns. It would be unfortunate if efforts were diverted to the major task of licensing many air rifle users at the very time when we are seeking to make the system in respect of firearms and shotguns totally effective by introducing new procedures through this legislation.

Secondly, there is at least some danger that young people in particular will have no incentive to pursue their shooting hobby using airguns instead of moving on to more powerful weapons—there is a huge difference between the relative power of an airgun and a firearm. Once it is necessary to have licences for both, a young person who wishes to learn to shoot might think, "Well, I might as well go for a firearm"—even if his interest might have been satisfied by airguns.

I return to Lord Cullen, who said:

"I make no recommendation on these matters but would draw them to the attention of the Home Office and The Scottish Office".

Therefore, it seems correct that there should be widespread consultation as to whether we should introduce new measures to deal with air weapons, both in the Firearms Consultative Committee—which has an important and useful job to do; I dissent from the line adopted by the Labour spokesman, the hon. Member for Newcastle upon Tyne, North (Mr. Henderson), who appeared to disparage that committee—and more widely, in order to embrace the views of those in urban communities who are concerned about the misuse of air rifles and the fact that they are widely held by young people.

By supporting the new clause, Hon. Members may wish to give a signal to the Government to move on the matter. However, I think that there is a danger that we may divert attention from the primary purpose of the legislation.

Mr. Sam Galbraith (Strathkelvin and Bearsden): I support new clause 3, and I understand the Minister's argument. She again advanced the views of the famous Firearms Consultative Committee, which I think highlight its inadequacy. My hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) said that it was all very well having a technical committee to provide technical advice, but a committee that is dominated by the shooting lobby is not then in a position to give advice on how we should organise that activity in society. That is what the consultative committee is doing in its recommendations.

The Minister said that we could not, and should not, license airguns, because it would interfere with the legitimate rights of individuals to own airguns. That is not a matter for the consultative committee: it is for Parliament to decide what constitutes individuals' legitimate rights. It is not a technical matter, but a civil liberties issue of which Parliament is the guardian—not some Firearms Consultative Committee that is dominated by the shooting lobby.

The Minister also said that licensing would not reduce the misuse of airguns. Where is the evidence for that assertion? That is an opinion, not technical advice. It is difficult for sustain that argument. She is trying to limit the misuse of guns. We are trying to limit the use of guns. Our new clause tries to limit ownership and the use of air rifles by a similar mechanism.

I have heard the consultative committee, the Minister and others argue that air weapons are essential for proper training in shotguns. There are between 1 million and 2 million airguns in this country, but how many are used

[Mr. Sam Galbraith]

as a stepping stone to training in shotguns? I do not believe that we have the figure, but I bet that it is very few indeed.

The majority of airguns are used to create nuisance, to threaten and to create public disorder in our society. They are not used as the stepping stone to becoming an Olympic gold medallist, and we should not perpetuate that idea any further. Even if we license airguns, it is still possible to get one and to train with it before going on to something else. Licensing would not stop that.

The right hon. Member for Dumfries (Sir H. Monro) mentioned paraplegics, and said that licensing airguns would limit their chance to take part in the Paralympics. It would not. We are not trying to stop their use for sport, for training and so on, but we are concerned about reducing the anti-social effect of airguns, the vast majority of which are used to intimidate, frighten, upset and abuse many people. They are dangerous weapons. Let me reiterate just how dangerous they are.

In this country, I have not dealt with any bullet wounds in the head—although I did when I worked in the United States—but I have looked after several patients with airgun pellets inside the head. I have seen two deaths and one patient was severely disabled—mostly as a result of pellets entering the orbit, where the bone is very thin—and required major surgery, at great risk. These were caused by .22 airguns. These are dangerous weapons on our streets. They are completely unlicensed. They are a social hazard. They are a threat to life and limb. I see no reason from the Minister why we should not go ahead and license them, so I hope that we will gain support for our new clause.

Mr. Salmond: I support new clauses 2 and 3.

On new clause 3, I want to pick up a point made by the hon. Member for Stockton, North (Mr. Cook). The argument was that licensing would not be necessary if the police did their job properly. I have been suspicious of that argument throughout these debates, and I am suspicious of it now. Of course it is possible, particularly in retrospect, to look back and say that the police should have operated differently in some cases, but it is extremely difficult—it requires more than hunches or beliefs—to take action against an individual. The case of Mr. Richard Law, mentioned by the hon. Gentleman, is a case in point.

Anyone who has met Mr. Law probably has a hunch and belief that he should not be in possession of a firearms certificate. It is one thing to have a hunch and a belief; it is quite another to make it stick in terms of existing legislation. It would be the same with air rifles and what the hon. Gentleman wants to do—

Mr. Frank Cook *rose—*

Mr. Salmond: I give way.

Mr. Cook: I was not seeking to intervene, but the opportunity is too good to miss.

Mr. Deputy Speaker (Sir Geoffrey Lofthouse): Order. Was the hon. Member for Stockton, North (Mr. Cook) seeking to intervene?

Mr. Cook: I was trying to catch your eye, Mr. Deputy Speaker, to speak later in the debate, if I may.

Mr. Salmond: I beg the hon. Gentleman's pardon. He was looking at me expectantly, and, polite and civil as ever, I decided to give way to him.

I have nothing against Mr. Richard Law, although he said that he would stand for election in Banff and Buchan against me, but it looks as though he will be otherwise engaged. None the less, his is a case in point. Even where there seemed to be a clear indication, action taken against him was overturned by the courts, because more than a hunch or a belief is necessary. There has to be legislation. That is why the new clause on air rifles is important, valuable and worth supporting.

I was on a radio phone-in programme with a representative of the shooting lobby—not Mr. Richard Law, but perhaps one of the more responsible members of that lobby. A lady phoned the programme and said that she thought it important that her 12-year-old son should be educated in the use of a shotgun. The shooting lobby gentleman on the programme disagreed, and said he thought that the appropriate age was 13. It is argued that even relatively young children should be educated in the use of weapons, but most of us would say that the age at which that is done should be substantially more than 12 or 13 years.

The radio debate went on for some time; it showed that, even among people who were knowledgeable on the subject and were arguing the shooting point of view, there was confusion about the appropriate age. One of the benefits of the new clause is that it would put the confusion in the Government's court for analysis, so that they could produce regulations in which we could all have confidence about the age of those who could use such weapons.

Sir Jerry Wiggin: Perhaps I could follow the hon. Member for Banff and Buchan (Mr. Salmond) on the subject of age. I learned to shoot before age limits were introduced, and I recall with great pleasure at the age of nine or 10 walking around my father's farm with him behind me training me in all the good habits of shooting safety. I had exciting times creeping around corners to shoot rabbits, and I hope that subsequently I have been a safe shot.

It is not just the teaching of shotgun shooting or some other forms of shooting that is good. A national coach who was in my surgery a fortnight ago told me that he was training a boy of 12 in pistol-shooting discipline. He told me that the boy was so good that he could almost join the national squad now, and said, "By the time he is 14 he will be an international. I can keep him at that level only if I can keep shooting with him and training him."

It is a question of supervision and common sense. The law is not generous, but it has been generally accepted that it is safe. There are no cases of young people being involved in accidents, or, happily, being irresponsible. There is no reason for changing the present rules, which are seen by many people as draconian and certainly much more severe than they were when I and my right hon. Friend the Member for Dumfries (Sir H. Monro) were young students in the art of shooting and handling a gun.

Airguns are altogether different. I regret that the Opposition have seen fit to introduce them to the controversy at this time. The airgun is a different instrument from a gun that uses an explosive charge. Air pistols are limited to a maximum muzzle energy of 6 ft/lb and the energy of air rifles is limited to 12 ft/lb. A typical sporting rifle bullet produces a muzzle energy of 1,000 to 3,000 ft/lb.

The speech by the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith) revealed a problem. There are accidents with airguns—I had a tragic constituency case—but of course there are accidents with knives, bicycles, motor cars and everything else. We cannot live in a 100 per cent. safe world. I have no reason to believe that, if we license or control the 3 million airguns that are in circulation, there will be fewer accidents.

Shooting is an olympic sport at which Britain excels. Airguns are hardly ever used in violent crime, and 75 per cent. of crimes involving—

Mr. Galbraith: In the cases that I dealt with, the injuries were intentional: they were not accidents.

Sir Jerry Wiggin: In that case, I hope that those who were involved were charged with attempted murder. We cannot make assertions based on such cases, because, if the person was intent on assault, he could have carried it out with something other than an airgun. Simply removing airguns will not solve the problem. As an experienced surgeon, the hon. Gentleman must have dealt with millions of different cases. But he made the case that some—very few—are airgun accidents.

Hospital statistics show that airguns are annually reported to be involved in an estimated 2,200 accidents, and I readily acknowledge that that is far too many. To put that figure into perspective, however, the same table shows that 7,750 accidents involve golf equipment, and 13,200 involve hockey sticks. So let us try to keep a sense of proportion in this matter.

Current firearms Acts are very strict on airguns. Loaded airguns may not be carried in a public place at any time. The hon. Member for Newcastle upon Tyne, North (Mr. Henderson) mentioned examples of problems associated with urban areas, such as cats. The law is being broken in those examples. Airguns may not be fired within 50 ft of a public road or footpath, and they may not be sold or hired to anyone under 17. Moreover, no one under the age of 14 may own an airgun, and they may use an airgun only under the strict supervision of an adult aged 21 or over.

4.45 pm

We make laws in the House, with the very best of intentions, but they are not always observed. It is no good saying that simply changing the law will solve the problem, because, in this case, I am absolutely sure it will not.

The airgun community is beginning to regulate itself. The Airgun Shooters Association, which was formed about three years ago, now has a membership of more than 5,000, and it is growing. It runs proficiency courses, which cover legal and safety issues, and it is working with other organisations to develop airgun safety training courses.

If we were to go down the road of licensing, there would be a great movement away from legitimate airgun use, and it would have little or no effect on crime. It would drive many airguns underground, and I am sure that many of them would end up in the hands of unsupervised young people. It would also produce an intolerable burden on the police and the courts, diverting resources from the real problem of far more dangerous and illegal firearms.

The change of the age limit from 17 to 18 seems irrelevant. Let us face the fact that, at 17, one can be in charge of a motor vehicle, which is potentially a far more lethal weapon than an airgun.

I hope that the House will reject these new clauses and amendments. However, I should like to tell the Minister how much we welcome the amendment on carbon dioxide. A situation in which the gas used to power a gun may legally be air but not carbon dioxide is ridiculous. It is common sense to change that, and the opportunity has been taken, for which I am very grateful.

Mr. Frank Cook: I should like quickly to make several points. The first relates to my presence in, or absence from, the Chamber during this debate. I must chair a parliamentary group on medical aid at 5 o'clock. Although I shall attempt to assist the House later in today's proceedings, I shall, sadly, have to be absent while the group meets.

The surgical experience of my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Galbraith) is awesome, and unquestionably we must take it into account. His contributions to that field are internationally renowned.

He made the point that licensing airguns will not eliminate abuse of them, and he is absolutely right. However, I ask hon. Members to turn that argument on its head, and ask themselves whether higher calibre firearms will no longer be abused once they are no longer licensed. The issues of licensing weapons and legally using them are thus divorced. It much more a matter of how well weapon licensing and use are supervised by the authorities that are empowered to do so—the police.

Hon. Members have said much about the Firearms Consultative Committee in supporting these new clauses and amendments. For some reason, people believe that there is some bias in the committee. I cannot understand why anyone should adopt such a view. I am happy that my hon. Friend the Member for Strathkelvin and Bearsden smiles at that, but if he met the members of the committee, he would share their exasperation and frustration, because so little attention is paid to their recommendations. Far from being proponents of a wild gun culture, they are pleading for safety, safety and safety again, and for the implementation of recommended regulations. The Government have consistently ignored them.

I understand the comments of the hon. Member for Banff and Buchan (Mr. Salmond) on police powers. There are variations from one region to another in the style of policing, operational feasibility, success and achievement. When I raised the case of Mr. Richard Law, I was not in any way defending him. I do not know what he has done or has not done. He might be a saint, or he might be a sinner—I have no idea. My point is that the police had the powers to act.

I remind the House, for probably the fifth time, that constituents have often complained to me about the rigour with which Cleveland constabulary applies its powers. My reaction has always been, "Thank God for that. I am proud of Cleveland constabulary. If you care about your sporting activities and want to continue to participate in this leisure pursuit, you should be pleased, and accept the fact that the police are intent on keeping it safe." Our

[Mr. Frank Cook]

paramount consideration should not be cost or convenience, but the safety of those taking part in the sport, and of other members of society.

Those are important points. I wish that my hon. Friends on the Front Bench had spent more time listening to what I have said than discussing something else.

Question put and agreed to.

Clause read a Second time and added to the Bill.

New clause 3

EXTENSION OF POWER OF SECRETARY OF STATE TO REQUIRE A CERTIFICATE FOR AIR WEAPONS

'. Section 1(3)(b) of the 1968 Act (which exempts air weapons from the requirements of that section unless declared specially dangerous) shall be amended by substituting for the words "declared by rules made by the Secretary of State under section 53 of this Act to be specially dangerous" the words "specified by rules made by the Secretary of State under section 53 of this Act."'.—*[Mr. Straw.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House divided: Ayes 213, Noes 270.

Division No. 24] **[4.52 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Alton, David
Ashdown, Paddy
Barnes, Harry
Battle, John
Beckett, Mrs Margaret
Beggs, Roy
Bell, Stuart
Benn, Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blunkett, David
Boateng, Paul
Bowden, Sir Andrew
Bradley, Keith
Bray, Dr Jeremy
Brown, Nicholas *(Newcastle E)*
Bruce, Malcolm *(Gordon)*
Byers, Stephen
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(Fife NE)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, D N
Canavan, Dennis
Carlile, Alex *(Montgomery)*
Chisholm, Malcolm
Clark, Dr David *(S Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Coffey, Ms Ann
Cohen, Harry
Connarty, Michael
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try SE)*
Cunningham, Dr John
Cunningham, Ms R *(Perth Kinross)*
Dalyell, Tam
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C)*
Davies, Chris *(Littleborough)*
Davies, Ron *(Caerphilly)*
Dewar, Donald
Dixon, Don
Donohoe, Brian H
Dowd, Jim
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Ewing, Mrs Margaret
Faulds, Andrew
Flynn, Paul
Forsythe, Clifford *(S Antrim)*
Foster, Derek
Foster, Don *(Bath)*
Fyfe, Mrs Maria
Galbraith, Sam
Garrett, John
Gerrard, Neil
Golding, Mrs Llin
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Harman, Ms Harriet
Henderson, Doug
Hendron, Dr Joe
Heppell, John
Hodge, Ms Margaret
Hood, Jimmy
Hoon, Geoffrey
Howarth, Alan *(Strat'd–on–A)*
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Ab'd'n N)*
Hughes, Roy *(Newport E)*
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Mrs Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian D *(SE Staffs)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr L *(B'ham Selly Oak)*
Jones, Martyn *(Clwyd SW)*
Jones, Nigel *(Cheltenham)*
Keen, Alan
Kennedy, Charles *(Ross C & S)*
Khabra, Piara S
Kilfoyle, Peter
Kirkwood, Archy
Lewis, Terry
Liddell, Mrs Helen
Litherland, Robert
Lloyd, Tony *(Stretf'd)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McAvoy, Thomas
Macdonald, Calum
McFall, John
McKelvey, William
McLeish, Henry
Maclennan, Robert
McMaster, Gordon
McWilliam, John
Madden, Max
Maddock, Mrs Diana
Mahon, Mrs Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael J *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Morgan, Rhodri
Morley, Elliot
Morris, Alfred *(Wy'nshawe)*
Morris, John *(Aberavon)*
Mowlam, Ms Marjorie
Mullin, Chris
Nicholson, Miss Emma *(W Devon)*
O'Brien, Mike *(N Warks)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, Bill
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Pope, Greg
Powell, Sir Raymond *(Ogmore)*
Prentice, Mrs B *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Ms Dawn
Purchase, Ken
Radice, Giles
Raynsford, Nick
Reid, Dr John
Rendel, David
Robertson, George *(Hamilton)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Ms Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Robert
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Llew *(Blaenau Gwent)*
Smyth, Rev Martin *(Belfast S)*
Spearing, Nigel
Spellar, John
Steinberg, Gerry
Straw, Jack
Sutcliffe, Gerry
Taylor, Mrs Ann *(Dewsbury)*
Thurnham, Peter
Timms, Stephen
Tipping, Paddy
Touhig, Don
Tyler, Paul
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Welsh, Andrew
Wicks, Malcolm
Wigley, Dafydd
Williams, Alan *(Swansea W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony

Tellers for the Ayes:
Mrs. Jane Kennedy and
Mr. Dennis Turner.

NOES

Ainsworth, Peter *(E Surrey)*
Alison, Michael *(Selby)*
Amess, David
Arnold, Jacques *(Gravesham)*
Ashby, David
Atkins, Robert
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bendall, Vivian

Beresford, Sir Paul
Biffen, John
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Mrs Virginia
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Sir Graham
Brooke, Peter
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Peter
Butterfill, John
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Channon, Paul
Chapman, Sir Sydney
Churchill, Mr
Clappison, James
Clark, Dr Michael *(Rochf'd)*
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cormack, Sir Patrick
Couchman, James
Cran, James
Curry, David
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan Smith, Iain
Dunn, Bob
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Evans, David *(Welwyn Hatf'ld)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Garnier, Edward
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, Sir John
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Gummer, John
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Heald, Oliver
Heath, Sir Edward
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Horam, John
Hordern, Sir Peter
Howard, Michael
Howell, David *(Guildf'd)*
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Hurd, Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(Colchester N)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Key, Robert
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Sir Mark
Lester, Sir Jim *(Broxtowe)*
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Madel, Sir David
Maitland, Lady Olga
Major, John
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Onslow, Sir Cranley
Page, Richard
Paice, James
Patnick, Sir Irvine
Patten, John
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David
Portillo, Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Sir Wyn
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Tom
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Heref'd)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Townsend, Cyril D *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Miss Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Yeo, Tim
Young, Sir George

Tellers for the Noes:
Mr. Timothy Wood and
Mr. Richard Ottaway.

Question accordingly negatived.

New clause 4

PAYMENTS IN RESPECT OF FIREARMS RENDERED UNLAWFUL

'(1) The Secretary of State shall, in accordance with a scheme made by him, make payments to persons who incur any loss as a result of this Act and to whom subsection (2) below applies.

(2) This section applies to persons who on 15th October 1996 were—

(a) operating a target shooting club or association and were not thereby carrying on a trade with a view to profit; or

(b) were registered firearms dealers or were engaged in the business of the manufacture or repair of firearms or in the provision of ranges.

(3) Persons operating a target shooting club or association under subsection (2) above shall not receive payment unless—

(a) the club or association was for the use of firearms which have or will become unlawful by virtue of section 1 above; and

(b) the club or association is not able to meet the criteria set out in section 16 for the grant of a licence under section 15; and

(c) such persons have responsibility for any debt, mortgage, lease or other liability in connection with the club or association.

(4) Persons to whom subsection (2)(b) above applies shall receive payment equal to the value of the loss of business and such loss shall be defined as the difference between the value of the business on 15th October 1996 and the value of the business following the commencement of this Act.'.—*[Sir Jerry Wiggin.]*

Brought up, and read the First time.

Sir Jerry Wiggin: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss also the following: Government amendment No. 73.

Amendment No. 1, in clause 11, page 5, line 31, leave out from 'persons' to end of line 41 and insert—

'who—

(a) surrender or forfeit property under this Act; or

(b) incur any other loss as a result of this Act; and

such loss shall be calculated by reference to the value of assets on 15th October 1996.'.

Amendment No. 19, in page 5, line 31, after 'surrender', insert 'small'.

Amendment No. 20, in page 5, leave out lines 40 and 41 and insert—

'(2) In this section "small firearm" means any firearm which either has a barrel less than 30 centimetres in length or is less than 60 centimetres in length overall (disregarding any detachable, folding, retractable or other movable butt-stock), including any small-calibre pistol.'.

Amendment No. 67, in page 5, line 41, at end insert

'or has been restricted by virtue of section 19A of the 1968 Act, as inserted by section 6 above.'.

Government amendment No. 74, in page 5, line 41, at end insert—

'(4) The Secretary of State shall, in accordance with any scheme which may be made by him, make payments in respect of ancillary equipment of any description specified in the scheme.

(5) For the purposes of subsection (4) above "ancillary equipment" means equipment, other than prohibited ammunition, which—

(a) is designed or adapted for use in connection with firearms prohibited by virtue of section 1(2) above; and

(b) has no practicable use in connection with any firearm which is not a prohibited weapon.

(6) A scheme under subsection (4) above shall provide only for the making of payments to persons making claims for such payments in respect of ancillary equipment—

(a) which they had in their possession on 16th October 1996; or

(b) which they had in their possession after that date, having purchased it by virtue of a contract entered into before that date.

(7) No payment shall be made under a scheme under subsection (4) above in relation to any ammunition unless its possession or, as the case may be, purchase by any person claiming a payment in respect of it was, at all material times, lawful by virtue of a firearm certificate held by him or by virtue of his being a registered firearms dealer.

(8) A scheme under subsection (4) above may require, as a condition of eligibility for receipt of payments under the scheme in respect of any equipment—

(a) the surrender (whether to the police or any other person) of that equipment in accordance with the scheme within a period specified by the scheme; or

(b) the disposal of that equipment by way of sale within a period so specified; or

(c) either such surrender or such disposal of that equipment within a period so specified.

(9) A scheme under this section may—

(a) provide for the procedure to be followed (including any time within which claims must be made and the provision of information) in respect of claims under the scheme and for the determination of such claims;

(b) make different provision for different descriptions of equipment or for different descriptions of claimant.'.

Amendment (a) to amendment No. 74, at end add—

'(10) Any scheme made under this section shall provide for the appointment of an independent financial arbiter with powers to hear and determine appeals against valuations of guns and ancillary equipment under the Act.'.

Amendment No. 2, in page 5, line 41, at end insert—

'(2) The Secretary of State shall, in accordance with a scheme made by him, make payments to members of unincorporated associations, associations incorporated by charter, companies limited by guarantee or companies with unlimited liability which—

(a) on 16th October 1996 were operating a target shooting club or association for the use of firearms which have or will become unlawful by virtue of section 1 above; and

(b) are not able to meet the criteria set out in section 16 for the grant of a licence under section 15; and

(c) thereby suffer loss.'.

Amendment No. 3, in page 5, line 41, at end insert—

'(2) The Secretary of State shall, in accordance with a scheme made by him, make payments to persons who on 16th October 1996 were operating a target shooting club or association and were not thereby carrying on a trade with a view to profit, provided that—

(a) the club or association was for the use of firearms which have or will become unlawful by virtue of section 1 above; and

(b) the club or association is not able to meet the criteria set out in section 16 for the grant of a licence under section 15; and

(c) such persons have responsibility for any debt, mortgage, lease or other liability in connection with the club or association.'.

Amendment No. 4, in page 5, line 41, at end insert—

'(2) The Secretary of State shall, in accordance with a scheme made by him, make payments to persons who are registered firearms dealers or who are engaged in the business of the manufacture or repair of firearms or in the provision of ranges and who suffer loss of business caused by the prohibition of firearms under section 1 above, and such loss shall be defined as the difference between the value of the business on October 15th 1996 and the value of the business following the commencement of this Act.'.

Amendment No. 5, in page 5, line 41, at end insert—

'(2) The Secretary of State shall, in accordance with a scheme made by him, make payments to persons who are registered firearms dealers or who are engaged in the business of the manufacture or repair of firearms or in the provision of ranges and who suffer loss of business caused by the prohibition of firearms under section 1 above, and such loss shall be defined as the difference between the value of the business on 12th March 1996 and the value of the business following the commencement of this Act.'.

Amendment No. 13, in page 5, line 41, at end insert—

'(2) No scheme shall be made by the Secretary of State under this section before he has laid before Parliament a report on the general principles which he proposes should underlie the scheme and the Commons House of Parliament has come to a resolution in respect of that report.'.

Amendment No. 66, in page 5, line 41, at end insert—

'(3) Any scheme made under subsection (1) shall provide for the appointment of an independent financial arbiter with powers to hear and determine appeals against valuations of guns and ancillary equipment under the Act.'.

Amendment No. 68, in page 5, line 41, at end insert—

'(2) The Scheme may include provision to make payments in respect of any equipment or facilities required solely in connection with the use, maintenance, storage or repair of such weapons or the making and supply of ammunition for such weapons.'.

Government amendments Nos. 75 to 78.

Government amendment No. 79, in schedule 1, page 21, line 43, at end insert—

'*Voluntary surrender of pistols*

8A.—(1) A person to whom this Schedule applies may before the appointed day, surrender a small–calibre pistol belonging to him at any designated police station instead of keeping it at licensed premises of a licensed pistol club or delivering it into police custody.

(2) Where a small–calibre pistol has been delivered into police custody, the person who delivered it may (if it still belongs to him) surrender the pistol by giving notice that he is surrendering it to the chief officer of police for the area in which the designated police station to which he delivered it is situated.

8B. The Secretary of State may make such payments, to such persons, as he may consider appropriate in respect of small–calibre pistols which are surrendered, or are treated as having been surrendered, by virtue of paragraph 8 or 8A above.'.

Amendment (a) amendment No. 79, at end add—

'(2) Any arrangements made under section 10 shall provide for the appointment of an independent financial arbiter with powers to hear and determine appeals against valuations of guns and ancillary equipment under this Act.'

Sir Jerry Wiggin: I apologise to the hon. Member for Great Grimsby (Mr. Mitchell), who asked that his name be attached to new clause 4. I failed to attach it, but he has been very supportive of the principle and I apologise to him.

The Bill will result in thousands of law-abiding people being deprived of their sport. That is both wrong and unfortunate, but, much more important, it will deprive many dealers, manufacturers, agents, transport companies, suppliers and others who make their livelihoods from the sport of shooting of those livelihoods and their jobs. There are ordinary club members who have put their names on long-term mortgages and leases for clubs and ranges that will be forced to close. In short, the Bill will have a devastating effect on a significant minority of people.

Natural justice demands that those people are entitled to receive proper compensation for assets that will be confiscated through no fault of their own. New clause 4 would provide that anyone who loses money as a result of the legislation should be properly compensated. When a legal and, in this case, licensed occupation is legal one day and is made illegal on the next, through no fault of the individuals concerned, it is not the business of the House to deprive people not only of their fun but of large sums of money. I am deeply ashamed of my Government for proposing that.

So far, much of the debate on compensation has rested on precedent, and the Government argue that many others have lost investments in their business because they have had to comply with public safety legislation and that they have not been compensated. But surely the circumstances of the Bill are different. Many of the examples that have been quoted concerned businesses that have been able to continue with their trade at normal levels after meeting the new obligations. At worst, they have incurred additional overheads, but that is not the issue here.

The principle applies to those examples quoted by the Minister in Committee, including owners whose cars could no longer be licensed under new Ministry of Transport rules in the 1960s, road haulage businesses whose lorry fleets were affected by vehicle testing requirements and businesses that could not afford to implement health and safety regulations, noise level requirements for equipment or safety guards for machinery.

Even more irrelevant were the cited changes in the law on food additives. Bearing in mind the fact that all those rules and changes applied to a whole industry, competition demanded that everybody had to upgrade. In this case, there is no option to continue the business in a modified form. The business comes to an end the day the Act becomes law.

The Government cited new Environment Agency regulations that require narrow boats and other boats used on inland waterways to ensure the safety of fuel and electrical fittings. Until recently, I was an adviser to the British Marine Industries Federation and owned a boat, so I know a little about that matter.

The new rules were the equivalent of an MOT test, and boat owners with any common sense would have maintained their boats to those standards anyway. The rules simply insisted on what was already good practice. It may have cost some owners some money, but that is not the same as saying, "Thou shalt not ever go in thy boat again, as from tomorrow."

I know that the Government are nervous about establishing a principle that would require compensation to be paid to people affected by the bovine spongiform encephalopathy rules. Here I declare an interest, because I am an adviser to British Sugar, which manages a company in the animal food business that certainly has it in mind to make a big claim against the Government. The food in its hoppers was legal on Monday but illegal on Tuesday, and the cost of disposing of it rather than selling it was substantial.

My hon. Friend the Member for Gosport (Mr. Viggers) introduced a debate in the House the other day about a firm in his constituency that was told that what was a perfectly legal activity one day was illegal the next.

Mr. Nicholas Budgen (Wolverhampton, South–West): Does my hon. Friend intend to deal with what he understands to be the position under the European convention on human rights? It seems that we have an obligation to conform to that convention, which requires compensation in such circumstances. As the Labour party favours our being further bound by the convention, presumably it will wish to support any claim for compensation in line with the convention.

Sir Jerry Wiggin: I certainly look forward, as I am sure do all my hon. Friends, to hearing the Labour party's

[Sir Jerry Wiggin]

position on compensation. When the coal mines were nationalised, the Labour Government paid compensation to the coal owners. That rubbed against the grain, and the money was not adequate, but it was paid. I shall come to the European convention in a moment.

The Government have been inconsistent over BSE. They have refused help for the small business in Gosport, but they have offered the rendering industry £118 million. They have offered the farming industry even more. I do not complain about that; I simply point out that there is a good precedent for paying compensation, expensive though that may be. If it proves too expensive, the Government should have considered that problem before introducing the Bill.

Mr. Peter Viggers (Gosport): Does my right hon. Friend agree that there is much in common between the cattle head de-boning industry, which tends to consist of small businesses with individual proprietors who borrow against their houses to pay for their equipment, and small gun dealers, many of whom have borrowed against their houses to fund their businesses? If precedent dictates that the Government are driving such people out of business through no fault of their own, is not precedent wrong, and should we not change the rules?

Sir Jerry Wiggin: I entirely agree with my hon. Friend; it is a matter of morality. That was why I referred to the case that he raised. I think that we both stand by the same feelings on the morality of what should happen to citizens' interests. The House of Commons is here to protect those interests, and I am unhappy about the way in which compensation is handled in connection with the Bill.

In Committee, the Government cited other examples, such as the manufacturers of asbestos, flammable furniture foam and certain drugs, whose businesses have been affected by public safety legislation. Those categories offer a false comparison. They fall under existing product liability law, which covers products that cease to be safe for the purpose for which they were intended.

5.15 pm

No one suggests that the guns that are to be made unlawful are not suitable for the purpose for which they were intended. Indeed, the reverse is strongly argued by those who oppose our point of view. It is worth bearing in mind the fact that some of the worst hit people will be individuals such as those who have given personal guarantees for mortgages or leases on their clubs.

To return to what my hon. Friend the Member for Wolverhampton, South–West (Mr. Budgen) said, in the case of Lithgow *v.* United Kingdom, in 1986, the European Court of Human Rights stated:

> "The taking of property in the public interest without any compensation is justifiable only in exceptional circumstances. A fair balance has to be struck between the demands of the general interest of the community and the protection of the individual's fundamental rights. A disproportionate burden should not be placed on individual owners."

I am not proud of the fact that we are thinking of having to take faulty legislation passed by the House to the European Court of Human Rights, when we should not be passing it in the first place. Of course, when the Bill becomes law, there will be many lawyers beavering away to see whether there is any further outlet. But let us be realistic: such actions take several years, and the suffering in the interim will be great, even if there is success at the end of the day.

A relevant precedent is being set at this very moment in Australia. The Australian Government have banned three categories of weapon following the tragic incident in Port Arthur this year. However, they have also willingly accepted the principle of fair and proper compensation for dealers, individuals and collectors.

In Australia, compensation is to be based on the value of the assets one month before the Port Arthur incident. The Government there recognise that compensation must take into account the fact that a depression in the value of such assets occurred immediately after the incident.

The scheme works as follows. Individuals and collectors are given compensation as soon as they hand in their weapons. The firearm is identified by type, make and model number, and a basic assessment of its condition is made. Owners also have the opportunity to secure an independent valuation of their guns, or to sell them overseas. Compensation will also be paid for any accessory specific to a prohibited firearm.

Dealers are offered compensation for stock, unusable ammunition, spares, maintenance equipment and manuals relating to prohibited firearms—not at purchase price but at sale price. They are also offered compensation for loss of business, which is interpreted as the difference between the value of the business before and after the incident and the new legislation. The valuation will be carried out by professional accountants, and based on audited financial statements for the previous three years.

The Australian Government offer fair and proper compensation to their citizens, in accordance with natural justice. The British Government must do the same.

The people about whom we are especially concerned are firearms dealers. Compensation is offered for stock, but not for loss of business. Many dealers will lose their livelihoods as a result of the Bill. We do not know exactly how many, but 163 dealers wrote to the British Shooting Sports Council to say that they expected to lose 155 jobs when the Bill went through. For 3,000 registered dealers, that would mean 3,000 jobs.

The closure and loss of income for clubs and ranges will hit hard. Clubs and ranges often have leases and mortgages, which are met by ordinary members of the club. The Bill presents us with the real prospect that such people will have their clubs closed. A quick survey of 139 clubs, carried out by the British Shooting Sports Council, shows that 71 per cent. will not reach the Government's requirements for security, and that individuals will remain personally liable for long leases and mortgages, which will leave many people bankrupt. Returns from 126 clubs show that they expect to suffer financial losses as a result of the changes, to a total of £31.24 million. If we apply that to the 2,067 clubs that we know about, the total loss will be more than £64 million.

My right hon. and learned Friend the Home Secretary has listened to some of our requests. The Treasury hand could be seen in the original tight money resolution, which would have prevented us from even debating these points. I am grateful to my right hon. and learned Friend for producing a new money resolution that allowed the

debate to be widened. I am also grateful to him for taking into account the ancillary equipment used by large-calibre revolver firers to make shots, and the other specialist equipment that he has agreed to compensate for. He has just announced that he will also take into account .22 calibre weapons where the individual concerned no longer wants a weapon because there is no club within range, and has decided to give up his hobby. Those are small crumbs for which we thank the Home Office but, frankly, they do not go far enough.

I appeal not just to those interested in shooting but to the whole House on the basis of fairness. We have seen what the Australian Government think of the matter. I could read out various examples, but they would not necessarily strengthen my case, as hon. Members will have read about them in the press. Many people will suffer greatly and will face severe financial loss. I find that unacceptable, and un-Conservative. I shall be interested to learn what the Opposition think about it. I am certainly not prepared to support the Government, and I shall naturally vote for my new clause. I ask as many of my colleagues as possible to support me in the Lobby.

Sir David Steel (Tweeddale, Ettrick and Lauderdale): I wish to give broad support to the new clause moved by the hon. Member for Weston-super-Mare (Sir J. Wiggin), and I should like to underline a couple of his points.

It is true that there are differing views in all parties in the House on the merits of the ban itself. Speaking for my party, I can say that there is no difference of view on the essential point that the hon. Gentleman made—that, whatever our views on the ban, we are under an obligation to make sure that those who, through no fault of their own, suffer loss as a result of this legislation are adequately compensated. That is surely a view around on we can unite.

Like the hon. Member for Weston-super-Mare, I recognise—it would be churlish not to do so—that, by virtually rewriting the section on compensation, Home Office Ministers have gone some way to try to meet the points raised in Committee. But it is my contention that they have not yet got it right, and we are right to use Report and the later stages of the Bill in another place to get it right.

I underline the basic point made by the hon. Member for Weston-super-Mare. I do not believe that there is a precedent for confiscating people's property in the way that the Bill proposes, and comparisons with MOT tests are not valid at all. I speak as someone who began my driving life owning a motor car that braked on only one wheel. In the interests of public safety, the Government of the day thought it right that the cars should be tested. The car was irreparable and—if I had still had it at the time—I would have lost my property. However, that was a wasting asset, and there is no comparison between that—in any case, a long period for confiscation was given—and what we now propose.

We are confiscating not only the property of a small minority of people—I accept that it is a small minority—but their livelihood. We should not do that with gay abandon. As far as I know, only one person in my constituency will be affected by the legislation, but a minority of one is what we are here to stand up for. I referred to the gentleman in a previous debate—I have met him, of course—but he wrote to me only yesterday to say:

> "I am a Registered Firearms Dealer who until recently, manufactured top quality competition handguns. Building, repairing and retail sale of pistols and revolvers was 90 per cent. of my business.
>
> As a result of the impending legislation, I have effectively lost my livelihood".

The House should note his next point:

> "because I am self-employed I am not entitled to any unemployment benefit, a ludicrous situation given the fact that the Government have put me out of work."

That is a very fair point, and it must be answered. I do not think that we can pass legislation that takes away the livelihoods of even a small number of people without making sure that we have dealt with the subject adequately.

The central weakness of the Government's case is that they have never made out to anyone's satisfaction—certainly not to mine—the case against the dismantling of weapons, as recommended by Lord Cullen; but they have decided on a policy that the House has approved, and that is the situation with which we now deal. Given that, and given that we are talking about confiscation, we must look carefully at the new clauses and amendments.

I refer briefly to the new clauses and amendments in my name, and those of my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) and my hon. Friend the Member for Eastleigh (Mr. Chidgey), who served on the Standing Committee and tabled an amendment on compensation. Our amendments deal with, among other things, whether there should be an independent arbiter to whom appeals can be made where there is a dispute about compensation—whatever the scope of the scheme proposed by the Home Secretary.

That seems to fall within what the hon. Member for Weston-super-Mare rightly described as natural justice. When we are dealing with such a draconian piece of legislation, the insertion of some kind of arbitration and valuation is essential. That is the burden of the measures tabled in my name, and I hope that they are pursued during this debate.

Sir Cranley Onslow (Woking): I support my hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin), and I agree very much with the right hon. Member for Tweeddale, Ettrick and Lauderdale (Sir D. Steel). I read the Committee's proceedings on clause 11 with some astonishment, and I was amazed by the specious argument of my hon. Friend the Minister of State in resisting the amendment moved there. Having read *Hansard*, it strikes me—this is to my hon. Friend's credit—that she was not happy to read the brief that was put in front of her.

At any rate, the precedents described in Committee do not apply to the situation we are discussing. The question of setting standards in public safety for cars, boats and food additives is not on all fours with what we have now, which is confiscation. The nearest parallel is compulsory purchase, a well-recognised principle for which people are fully compensated and where the established precedents of the law are firm—thank goodness for that. If someone's property has been taken away or someone's livelihood has been removed, and that person has been injuriously affected, the principles of compensation for compulsory purchase apply 100 per cent., and that is the situation that we have here.

[Sir Cranley Onslow]

I very much hope that my right hon. and learned Friend the Home Secretary will touch on the question raised quite rightly by my hon. Friend the Member for Weston–super–Mare of the Australian precedent, which is an honourable one. It meets what the House would regard as the proper demands and requests of people whose livelihoods and property will be taken away at one stroke by the Government. There can be no alternative. The Australians are right—let us follow them.

Mr. Austin Mitchell (Great Grimsby): I am grateful to the hon. Member for Weston–super–Mare (Sir J. Wiggin) for pointing out that my name should have been among those supporting the new clause, and the same is true of amendment No. 58. It is nice to refer to the hon. Gentleman in relation to not putting someone's name on an amendment, but in this case I regret it because I support the new clause and amendment. No. 58.

It is only right and fair to apply reasonable—indeed full—compensation to people who will be hit by the measure. The Government look rather evasive on the vital issue of compensation, which is a central right. It looks as though the Government have decided to ignore the rational approach, which is to follow Lord Cullen's recommendation on dismantling. They cannot do that, because it is not a big enough gesture to pacify public opinion. The Government have to make a gesture, but they will not give us the cost of it. Therefore, they are effectively not coming clean on the scale of and the right to compensation.

There is a further argument regarding the right to compensation for people with .22 weapons, which will remain legal. They, too, will be severely affected. The effect on pistol shooting, whether with weapons that are explicitly banned or not, will be extremely damaging.

The Bill is a mess, and it will create an even bigger mess unless we provide for compensation for those with .22 weapons, as amendments Nos. 19 and 20 would do. The Government's gesture of banning weapons more powerful than .22 will have a disastrous effect on all shooters. As the hon. Member for Weston–super–Mare said, many .22 shooters have expensive weapons and many gun clubs, including the one in Grimsby, have borrowed from banks and run up overdrafts to provide good facilities and adequate security.

5.30 pm

The number of people practising with .22 weapons will fall because of the odium that has fallen unfairly on all shooting, and extra security to store whole weapons—not dismantled weapons, which would be much cheaper, because there is no point in ram-raiding a gun club to get part of a gun, but which the Government have not had the sense to provide for—will cost a great deal, and clubs, many of which are already in debt, will go bust.

Once the clubs have gone bust, people with .22 weapons will have nowhere to store them and will be unable to practise the sport. They will be left with unusable weapons that will be a burden on them as well as on the clubs, and they have a right, in that entirely foreseeable and almost inevitable situation, to compensation. Amendments Nos. 19 and 20 would simply bring those people into the rubric and allow people who want to surrender .22 weapons to take them along to the police station and get compensation, to avoid the long, whimpering, slow death that will happen to the sport in any case.

The Government's approach is interesting. The Secretary of State for Scotland is going around telling Scottish Members that we do not need to ban smaller handguns because the sport will wither on the vine and die; that is what he says north of the border, to compensate for not having the total ban that many people there want. Meanwhile, the Home Secretary tells us that there will be a great deal of ingenuity and that new clubs will come along with new technology and the sport will flourish. That is total nonsense.

The Home Secretary and the Secretary of State for Scotland cannot both be right. Personally, I believe that the latter is right. Let us then follow the logic of what he says and provide compensation for those people who will be hit. That would be right, fair and decent.

Mr. Salmond *rose—*

Mr. Mitchell: I think that I can anticipate what the hon. Gentleman wants to say, so I shall not give way to him.

I note that the Government have tabled an amendment that points in the right direction; it is not as good as my amendments, but they do not have the advantage of my legal expertise and advice. However, they must do something.

Mr. Michael Colvin (Romsey and Waterside): I thank the hon. Member for Great Grimsby (Mr. Mitchell) for his support. I should also say how pleased I am that those of us who tabled the new clause and the amendments have the support of the hon. Members for Stockton, North (Mr. Cook) and for Clwyd, South–West (Mr. Jones), who at least have personal experience of shooting and know what they are talking about. They also have an interest, as we all do, in the principles of fairness and justice, which is what the new clause and the amendments are all about.

I congratulate my hon. Friend the Member for Weston–super–Mare (Sir J. Wiggin) on the able and robust way in which he moved new clause 4. I want to speak to the new clause and to amendments Nos. 1 to 5. Incidentally, I also support what the right hon. Member for Tweeddale, Ettrick and Lauderdale (Sir D. Steel) and his colleagues propose in amendment (a) to Government amendment No. 74. If we win the case for fair compensation, it will make sense to have independent arbitration available in case there should be any dispute.

In debates such as this, it is as well to call in at one's Whips Office to pick up the brief that gives the party line. [HON. MEMBERS: "Oh!"] Everybody does it, and I found it interesting on this occasion. I thumbed through the pages of the document, and found that all that we are offered on compensation is a reiteration of the original clause 11. There are no arguments against fair and proper compensation. The Conservative research department seems tacitly to accept that those of us who support the new clause have won the argument. Was that not what the Second Reading debate was all about? We won the argument but, alas, we lost the vote. Unfortunately, that is often the case.

New clause 4 and the amendments refer to fair and proper compensation for the 57,000 people who currently lawfully hold handguns of which the Bill, if enacted in its

present form, will deprive them. As my hon. Friend the Member for Weston–super–Mare said, dealers, manufacturers and clubs are also affected, and it is only right that there should be proper arrangements for fair compensation. The arguments for that were well rehearsed on Second Reading.

The debate that we had then was one of the most interesting that I have attended in the House, because I did not hear any hon. Member from any party saying anything in support of the Government. Every Member who spoke opposed to the Government's proposals: some because they felt that the Government had not gone far enough, others because they felt that they had gone far too far and that, having waited for Lord Cullen's report, they should have accepted its recommendations.

We saw the dismantling of guns demonstrated in the House yesterday—although, when I originally saw the Cullen recommendations, I wondered whether it would be possible to dismantle certain pistols—and it would have been sensible to proceed to legislate on that basis. Instead, we have a Bill which to a great extent ignores Lord Cullen's inquiry and which will destroy the sport of target shooting, in which Britain excels. The Bill jeopardises the future of all British shooting sports and does nothing to prevent criminals from getting guns illegally. There is plenty of expert advice to the effect that as many guns are circulating illegally as legally.

The Bill has distracted attention from the regrettable policing failure at Dunblane. It will cost about 2,000 jobs in the shooting industry, and there is considerable debate about the extent of compensation. If the new clause and amendments were accepted, a figure of about £300 million has been suggested.

Mr. Budgen: Does my hon. Friend mean an extra £300 million? If looks as though the present proposals will cost £200 million. Does he mean that a further £300 million will be required, bringing the cost to £500 million?

Mr. Colvin: A lot of figures are being bandied about. Whether it is £200 million or £300 million—

Mr. Budgen: Would it be £300 million extra?

Mr. Colvin: It could be extra. But the Treasury says that we cannot pay out more than £50 million. The dead hand of the Treasury, rather than justice, is dictating policy.

Sir Anthony Grant (South–West Cambridgeshire): If the Government had accepted the advice of the high-powered review that they set up, headed by a distinguished judge, they would not be in this mess. The Government will have to pay up: they are the authors of their own misfortune.

Mr. Colvin: My hon. Friend puts it rather better than I did. Whether the figure is £300 million or £500 million, the present figure of between £25 million and £50 million is a gross underestimate. The Government are legalising the confiscation of private property and paying very little in return. It is nothing short of legalised robbery.

There was some evidence in Standing Committee that the Government will move on compensation for related equipment and accessories belonging to people who shoot with pistols. A good case has been made for compensation for them. I searched the Bill as amended in Committee and could find no reference to compensation going beyond weapons. Perhaps the Minister could tell us what is proposed when he winds up. That will have a profound effect on the amount of money required to pay compensation.

To give the House some idea of what is involved, I shall quote some letters. Throughout the debate it has been interesting to observe the litmus test of our postbags. Normally when we are dealing with something controversial and emotional—the whole debate has been surrounded by a welter of emotion, which is unfortunate but a fact of life, or death, that we must accept—our postbags are a good litmus test. The letters that I have received in support of the new clause, and generally in support of Lord Cullen's proposals, outweigh the others by 10 to one. There were no letters saying that the Government have got it right, but a few said that the Government should have gone still further.

I have a letter from a constituent who came to see me, Mr. R. G. Newnham. He has weapons worth £645 that will have to be surrendered and destroyed. His equipment is worth £810—more than the value of his guns. I have half a mind to hand the letter to my right hon. and learned Friend the Home Secretary, because it is in fact an invoice made out to him in the hope that he will pay. There are others. If my right hon. and learned Friend is minded to accept that invoice, I have another bill that he might like to deal with from Mr. John Southey of Chiswick. His guns are worth £5,000 and his equipment £3,700.

Mr. Michael Stern (Bristol, North–West): Under the Government's proposals, can my hon. Friend imagine the reaction of those gentlemen if their invoices reach the Home Secretary and they are told that he disagrees with their valuations and has no intention of entering into discussion about what he intends to pay them, whether they like it or not?

Mr. Colvin: My hon. Friend makes a valid point. It is even more important to support amendment (a) to amendment No. 74, which provides for arbitration in such circumstances.

I have other letters. Mr. Peter Brown of Great Missenden states:

"I am one of the unfortunate members of the gun trade who are going to lose their business, livelihood and house, all because of the actions of a madman. Our loss adjusters, MPC, who are working on behalf of the gun trade report to us that the Home Office will not compensate us for consequential losses.

I am going to lose everything!"

Mr. C. A. Reddy of Itchen Valley Shooting Club, another constituent of mine, will lose about £2,000-worth of guns and £3,500-worth of equipment. Worse than that, his gun club will have to wind up because there is no way that it will be able to preserve its membership if large-bore pistol shooting stops. Most of its members will not change to .22 shooting: one or two might, but the vast majority will not.

5.45 pm

The Snowdrop campaign argues that compensation should not be paid to such people, because, having had to surrender their large-bore pistols, they will buy .22s

[Mr. Colvin]

instead, so the number of firearms will not be reduced. That is just not so. Anyone with experience of shooting with pistols realises that shooting with .22 pistols and shooting with large-bore pistols are as different as chalk and cheese. Itchen Valley shooting club will probably have to close because it faces costs of £6,000 or £7,000 to carry out the modifications to the premises required by the Bill. It also faces a serious loss of membership revenue.

Another typical example is the Nottingham shooting centre, which was established in 1988 by Bruce Rainford, a miner who invested his redundancy money in the business with his friends Brian Phillips and Pauline Perrins. Their business employs four other people and has an annual turnover of £300,000. The centre is used by nearly 1,000 shooters and includes a 10-point range, workshop, test range and retail outlet. The Bill would put Bruce and his partners out of business.

One of the most moving letters that I received came from Mr. Frank Spittle of Wolverhampton, who wrote:

"Having shot for my Country in peace and war, now seeing the small shop that I have worked for and the sport I have served since the war, ruined by you and this Government, how can you expect the most law abiding citizens to trust you again. Please read my small book"—

he has sent it to me and I am happy to lend it to other hon. Members—

"then tell me and my two sons who will now lose their jobs why this is happening."

The compensation limit is due to the dead hand of the Treasury. Hon. Members have made the case on precedents. The Australians decided to pay fair compensation for weapons. We could and should follow that precedent.

The true cost, when all the calculations are done, will probably be in the region of £300 million. I support what my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) said about the European convention on human rights. Its key clause is article 1 of the first protocol, which states:

"Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided by law and by the general principles of international law."

There is every reason why people might use that convention to get proper compensation. There are probably plenty of reasons why they might not succeed, but it is worth a try. The House of Commons Library briefing refers to the Bill of Rights of 1689 as another piece of legislation which might be used in this case.

I ask the House to support new clause 4 and the other amendments to which I have referred. If the Government are determined to oppose the new clause and the amendments, at least let them undertake to look at the matter again before it goes to the other place.

Mr. Salmond: I thought that the hon. Member for Romsey and Waterside (Mr. Colvin) was about to end with a clarion call for a written constitution, and I was on the edge of my seat waiting for that case to be argued.

I should like to speak briefly in support of some of the arguments tabled by the hon. Member for Great Grimsby (Mr. Mitchell). The hon. Gentleman and I frequently find ourselves converging from initially different points to a point of agreement—a process which is deeply disconcerting to both of us.

None the less, it is undeniable that he had a point when he argued that it would be quite wrong if holders of .22 calibre weapons, who surrendered them voluntarily, were treated any less favourably than the holders of higher-calibre weapons who surrendered them under the legislation. The Government have addressed that in amendment No. 79, but part of that discrepancy is inherent in the distinction that the Government have chosen to make in their legislation between .22 weapons and weapons of a higher calibre. It has become apparent from our proceedings that that distinction cannot be intellectually defended.

The hon. Member for Romsey and Waterside referred briefly to the concern felt by some of us who are sympathetic to the case for compensation that those who are compensated for weapons surrendered could use the money to invest in other .22 calibre weapons. I generally accept the argument that in the short term the number of .22 weapons will decline, but I am much less certain about the medium term.

The hon. Member for Great Grimsby put his finger on an important point, because, at meetings the Home Secretary has openly speculated on new gun clubs coming into existence which fulfil the requirements of the legislation. Those new high-tech gun clubs would be suitable for those who wished to opt for .22 calibre weapons. The Home Secretary seemed to welcome that as a potential process when we debated the matter in Committee on the Floor of the House. Some of us find extremely disturbing the idea that people could use compensation given for weapons surrendered under the terms of the legislation to re-invest in .22 calibre weapons, which in many senses are just as dangerous as the higher-calibre weapons.

Mr. Stern: I am grateful to the hon. Gentleman for giving way. I wonder whether he would agree that his point—

Mr. Deputy Speaker: Order. Has the hon. Member for Banff and Buchan (Mr. Salmond) given way?

Mr. Salmond: No. I have finished.

Mr. Deputy Speaker: I call Sir Patrick Cormack.

Sir Patrick Cormack (South Staffordshire): The issue before the House is essentially an extremely simple one. As Members of Parliament, we have two overriding duties. One is to call the Executive to account and the other is to protect minorities. On this occasion we must call the Executive to account because the Government have handled this matter less than adroitly.

The Government set up the Cullen inquiry to the acclamation of hon. Members on both sides of the House. Lord Cullen produced his report and, had the Government decided to accept it, they would have been immune from criticism. The Government, however, decided to go their own way in an arbitrary and ill-advised manner. It is not appropriate to discuss now wholesale bans or other issues, because the House has made its decision. We must accept that and live with it.

The consequences of the decision that the House has taken, under Government prompting and according to a timetable that is extremely constrained, are that many innocent people will suffer because they will no longer be able to practise their legitimate sport. I do not think that one should lightly dismiss that, not least because shooting is a sport at which people in this country have excelled and brought back many honours to it. Shooting with a gun is just as legitimate a sport as shooting with a bow and arrow.

The Government have deprived many innocent people of that sport, including, as we have learnt from debates on the Bill, a great many handicapped people who cannot take part in other sports. They have done far worse than that, however, because they have deprived many people of their livelihood. Their action is nothing less than blatant confiscation without compensation. That is something that no Conservative should contemplate.

I echo the thanks that my hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin) offered to my right hon. and learned Friend the Home Secretary, but I urge him to go further and emulate another Howard in another Conservative Government. Australia has had a terrible shooting tragedy, but the Prime Minister of that Conservative Government has not balked at insisting that compensation should be proper and adequate.

I do not believe that any of us can look our constituents in the face if we do not meet our moral obligation. I must tell my right hon. and learned Friend that what is morally wrong is never politically right. What we are doing now is morally wrong.

Sir Michael Grylls (North–West Surrey): My hon. Friend has been in the House for a year or two. He will recall that in the mid-1970s the then Labour Government nationalised the shipbuilding industry among others and gave wholly inadequate compensation. The Conservative Opposition quite rightly fought that tooth and nail for the very reason about which my hon. Friend has just spoken—fairness. It would be perverse and a blot on the record of a highly successful Conservative Government of 17 years if we let the Bill go through without providing compensation. My hon. Friend is absolutely right to say that a Conservative Government must never allow that to happen.

Sir Patrick Cormack: My hon. Friend is right. The terms of the legislation fly in the face of our achievement and our principles. We are not being true to either if we proceed along the line that my right hon. and learned Friend has commended to the House. What the new clause suggests is right and proper, and the least that people have the right to expect.

The House has decreed that people should lose their livelihoods and their sport, and the House, having willed that particular end, must therefore will the means to soften the blow. We can only do that by offering adequate compensation.

The right hon. Member for Tweeddale, Ettrick and Lauderdale (Sir D. Steel) made some pertinent points in his speech and I agreed with him. He was right to advocate some form of arbitration to adjudicate on the valuations. There is plenty of time for the Government to get it right. All that we need tonight from the Home Secretary is a simple acknowledgment of the fact that, to date, we have not been fair. The Conservative party should always be fair in its dealings with people. All that he has to say to the House is that he is determined to be fair. If he says that, it can be put right in another place, and we can make sure that proper amendments are moved by Ministers in another place to provide that adequate compensation.

That is all that we need from my right hon. and learned Friend. If he cannot say that, I am afraid that I certainly cannot go into the Lobby to support him. I say that with great regret. I have no desire to vote against him, because I admire much of what he stands for and what he has done. Tonight I do not think that he will be true to his oft-stated principles if he does not ensure that compensation is proper and adequate and is seen to be fair in all corners of the land.

Mr. William Ross (East Londonderry): The Bill does not extend to Northern Ireland, although we will no doubt get it at some point. Whether it is needed in Northern Ireland is a moot point, given the strictness of the legislation that already governs firearms there; but, because it does not currently extend to Northern Ireland, I have not seen fit to speak much on the Bill thus far.

I have not always been popular when I have expressed my views on firearms—not least during the passage of the last firearms Bill, when I kept the House up for much of the night. I do not think that the Government behaved well on that occasion. I suspect that, had they considered some of the amendments to that Bill and had they listened, to and put into effect all the recommendations from the Firearms Consultative Committee—those recommendations were supposed to have been put into operation at the first legislative opportunity, but were not—we might not be in the position we are in this evening, with the tragedy of Dunblane behind us.

6 pm

Sir Jerry Wiggin: Before the hon. Gentleman leaves that point, may I remind the House that, on the last occasion, Northern Ireland was included, but only a few hours before the termination of proceedings in the House? Let him beware—who knows what might happen on this occasion?

Mr. Ross: I am not unaware of the hon. Gentleman's point, but nor am I unaware of some of the statements that were made in the House on the subject of fireworks a few days ago. The hon. Member for Huddersfield (Mr. Sheerman) said that he resented

"the killjoy tendency in Britain whereby when there is a crisis or accident, there is an emotional spasm that says everything must stop."—[*Official Report*, 20 November 1996; Vol. 285, c. 899.]

Whether that comment has anything to do with the fact that some of the hon. Gentleman's constituents were engaged in making the things, I shall leave to the judgment of others. I make no such accusation.

I also noticed that the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith) mentioned the use of pellet guns, but he did not mention kitchen knives, with which I am sure he has had to deal in the course of his professional career outside.

Having said that, I am happy to support new clause 4, which stands in the names of the hon. Member for Weston–super–Mare (Sir J. Wiggin) and his hon. Friends

[Mr. Ross]

and to which I have put my name. I have one quibble, however, in that it tries to define every individual or group who might be affected. For that reason, I also saw fit to put my name to new clause 7, in the names of the hon. Members for Clwyd, South–West (Mr. Jones) and for Halesowen and Stourbridge (Mr. Hawksley).

New clause 7 would implement what is really the Australian legislation, which is far more comprehensive, but which might not have the precision and clarity that appeals to the Home Secretary's mind. Whether his precision and clarity meet the current case is a question that I would answer in the negative. That is why I have to say that, although I support the new clause currently being debated, I would have preferred it if the Government had been prepared to go further. I am happy to see so many hon. Members putting the same point to the Home Secretary.

I draw the attention of the House to amendment No. 74, standing in the name of the Home Secretary, which states:

"'ancillary equipment' means equipment, other than prohibited ammunition"

and goes on to refer to ancillary equipment that

"has no practicable use in connection with any firearm which is not a prohibited weapon."

In reality, that is an exclusion. It does not include much ancillary equipment and it actually excludes much equipment that the layman, reading the clever wording, might think was included.

The amendment means that, if a piece of ancillary equipment can be used for any other type of shooting, no payment will be made—at least, I feel sure that the clever ladies and gentlemen employed by the Home Secretary will find a way of saying to owners, "That is excluded, because you can use it for shotguns or rifles." Even a holster can be used for another type of firearm. The amendment is intended to be used to cut the amount of compensation paid.

Today, I talked to an expert on firearms who acts as an expert witness in courts in this country and elsewhere. He pointed out that loose bullets are not currently illegal. Regardless of their nature, a firearms certificate is not needed to purchase loose bullets, because they are not ammunition until they have been loaded in the case along with the explosive material. He has a large collection—he admits that he bought some of the items for "silly money"—which includes hollow-point expanding ammunition. It is not included in his firearms certificate—it does not have to be. He pointed out to me that one of the consequences of the Bill is that, as soon as it is enacted, he will be caught. Because that ammunition, which is valuable and which he uses in his work, is not included in his firearms certificate, he will be unable to claim compensation.

The Home Secretary has to look at compensation in a more comprehensive fashion. He will find all sorts of nooks and crannies that will exclude people from receiving compensation to which any reasonable man or woman would say they were morally entitled. I hope that the right hon. and learned Gentleman will take my words in the constructive spirit in which they are intended. Problems will arise.

This Bill, like so much legislation that is founded on emotion—the Dangerous Dogs Act 1989 springs to mind—will have many completely unforeseen consequences. People will suffer severe handicaps and consequences that cannot now be foreseen, and all because the legislation was not properly thought through. I believe that the issue should be examined by a royal commission if we are to get sensible firearms legislation in this country.

I fully support the point made by the right hon. Member for Tweeddale, Ettrick and Lauderdale (Sir D. Steel). If we are going to satisfy anyone, there must be independent arbitration. However, I am sure that the right hon. Gentleman has noted that on page 41, line 45, the Bill states:

"The chief officer of police shall not be obliged to make pistols delivered to him under paragraph 2 above available for inspection either by the certificate holder or by any other person."

The Home Secretary needs to go away and look at that, if we are to have the independent arbitration that is needed. Under that provision, an independent arbitrator could not get his hands on a pistol to determine its value and what level of compensation should be paid.

The Bill affects a large number of items that are really collectors' pieces of historical value. I know of a man in Northern Ireland who has two of Blair Mayne's pistols. The name of Blair Mayne should be known to every military historian in the House, because he was one of the early members of the Special Air Services and a man whose exploits excited admiration across the western world during his lifetime. Those pistols, by the very fact that they were once owned by that man, have acquired considerable value to collectors. The Home Secretary might say that the pistols are pre-1946 and therefore escape the legislation, but I wanted to mention them because their calibre might well pull them within its scope. It is in that sort of area that the real difficulties will arise.

The number of people who will lose as a result of the Bill is remarkable—it includes not only dealers, but the people who work for them; the people who write, produce and distribute magazines; and manufacturers of ammunition. In addition, there will be enormous loss in unforeseen nooks and crannies.

I totally disagree with the hon. Member for Banff and Buchan (Mr. Salmond), who complained about people using compensation that is properly payable to them to buy a legal weapon. Why should they not? I should have thought that part of the purpose behind the compensation was to allow people to continue in their sport, although with a smaller calibre weapon, if they so desired.

I listened with care to the speech of the hon. Member for Great Grimsby (Mr. Mitchell). He did not say it, but I think that he was pointing to the fact that, if compensation is to be paid, it must be paid over a much longer period than is currently envisaged either by the Home Secretary or in the Bill.

I say in passing that on Monday 9 December we shall discuss the Northern Ireland Arms Decommissioning Bill, and in that debate right hon. and hon. Members will no doubt be delighted to learn that the IRA and other terrorist organisations have up to five years in which to surrender the horrendous weaponry they possess, which contrasts with what the Home Secretary proposes in this Bill. I hope that that will be borne in mind.

If some people say that compensation should not be paid for loss of business, I suggest that the Home Secretary and other Home Office Ministers consider

Northern Ireland and especially the Irish Land Acts, in which many of these things were taken into account. On that occasion, however, the Government were only acting as the people who provided the down payment—the capital—and eventually the tenant farmers had to pay the compensation.

Mr. Budgen: As anyone listening to the debate must reflect, it is extraordinary that any competent Government and any competent Opposition can have got into such a jam. We have before us, not a Government measure, but an agreed measure, one of the most dangerous measures that one could ever find—an agreement that has been cobbled together in a hurry between the two Front Benches and foisted on to a reluctant and amazed House of Commons.

On reflection, it is amazing that we are dealing, not with the 96 per cent. of crimes committed with firearms which are committed with an illegally held weapon, but with the 4 per cent. of such crimes that are committed with a legally held weapon, and we are trying to reduce that 4 per cent. yet further.

Surely, when we try to reduce that 4 per cent. yet further, we should consider the matter sensibly and logically, as though we were deciding whether it was necessary to straighten a corner on a road or legitimate to give a person an expensive operation. We consider the cost—which must be met by our fellow citizens—and ask whether, in the circumstances, the cost is justified and is likely to produce the saving of life that we hope for.

I shall not attack the Government for the Bill; that would be grossly unfair. This is a Front-Bench Bill, a Front-Bench conspiracy against the House of Commons.

Mr. Michael J. Martin (Glasgow, Springburn): It is a Government Bill.

Mr. Budgen: No, it is not at all. It is entirely supported—*[Interruption.]* Let us have no nonsense about this. The Opposition have not opposed the Bill; they have welcomed it. They have entirely given up their proper constitutional duty of criticising and improving legislation, and they have rushed behind the Government, urging them to proceed ever faster.

The jam that we have got ourselves in was foreseeable. In the Government's response to the Cullen report, which was published in October 1996—

Mr. Salmond: I am not following the hon. Gentleman. Why is it not a legitimate rule of any Opposition party to criticise the Government for not going far enough? Why is not that a legitimate part of Opposition criticism? I do not understand the point.

Mr. Budgen: Let me say immediately, Mr. Deputy Speaker, I am confining myself entirely to the new clauses and not raising any wider issues. *[Laughter]*

Mr. Deputy Speaker: Order. The hon. Gentleman could have fooled me. He has now given me some comfort.

Mr. Budgen: The hon. Gentleman asks me to concentrate on the role of the Government and the official Opposition. At page 6 of the Government's reply to the Cullen report, they list very many restrictions that they claim should be imposed on gun clubs to make them safer and to ensure that guns and handguns cannot be stolen. They continue:

"Very few, if any, existing gun clubs will meet these security requirements"—

in other words, "We shall put 'em out of business by the back door."

What will happen if one puts people out of business and takes away their livelihood? In his interesting little booklet, Mr. Spittle from Wolverhampton points out that most gun clubs were set up after the South African war to encourage people in this country to shoot more accurately. If it be the case that we shall turn patriots into criminals, it is likely—unless, by the dictatorship of agreement, we deprive those people of the right to do so—that they will ask for compensation; and it looks as though the compensation will be very great.

6.15 pm

We bandy such figures about, but we have just spent a week discussing a Budget that, net, makes a difference of £1.8 billion—quite a lot of money, but not very much in proportion to public expenditure. Tonight we casually suggest that, because the Government have not considered the cost of the Act, we might have to compensate people for unnecessary security measures to the tune of at least £300 million. Is that good government? Is it good opposition? Is it a sensible way in which to spend the taxpayer's money?

Surely it would be sensible for a Government making such proposals to say honestly: "Plainly, those people will demand compensation for a long time and the cost could be very large. We tell the House, this is what the cost will be." If there were an Opposition who welcomed the legislation, who said, "We support the European convention on human rights; indeed, we want to give more power to that convention," would not they say, "Look here, the cost is enormous. Is it justified for the very slight advantages that might be obtained by extra security?"

Three hundred million pounds—

Mr. Robert Jackson (Wantage): Will my hon. Friend give way?

Mr. Budgen: Let me finish the sentence. Three hundred million pounds, which we are demanding, is an awful lot of money. I shall vote for that compensation, but I shall do so with regret, because it is a waste of money. A great many people could be saved and given more years of happy life by better treatment in the national health service.

Mr. Michael J. Martin: Hear, hear.

Mr. Budgen: Yes, for £300 million. Some children could be saved by better maternity services for £300 million. This is a gross—

Mr. Robert Jackson *rose*—

Mr. Budgen: This is a gross waste of money, which derives most of all from bad government, from

[Mr. Budgen]

ill-considered government, from panic reaction and from allowing the House of Commons to use its powers as though it were a lynch mob.

Several hon. Members *rose—*

Sir Donald Thompson (Calder Valley): I thank my hon. Friend—

Mr. Robert Jackson *rose—*

Mr. Christopher Gill (Ludlow) *rose—*

Mr. Budgen: I shall just answer my hon. Friend the Member for Calder Valley (Sir D. Thompson), if I may.

Sir Donald Thompson: I thank my hon. Friend—

Mr. Deputy Speaker: Order. Do I understand that the hon. Gentleman is giving way?

Mr. Budgen: I am giving way to my hon. Friend the Member for Calder Valley, and then I was going to finish.

Sir Donald Thompson: I thank my hon. Friend for giving way. He has been most courteous, as usual.

Mr. Budgen: As occasionally.

Sir Donald Thompson: My hon. Friend is most courteous to me, as he always is, Mr. Deputy Speaker. He is talking about the costs to the Government. I have a constituent who makes ammunition for handguns only. The cost to him would be enormous. His way of life, his father's way of life and his livelihood would be gone for ever. It is as though the whole Government's money slipped away in our world. There must be dozens of people—not hundreds, but dozens—in a similar position.

Mr. Budgen: I agree with my hon. Friend. People will complain about the Bill for many a year.

Mr. Robert Jackson: Does my hon. Friend consider that the Government would have rushed into the legislation in the way that they have if they had believed that they would have to pay the compensation?

Mr. Budgen: These claims, as I said earlier, were entirely foreseeable. One did not have to be a genius, or even a fellow of All Souls, to foresee them.

Sir Terence Higgins (Worthing): I remain of the view that the people of Dunblane, or anywhere else, are the victims of a cruel delusion if they believe that this measure will reduce the risk of a repetition. On the contrary, by driving maniacs into the illegal market, it may even increase the risk of a repetition. Hamilton should have been detected—as witness the resignation of a senior police officer.

I very much agree with what my hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin) said earlier, and with those who say that the arrangements suggested by Cullen would have been a great deal safer—large stores of weapons would not have been kept in one spot—and a great deal cheaper. I cannot help wondering: what on earth were Treasury Ministers in the Cabinet doing when they allowed the Government to go beyond Cullen, with all the attendant implications for public expenditure? I cannot understand it.

In those circumstances, however, it is right that the Government should compensate people who lose business, and others who, as the Liberal Democrat spokesman said, may lose their homes and jobs without entitlement to unemployment benefit. Those who will have to give up their equipment, which may be worth twice as much as the weapons themselves—or even more—ought clearly to be compensated.

One of the troubles with guillotine motions is not just that some issues do not get debated but that some speeches tend not to be made at all because they are crowded out. I shall therefore make only two or three points.

The first arises from the amount of compensation to be paid. I was sent a letter by the then Home Secretary on 31 May 1988 about the compensation payable following the Hungerford tragedy. At that stage, it was either to be a fixed amount for the pistol concerned, or just 50 per cent. of its value because, it was claimed, the other 50 per cent. was the amount that would be made by the dealer. That just shows how much dealers will lose if they are not compensated.

I do not think that that kind of valuation is fair. The right approach is to assess a weapon's value to the person who has given it up—not what he could get for it in a forced sale at auction but how much he paid for it, allowing for depreciation and so on.

Secondly, we must consider carefully the position of clubs that find themselves operating with a reduced membership because only lower calibre weapons will be available. They will have to invest a great deal so as to meet the new requirements. My constituents told me last Friday that they do not know how much compensation there will be, or what the timetable is, or what conditions they will have to meet.

They were also under the delusion—I do not share it—that there might be a Labour Government in a few months' time. Labour is clearly on record as saying that it will ban guns completely. It is wholly unreasonable to expect clubs in the meantime to invest a great deal of money in getting their clubs approved, only to find after the election that all the money has been wasted. Many of them will go out of business; that, too, will require compensation.

Finally, I ask my right hon. and learned Friend the Home Secretary, who was very reasonable about amending the money resolution, carefully to consider the question of timing—in relation to compensation payments, in relation to when the weapons will have to be given up, and in relation to when the clubs will have to meet the new arrangements for security. I hope that he will soon publish his intentions as regards those arrangements.

I believe that my hon. Friend's new clause is right, and if he forces it to a Division, I shall certainly support him in the Lobby.

Mr. Gill: I support new clause 4 because I share the concern expressed by Members on both sides for the

scores of people whose livelihoods will be, or have already been, endangered by this legislation. I am thinking of people like the proprietors of Minsterley Ranges in my constituency, who tell me that 70 per cent. of the activity at their well-equipped and well-managed establishment involves the shooting of pistols. If this legislation is enacted, those proprietors will be left with 30 per cent. of their former turnover with which to sustain a sizeable investment and a large establishment. Anyone with any experience of business will know that that is almost impossible.

I am sad to find myself this evening having to advocate higher public expenditure. I understand the Government's reluctance to pay for consequential losses and to set a precedent; on the other hand, there is no precedent for Government moving so decisively to outlaw a whole sport and an entire trade. This is not an academic exercise; we are talking about the livelihoods of people with varying amounts of capital sunk in their businesses—ranging from their savings to their homes. Many have devoted their life's work to those businesses.

We are also talking about all the people who are employed in the trade, and about those who depend on them.

Mr. Robert Key (Salisbury): Unfortunately, there is a precedent—the one referred to by my hon. Friend the Member for Gosport (Mr. Viggers): the head de-boners in the beef trade, whose livelihood has been extinguished overnight. Another precedent will be set when the House comes to consider revising, upgrading and strengthening the quarantine regulations. Quarantine kennel owners will have to be compensated, as recommended by my hon. Friend the Member for Weston–super–Mare (Sir J. Wiggin) and his colleagues on the Agriculture Select Committee. The process is set to go on and on. The more Governments intervene in, and regulate, our lives, the more compensation will have to be paid out. We shall have to grasp that nettle at some point.

Mr. Gill: I entirely understand my hon. Friend's point. My point was that I recognise the Government's reluctance to accept their undoubted moral obligation to pay for consequential loss suffered by the people who operate clubs and who supply the sport as retailers or manufacturers.

These are specialist businesses that have no scope for diversification. I recognise the heavy cost to the taxpayer of the compensation that has already been conceded. I further recognise that the bill for the loss experienced by all the groups that I have itemised would be substantial. Had the Government accepted the recommendations of the Cullen report, the cost would have been significantly less.

The new clause is an attempt to avoid setting the precedent that Parliament is in danger of creating if the law of the land at a stroke destroys a legitimate trade and bona fide businesses without underwriting the devastating costs to those affected. That would amount, as right hon. and hon. Members have said, to downright confiscation.

Mr. Michael J. Martin: My heart tells me that we should not give anyone any compensation for giving up guns. That would be obscene—

Mr. Budgen: Why?

Mr. Martin: I will tell the hon. Gentleman why. First, though, let me say that I hope that the logic of compensation will be extended to other facets of society.

Mr. Gill *rose—*

6.30 pm

Mr. Martin: I shall not give way, because I must be brief.

I recall that I had to put the case for people who worked in the meat industry and who were told that, for non-medical reasons, they must shut up shop. Their livelihood was lost but, with few exceptions, no one complained.

The railway industry used to employ 3,000 people in my constituency. When the then Prime Minister, Margaret Thatcher, decided to do away with the railway industry, no one asked about those who would lose their livelihoods. After seven years, there are still former railway workers without a livelihood.

The Home Secretary may be considering giving people compensation for the loss of their guns. I hope that the argument will not apply to gun club premises or to the targets, which I consider obscene. They are not the red, white and blue targets that I used when I was in the Territorial Army. They are targets in the shape of human beings, and the general public should not pay compensation for them.

Civilian gun clubs should not associate themselves with the military. I worry about people who dress up as soldiers at the weekend and on Wednesday night and go out with high-calibre guns, pretending to be SAS men. As Thomas Hamilton showed us, there are an awful lot of Walter Mittys running about those gun clubs. That was not the first time that someone took a gun out of a gun club and shot people. There was such an incident a few years ago in Glasgow.

If we go down the road of giving compensation to the gun clubs, it should be remembered that, as a result of the Budget resolutions, sports centres in my constituency and elsewhere will be closed. People will lose their sports, hobbies and pastimes because of Government decisions to close sports centres. I hear no talk of compensation for them. We have heard about cuts in health service spending. People will die because they cannot get heart operations in time. I hope that the relatives of people who die as a result of Government cuts in spending will receive compensation.

The Government have opened up a can of worms by undertaking to give compensation to a sport that is pursued by relatively few people. If the Government give compensation to gun owners, they should compensate everyone who suffers a loss as a result of Government policy.

Sir Michael Grylls: This has been a powerful debate, ably instigated by my hon. Friend the Member for Weston–super–Mare (Sir J. Wiggin). The common thread running through it from our side and from the Liberal Benches has been the strong feeling on the subject of compensation.

My right hon. and learned Friend the Home Secretary has listened carefully to the debate and is always responsive to feelings in the House. I am sure that he will take on board the strong views expressed from our side during the debate, and our abhorrence of the idea of putting people out of business, destroying clubs and ruining people's lives without proper compensation. I do not believe that my right hon. and learned Friend, for whom I have high regard, would allow that to happen.

[Sir Michael Grylls]

I slightly disagree with my hon. Friend the Member for Wolverhampton, South–West (Mr. Budgen) who said in his extremely entertaining speech that the Government had not realised that there would be such an uprising by people in the clubs and firearms industry, all claiming compensation. I think that the Government probably did realise that that would happen, but as always—in a way, understandably, as they are dealing with taxpayers' money—they have been fighting a rearguard action, possibly waiting to see the strength of feeling on behalf of the clubs. I do not go along with my hon. Friend on that.

The Government have a proud record. In the past 17 years, more than 1 million new business have started up. We have let the enterprise culture blossom. My right hon. and learned Friend played an important part in that when he was a Minister in the Department of Trade and Industry, encouraging people to be enterprising, set up their own firms, look after themselves and be successful. Some of the dealers would have set up their businesses during that time. It would be absurd for them suddenly to be put out of business.

As I said earlier in an intervention, those of us who lived through the nationalisation debates in the shipbuilding and aircraft industries around 1975, when we opposed so bitterly the inadequate and disgraceful compensation that the then Labour Government allowed to go through Parliament, could never allow that to happen. I hope that my right hon. and learned Friend will take that on board.

My right hon. Friend the Member for Woking (Sir C. Onslow) and I have the privilege jointly—I am never sure where the boundary is—of representing Bisley, the mecca of all shooting. We both have many clubs in our constituencies, many people who are distinguished shots and have represented their country, and many important firearms firms, which will be severely damaged.

Stopping people pursuing the sport of shooting with the weapons that are to be banned is not the topic of this debate. The dealers and clubs are our present concern. There are various precedents that my right hon. and learned Friend will be able to deploy in arguing for the money with the Treasury. For example, the Government give people grants to insulate their homes. It is public policy to encourage the insulation of houses, and people are given grants to help them. That is a minor matter, compared with the removal of people's livelihoods and putting clubs out of business. As my hon. Friend the Member for Weston–super–Mare pointed out, people have given guarantees backed up by the value of their house in order to keep their club going.

It would be a disgraceful blot on the Government's proud record if that is not put right. I am confident that the Government will put it right. I am sure that my right hon. and learned Friend has listened to every word spoken in the debate and that, having heard the strength of feeling among Conservative Members, he will think the matter through and respond by ensuring that people are treated fairly.

Sir Hector Monro: I warmly support my right hon. and hon. Friends who have given their support to the new clause tabled by my hon. Friend the Member for Weston–super–Mare (Sir J. Wiggin).

It is clear from the speeches of hon. Members on both sides of the House that pistol shooting, a great deal of indoor rifle shooting and possibly outdoor rifle shooting as well will be dealt a mortal blow by the Bill. The trade will suffer severely. It is inevitable that the majority of clubs will close, because they will not be able to afford the stringent requirements of the Home Secretary to keep them secure from attack by terrorists or other serious incidents.

Many rifle ranges are located in remote areas, so security will be hard to enforce. That task will be even more difficult if we demand that pistols be kept complete at ranges rather than storing them in different parts, as we shall suggest later tonight. I accept that my right hon. and learned Friend has made a number of valuable concessions in the past few weeks in accordance with our views. I urge him to reconsider the matter carefully, and to look particularly to the Australian example, when he winds up the debate.

While now is not the time to talk about our international prowess in pistol and rifle shooting, we must remember that it will be impossible for our high calibre shooters to practice if there are no rifle clubs. As I have said before, I visited the shooting ranges at the last Commonwealth games and saw how effectively and efficiently they were run. Sadly, we might not have even limited competition at the Manchester Commonwealth games, as the gun associations may decide to stay away if the disciplines are curtailed dramatically.

I hope that it will be possible for the Home Secretary to remove some of the current uncertainty surrounding the valuations issue. There is little knowledge of exactly how the valuations will be carried out, who will conduct them, whether there will be some form of appeal and which weapons will be confiscated. For example, when is a muzzle loader an antique? That sort of question springs immediately to mind. On 18 November, my hon. Friend the Minister said that muzzle loaders require firearms certificates, yet the Home Office information leaflet states that antiques do not require a certificate. Where do we draw the line between a muzzle loader and an antique? That is not an easy decision to make.

I hope that such questions will be clarified soon. Will all flintlocks be classified as antiques? The situation is unclear at present. Those who may lose their weapons do not know which firearms will be classified as antiques or perhaps war trophies. My hon. Friend the Minister promised to put down an amendment regarding inherited war trophies, but that does not appear on the Order Paper.

I hope that my right hon. and learned Friend the Home Secretary shall explain tonight how valuations will be carried out, in addition to outlining the assistance that he plans to provide for the rifle and pistol ranges mentioned in the new clause. I do not think that he realises how many letters hon. Members have received from individuals and from clubs all over the country expressing their fears about a bleak future. I hope that my right hon. and learned Friend will rethink the issue and consider whether he should provide still more assistance. No one is saying that we should abandon the legislation—that matter was decided in the House at Second Reading—but we must make substantial progress in offering concessions to those whom it will damage severely.

6.45 pm

Mr. Frank Cook: There seems to be much confusion about what target gun clubs are and what they are not. I assure the House that the target shooters I have met do not dress up like SAS Spetsnaz, and they do not shoot at each other on Friday nights with high-calibre guns. If they did—and if they were good shots—there would be very few of them left. Such descriptions refer to those foolish middle-aged teenagers who squirt paint-soaked sponge balls at each other, pretending to play the old game "Bang, bang, you're dead".

We are talking about people who engage in a very respectable sport. When its proponents returned to this country with eight gold medals, we hailed them as national heroes—and we still do. Carol Paige has competed for almost 30 years from a wheelchair. She has proved that she is every bit as good a marksperson—it is the first time that I have used that word—as any able-bodied person competing on the range. She deserves our respect. She represented her country in that sport, and she would like to continue to do so.

It is not a joke: serious target shooters do not shoot at human form or NATO targets. They shoot at measured circles in black and white—not colour—and they calculate their scores precisely. Let us get the facts straight.

I think that any discussion of compensation at this stage is a capitulation: it is a concession that the prohibition will be enforced, and that therefore we must salvage what we can. I think that that is a sign of weakness. However, we must consider the issue seriously. Ultimately, we must ensure not that we maximise the amount of compensation but that it is adequate. I wrote to the Home Secretary on 29 October, enclosing a copy of a letter from a constituent. I am grateful to the Minister of State for her extremely helpful reply.

However, she said:

"Those who have higher calibre handguns will have the opportunity to sell them before the prohibition comes into force".

I have tried hard to get my head around that statement. I ask myself, "Who on earth will they sell their guns to?" If gun owners can do so legally, they might sell their firearms to Jack the lad, who will use them on the street to enhance his income. Perhaps they will sell them on the continent. However, the German gun dealers are already saying that they will not buy guns until the prohibition comes into force, because they know that they will pay less for them then. I hope that my hon. Friends on the Front Bench will acknowledge that point.

Mr. John Carlisle (Luton, North): I am grateful to the hon. Gentleman for giving way; my hon. Friends and I are enjoying his speech immensely.

He may be interested to know that one of my constituents telephoned the Home Office seeking suggestions as to what he should do with his redundant—I fear that is what they will become—firearms. The person on the end of the telephone told my constituent that he should sell his firearms abroad. That was the official advice provided by someone in the Home Office, and it demonstrates the desperate state of affairs. The hon. Gentleman is correct: the proceeds from forced gun sales would be a pittance compared with their real worth.

Mr. Cook: I thank the hon. Gentleman for his comments—it is probably the only time that we have agreed on anything. He makes a serious point: that is the sort of issue that I am trying to highlight.

I have sought the views of the Greater Manchester police—which have been confirmed by observers in the Metropolitan police—who say that, according to realistic estimates, 2,500 handguns cross the Channel from the continent into Britain every week. I put it to the House that we can have all the compensation we want, we can sell the guns to the Germans, and then Jack the lad can buy them back at a lower price next week. It is easier and cheaper to buy a gun illegally than to procure one properly with a certificate. Adequate compensation must be considered seriously. I shall support the amendment.

Mr. Edward Leigh (Gainsborough and Horncastle): It is sometimes easy to speak in the abstract in this sort of debate. Therefore, I shall tell the House about one small gun club out of more than 2,000—it happens to be in Market Rasen, but it could be anywhere.

The club meets in a small hut and has 20 or 30 members. It was founded in 1906, and its constitution proclaims that its purpose is patriotic: to train people for national emergencies. There are faded pictures on the hut's walls of the club's original members, but nowadays its members shoot only with .22 calibre pistols at small black-and-white targets. They pursue their sport with immense care and precision.

In the corner of that small wooden hut is a safe. The club is likely to be required by the police to erect high barbed-wire fences all around the hut. It is in the middle of a suburban area and houses are adjacent to it. There is no way in which it would ever get planning permission. It could survive, possibly, if the local police allowed it to leave the safe where it is and surround it with a concrete structure, but if the local police demand high barbed-wire fences and reinforced doors—which are pointless, because people could simply drill through the walls—it would almost certainly go under. It is just one club out of 2,000, and that would be replicated all over the country.

I could talk about Dunholme pistol club, which is in a similar situation. I could talk about a farmer in Reepham, who has put his life savings into creating a similar club.

Mr. Robert Jackson: Will my hon. Friend give way?

Mr. Leigh: No. I shall make a very short speech and then sit down.

The point that I am making is that this is a profoundly un-Tory Bill. It is inimical to the principle to which we have always adhered: that legislation should be tried and tested. It is inimical to the principle of private property. Those two principles have been at the heart of our party's thinking since it was founded. Because we are laying aside those principles, 20 or 30 members in that small club in Market Rasen will lose their sport, and there will be no compensation.

Mr. Home Secretary: let right be done.

Mr. Michael Stern (Bristol, North-West): Unlike many of my hon. Members—indeed, hon. Members on

[Mr. Michael Stern]

both sides of the House—I am not familiar with guns; I barely know one end of a gun from the other. I recommend that no one ever test me on the subject. I am here to talk about people. The new clause is fundamentally flawed in that it treats gun clubs, their members and supporters shoddily—which, like many of my hon. Friends, I never expected to see from a Conservative Government.

Before my right hon. and learned Friend the Home Secretary came into the House, he was a very distinguished lawyer. Indeed, he is still regarded as such. In Committee, he quoted precedents for failure to give compensation in this case. May I point out to him two things? First, as any lawyer will know, there are always precedents on both sides. He has, quite understandably, given precedents for the Government to fail to pay compensation. May I point out to him the other precedents, of Governments who, often through gritted teeth, avoided any question of nationalisation without compensation, by paying compensation even when they did not believe in it?

Does my right hon. and learned Friend believe that the Labour Government after 1945 believed that they should pay compensation to mine owners or steel owners? Of course they did not, but nevertheless, as a matter of fairness, as a matter—as my hon. Friend the Member for South Staffordshire (Sir P. Cormack) put it—of morality, they paid compensation, because they did not believe that any democratic Government should remove people's assets without doing so.

That is a principle for which my right hon. and learned Friend and I, in our earlier days in politics, criticised Labour Members when they sought to make a breach of that principle Labour party policy. I find it very worrying that the Government now propose the exact opposite of the principles for which we have fought for many years.

I understand the concerns of the hon. Member for Banff and Buchan (Mr. Salmond), that, if compensation is paid for one type of gun, people will—quite legitimately under the Bill—spend it on another type of gun. I disagree fundamentally with his approach to the Bill, but I accept that there is force in his argument. I put it to him, however, that that argument is not appropriate to the new clause before us.

The people who will be deprived of compensation under the clause, particularly club owners and supporters, will not be the ones who then go out and spend the money on building up a new club, because they will not have the money in the first place. The point he made may well be appropriate to the main body of the Bill, in relation to compensation to gun owners, but it is entirely inappropriate for the Government to offer compensation to gun clubs.

Mr. Salmond: I was making the point in support of the amendments tabled by the hon. Member for Great Grimsby (Mr. Mitchell). The hon. Member for South Hams seems to agree that they apply in that case.

Mr. Stern: They may well apply in that case, but certainly not in the context of new clause 4, moved by my hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin).

If new clause 4 does not go through, a number of my constituents who shoot at gun clubs in Yate and Nailsea will be deprived of their occupation and hobby. That is what one would normally expect of a Government who are introducing ill-conceived legislation. But many of my constituents will suffer much more deeply at the hands of the Government. They will be deprived of their assets. They will be treated by the Government as second-class citizens. They have done nothing to deserve that treatment. I do not believe that they sent me here to condone it.

Mr. Geoffrey Clifton-Brown (Cirencester and Tewkesbury): I raised a number of points on Second Reading and in Committee, but they were not adequately answered, and people are being deprived of their private property rights.

I am grateful to my right hon. and learned Friend for widening the money resolution so that we can have this debate tonight, but I should be grateful if he would clarify a few points. First, what will be the date of valuation? It seems that the market was distorted immediately after his announcement to the House that these guns would be banned, so the valuations have been reduced.

Secondly, what will be the basis for the valuations? I understand that a list of various categories of weapons will be negotiated with the major gunsmiths in this country. Again, that is an unsatisfactory way to come up with a basis of valuation, because, critically, the value of a gun depends on its age and the amount that it has been used. As my right hon. and learned Friend will know, a gun that is taken out of a gunsmith's is immediately devalued by between a quarter and a third.

Thirdly, who will carry out the valuation? It needs a considerable expert to value a gun. One cannot just pick up a pistol and work out how much it has been used, unless one is a considerable expert.

Fourthly, who will judge the valuation appeals? If 160,000 guns are to be taken out of circulation, a considerable number of cases will go to appeal. Again, the people in charge of the appeal, who are making the awards, need to be—

Mr. William Ross: Will the hon. Gentleman give way?

Mr. Clifton-Brown: No. I have hardly any time left.

The people in charge of the appeal need to be great experts in this subject.

Fifthly, how long will people have to wait for their compensation? If people's private property rights are being taken away, they should be paid compensation rapidly.

A number of people have obtained firearms certificates for high-calibre pistols on the basis that these firearms will be kept in secure premises in a gun club. Therefore, a number of people have voluntarily got together to form a gun club and spent considerable sums on those premises, and on the security arrangements of those gun clubs.

It would be iniquitous if individuals received compensation for their steel cabinets in a private home but not for the more sophisticated arrangements that the police will require of a gun club—an armoury, burglar alarms and so on—before the club obtains a licence for the premises, and in order that people can get firearms certificates to keep their guns on those premises.

I hope that my right hon. and learned Friend will be able to give me some assurance on those points.

7 pm

Mr. Henderson: We on the Opposition Front Bench support the principle of the amendments tabled by my hon. Friend the Member for Great Grimsby (Mr. Mitchell) and his colleagues. I can tell my hon. Friend the Member for Stockton, North (Mr. Cook) that we shall deal with the potential disposal of weapons abroad later in the debate, so I do not propose to deal with it at the moment.

The hon. Member for Wolverhampton, South–West (Mr. Budgen) alleged that there was a coalition of Front-Bench speakers against Parliament. I understand where he comes from on that, but he is not right, because we on the Opposition Front Bench do not agree with the Government on a major issue in the Bill—whether .22 pistols should be retained. If they are retained, it will endanger our agreed objective, which is to provide proper protection for the public. There is a major difference between the Front Benches on that.

The Opposition and the Government agree that people want action on the excessive use of guns and their danger to the public. The House will completely abdicate its responsibilities if it does not face that issue quickly. That is why the Opposition agreed to co-operate with the Government on timetabling, but not on every part of the Bill.

The debate has not half brought people out of their burrows. Hon. Members in all parts of the House have clearly shown where they come from. I mentioned the accusation by the hon. Member for Wolverhampton, South–West about a Front-Bench coalition. Opposition by Conservative Members is not entirely from the Back Benches: it could accurately be described as being led by ex-Front-Bench Members who now disagree with the Government.

The hon. Member for Gainsborough and Horncastle (Mr. Leigh) said that the Bill was very un-Tory because it did not protect private property. We are all obliged to protect private property—that is part of democracy—but we also have an obligation to protect people, and I did not hear the hon. Gentleman or those colleagues who supported his case speaking about that. Protecting people should be our main responsibility, and that is the issue that we should tackle.

Sir Patrick Cormack: At any time before Dunblane, did the hon. Gentleman receive any objections from anyone in his party about target shooting as a legitimate sport? Can he refer to any pronouncement by any Labour politician at any time against it?

Mr. Henderson: Many people—not only members of the Labour party and lobby organisations, but people in my constituency—have asked me, "What do you intend to do about guns? People on our street have guns. Can you do something about that?" After an incident such as that at Dunblane, in which the lawlessness emanates from an activity that is currently lawful, people rightly say to Parliament, "What will you do to prevent that outrage, that horror, happening again?"

The specific issue that we are debating is compensation. Can the Home Secretary give examples of what he would define as "ancillary equipment", which is referred to in his amendments?

Mr. William Ross: Will the hon. Gentleman give way?

Mr. Henderson: I should like to proceed with my speech.

A definition of ancillary equipment would help the House. The debate is about where one draws the line on compensation. There is a clear distinction between nationalisation and confiscation on the one hand, and loss of business income, or even personal income, on the other. In terms of state action, one must distinguish between those two. If we accept that anyone who loses in any way from a decision in Parliament has a right to compensation, the list of persons and organisations applying for it will be limitless.

Everything we do affects somebody in some way. Signing up to the Maastricht treaty means that some people will say, "I am affected now and I will be affected in future." When we pass labour laws, some people will say that they are affected, and when we pass laws on health, some will say, "My business and my job are affected." The list is endless, and we would find it impossible to make any definitions. Parliament has said that compensation is automatic for nationalisation or confiscation in wartime, or when someone's home is demolished because of a road. There may be arguments about the amounts, but the principle is automatic.

The great danger with compensation for loss of business is that everyone will claim it. Furniture manufacturers who have to meet new safety requirements could say, "My business had to change and I had to invest in new equipment and diversify. I should get full compensation." There would be no claims in respect of the people who work for such manufacturers, but that is another matter.

Drug companies invest colossal amounts up front, thank goodness. In the light of scientific evidence, the House has to decide what is safe for the public, and sometimes drugs on which the companies have spent a great deal of money are no longer safe and have to be withdrawn. I cannot recall any substantial compensation to drug manufacturers.

The House has been passing building regulations and mine safety regulations for the best part of 150 years, but it has never been the policy of any Government to say that, if a business requires change or investment to meet new conditions, it will be entitled to full compensation. When building and fire safety regulations were rightly changed, there was no question of compensating every business that had to change as a result.

Mr. Clifton–Brown: Will the hon. Gentleman give way?

Mr. Henderson: No, because I am time-limited.

I recognise that dealers and others will face a loss of business. That is unfortunate, but they are no different from businesses which in the past had to modify their operations because of parliamentary decisions.

Mr. James Couchman (Gillingham): The hon. Gentleman will recall that we had a similar debate

[Mr. James Couchman]

in Committee on compensation. The businesses that we are discussing cannot change: they will be extinguished. The hon. Gentleman spoke about a road going through a house. If a road goes through a business, it is compensated. There is a difference between changing for the future in accordance with parliamentary regulations and being extinguished.

Mr. Henderson: The hon. Gentleman is not making a new point. Many businesses, such as the de-boners in the meat industry and companies involved in meat distribution, to which my hon. Friend the Member for Glasgow, Springburn (Mr. Martin) referred, have gone bust. Small sub-contractors to drug companies often go out of business because their expertise is linked to the manufacture of a drug that has been withdrawn. There are many examples of companies going out of business. I understand the difficulty of the companies that have been mentioned by the hon. Member for Gillingham (Mr. Couchman), but they are no different from other companies, and they are able to diversify.

I am no expert on guns or gun dealing—parliamentarians cannot be experts on everything—but I looked at some dealers' premises recently, and I noticed that some of them sell not only pistols but shotguns, rifles, fishing equipment and even England football strips. Therefore, not every dealer will go bust. There will be a change in their circumstances, but they must recognise the weight of public opinion to which the Government and Opposition have responded. People are saying, "Something must happen." We must take action to protect the public, and that action has consequences. People who have to hand in their guns, whether they are dealers or individuals, should receive adequate compensation.

It would be helpful if the Home Secretary would tell us what will be the sequence of events. The Opposition tabled amendment No. 13, which asks the Government to return to the House with the principles of a compensation scheme, so that we can debate them, and further debate some of the arguments that have been made today.

Mr. Clifton-Brown *rose—*

Mr. Henderson: I will not give way.

The Government were reluctant to present such principles during proceedings on the Bill in Committee. The Government should realise that there is much confusion on matters such as what values will be set, who will set them, what an individual who disagrees with a valuation should do, and whether there will be a right of appeal. Many questions must be answered.

It is important to ban the use of pistols to the greatest possible extent—although we differ on that—so legislation must be passed quickly. That is why the Opposition have co-operated on procedural matters. But many issues remain unresolved. There are issues linked to airguns that must be settled. The Government should have been bound by the legislation to make further proposals.

On compensation, a wise path forward, perhaps in another place, would be for the Government to provide further information on general principles of compensation, although the details might be set out in secondary legislation. If the Home Secretary can accomplish that, he will assure many hon. Members on both sides of the House that a satisfactory and reasonable approach has been found to deal with the matter.

The Secretary of State for the Home Department (Mr. Michael Howard): Right hon. and hon. Members have spoken with force and with passion in this debate, and I understand and acknowledge the depth of their concerns. I shall do my best to reply to as many points as I can in what must now inevitably be a short speech, and I will endeavour to write to those whose points I fail to deal with in the next few minutes.

On 18 November we tabled a new money resolution to the Bill so as to allow hon. Members to table amendments and to debate the matter of compensation without a technical limit being imposed on the scope of those amendments and of that debate. I said then that the Government would listen to all the arguments before deciding on the scope of a compensation scheme. In a moment, I will explain our conclusions on that. Before doing so, however, I should like to deal with the substance of the amendments tabled and eloquently moved by my hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin).

As my hon. Friend knows, in discussing these matters I have always made it clear that a distinction must be made between paying compensation for guns and accessories and the question of wider business losses. As I said on Second Reading, so far as I am aware there is no precedent for paying claims for business losses which occur as a result of Government legislation, and I made it clear then that I could not give my hon. Friends comfort on that score. I fear that nothing that I have heard today has led me to alter that view.

I should tell my hon. Friend the Member for Bristol, North-West (Mr. Stern) that the issue is not whether compensation should be paid. The Government are not presenting to Parliament a Bill which does not offer compensation. The difficult issue is determining where one draws the line—the point at which one either says, "This is a case in which, on all precedent, one must and should pay compensation", or, "However sympathetic one might be to those who will suffer loss in consequence of the legislation, on all precedent and on a proper analysis of the case, it does not justify compensation."

I think that the distinction between the two categories is clear. If the effect of Government legislation is to deprive people of property or of the use of that property, it is right that taxpayers collectively should pay those property owners for the value of that property. That principle has been a part of English law for many years in relation to land and buildings which are, for example, the subject of compulsory purchase orders.

Sir Terence Higgins *rose—*

Mr. David Harris (St. Ives): Will my right hon. and learned Friend give way?

Mr. Howard: If my hon. Friends will forgive me, I should like to make some progress in my explanation, and time is short.

Observance of the principle also arises from our obligations under the European convention on human rights. Of course we recognise that there are businesses

which will have stocks of guns that they will no longer be able to hold legally, and of equipment that is intended only for use with such guns. Their position is analogous to that of an individual who owns such equipment, and we accept that they should receive compensation for the objects that they hold which become unlawful or unable to be sold. However, those are very different issues from paying compensation for business losses or losses associated with the operation of a club.

7.15 pm

All businesses operate within a framework of legislation. In the case of the gun industry, the framework is stricter and more specific than in many other industries. It regulates what types of guns and ammunition can be bought and sold and who may buy and sell them. It is right that there is a strong framework to control the market in a product which is, potentially, extremely dangerous. Moreover, that framework of regulation has existed since the 1920s, and everyone who works in the firearms industry operates within it.

Major changes have been made in that regulatory environment on a number of occasions in recent history, and the changes have had a massive impact both on the shooting industry and on those who use guns for leisure purposes. In 1920, firearms controls were introduced for the first time; in 1934, fully automatic weapons were prohibited; in 1962, airguns and shotguns were made subject to restriction for the first time; in 1988, semi-automatic and self-loading rifles were prohibited; and in 1992 disguised firearms were prohibited. There have been many other minor changes which have affected the operations of gun dealers and gun clubs. All those changes were introduced to improve public safety, and some of them will have affected some businesses more than others. However, no one who works in the firearms industry can be unaware of the significance of regulatory controls on that industry.

It is one of the overriding duties of a Government to protect the safety of the public. The decisions that the Government have had to take on this extremely difficult and vexed matter were not different in principle from many other decisions that Governments are occasionally bound to take which may cause damage to the prospects of the industries associated with them. There have been many occasions on which the Government have felt it necessary to ban a particular product or to restrict access to it.

A recent example was the Government's decision in 1989 to ban the chewing tobacco product called "Skoal Bandits", which had begun to be marketed in this country. It was considered to be so potentially damaging to health that the Government banned it. The company concerned suffered a considerable loss, and it even challenged the Government in the courts. No compensation was paid, and the courts supported the Government on that decision.

Over the years, in the interests of public safety, many regulations have been introduced in the transport industry. Those measures have imposed very substantial additional costs on the haulage industry and have no doubt put some hauliers out of business. One sympathises with people who had to suffer those consequences, but no compensation was paid.

Occasionally various medicines or other chemical products, such as insecticides, have to be banned when information comes to light about their side effects. Major changes in regulations are occasionally made in order to control pollution. The Government have never paid compensation in those circumstances.

To provide an even more controversial example, only three weeks ago the House debated the cattle head de-boning industry, which has effectively been destroyed by the ban introduced in March this year on sales of head meat from cows. The ban was introduced because of the risk posed by head meat in relation to BSE. The Government were bound to act to preserve public safety and no compensation has been paid for the losses suffered by cattle head deboners.

The Government have a fundamental obligation to protect public safety. It would be a very significant inhibiting factor if, on every occasion that a decision had to be made, the Government were obliged to pay compensation for the business losses that resulted. My right hon. and hon. Friends are well aware that Government compensation means other taxpayers being required to pay for the business losses of those affected by the aftermath of Dunblane. Much as I regret the difficulties that gun clubs and firearms dealers are facing, I do not believe that it is right to ask for such compensation.

Sir Patrick Cormack: What is the logic of compensating the renderers but not compensating others? What is the logic of not compensating the gun maker, who will be driven out of business—all his assets, his house and everything else will go—but readily agreeing that it is entirely proper to compensate owners?

Mr. Howard: I have sought to explain why we do not think it right to compensate gun makers. Renderers were paid compensation to preserve a vital link in the food industry chain. The industry could not have survived if the renderers had all gone out of business. That is why a decision was taken to pay them compensation.

Mr. Budgen: Will my right hon. and learned Friend give way?

Mr. Howard: I hope that my hon. Friend will forgive me. I have only five minutes more because it is right that I should give my hon. Friend the Member for Weston-super-Mare, who moved the new clause, time to reply. I also want to deal with some of the other points that have been raised in the debate.

Amendment No. 66 would provide a form of independent financial arbitration on the valuation for compensation to be paid for those items for which we are intending to pay compensation. That important matter was raised by several right hon. and hon. Members and I should like to explain how we intend to approach the issue of compensation.

I intend to draw up a list of approximate values for different makes of gun, which I shall discuss with the British Shooting Sports Council. Gun owners will have a choice. They will be able to accept a flat-rate payment, or a value based on the list drawn up with the British Shooting Sports Council. If gun owners challenge our valuations of guns that they claim have special features making them more valuable than the norm, they will be able to provide their own valuations and the Government

[Mr. Howard]

will seek an independent valuation when agreement with a gun owner cannot be reached. A similar approach will be taken on accessories.

Those arrangements will be included in the scheme that the Government will make for compensation. Amendment 13 would make that scheme subject to parliamentary oversight. I am content that that should be done. I am happy to give a commitment that there will be access to independent valuations and that the details of the compensation scheme will be subject to parliamentary approval. We shall table an amendment to achieve that effect in another place. On that basis, I invite the hon. Members who have tabled amendments Nos. 66 and 13 not to press them.

Before I sit down, I should like to say a word about the amendments tabled in my name. Amendment No. 73 to clause 11 provides for compensation to be paid to owners who surrender expanding ammunition, which clause 25 will make it unlawful for them to possess. I hope that the hon. Member for East Londonderry (Mr. Ross) will forgive me if I do not go through a complicated explanation now. His concern that ammunition might be excluded from the compensation arrangements was misplaced. A proper analysis of the amendments shows that ammunition will be compensated for.

Subsection 2(a), to be introduced by amendment No. 73, clarifies the qualifying period for the possession of surrendered prohibited firearms and ammunition with the phrase:

"on or immediately before 16th October".

That is the answer to the first of the questions asked by my hon. Friend the Member for Cirencester and Tewkesbury (Mr. Clifton–Brown), who rightly pointed out that, if the valuation date was after my announcement, the market would be false and compensation would not be given at market value, as we intend. That is the practice that we followed in the 1988 scheme. The amendment makes it clear that the qualifying period must be in the days, or perhaps the week, before the date of my statement. The current wording of clause 11 is ambiguous and the amendment is an improvement.

Subsection (3), to be introduced by amendment No. 73, provides that a surrender and compensation scheme for guns and expanding ammunition can specify a period after which new claims for compensation will not be entertained, making different arrangements for different categories of claimant. The scheme for dealers, for example, may differ from that for individuals.

Amendments Nos. 75 to 79 are to schedule 1, which deals with the transitional arrangements for .22 pistols, which have to be kept in secure gun clubs. The amendments give the Home Secretary power to make payments on an ex gratia basis to owners of such guns—that is .22 calibre guns, not the guns that we are declaring unlawful—who hand them to the police and who are unable or unwilling to find a licensed gun club in which to keep them. Although such individuals are not being deprived of their property in the full legal sense, we accept that the provisions for .22 handguns will make it very difficult for some .22 shooters to continue to shoot on the same basis as before. We therefore accept that it is right that they should receive payments for their guns at market value. The arrangements to be made under the scheme will achieve that.

My right hon. Friend the Member for Worthing (Sir T. Higgins) drew my attention to the important issue of timing. I entirely understand and accept his point. I assure him and those who are similarly concerned that we shall take their considerations carefully into account when drawing up the scheme to deal with timing.

I believe that the Government amendments go a considerable way—although not, I regret to have to concede, all the way—to meeting the legitimate worries expressed by my right hon. and hon. Friends. In doing so, we have significantly increased the level of compensation to be paid to individual certificate holders and to firearms dealers.

Mr. Harris: My right hon. and learned Friend has not dealt with the position of individual gun clubs, particularly non-profit-making clubs. Many of them will be driven out. What can we do to help them?

Mr. Howard: For the reasons that I have sought to explain, I fear that I cannot offer my hon. Friend comfort on that. Many such clubs may be able to put in place the arrangements necessary to continue to operate, although I accept that many of them will not. However, for the reasons that I have sought to explain, it would be a complete departure from precedent to compensate such clubs.

Taken overall, I believe that this is a fair package. On that basis, I commend it to the House.

Sir Jerry Wiggin: My right hon. and learned Friend's statements on valuations are welcome. The British Shooting Sports Council will certainly co-operate to make a workable scheme.

I hope that my right hon. and learned Friend takes comfort from the fact that, in a two-and-a-half-hour debate, his principal support has come from the Opposition Front Bench and from the hon. Member for Glasgow, Springburn (Mr. Martin). I also detected from a short intervention that the hon. Member for Banff and Buchan (Mr. Salmond) is unlikely to support the new clause. Every other Member who contributed to the debate opposed the Government and supported the new clause. A high moral tone was adopted in an excellent debate.

I shall not detain the House. My right hon. and learned Friend has just said that it is the duty of the Government to obtain safety for the public. It is the duty of the House to protect the individual from theft by the state under the guise of law.

Question put, That the clause be read a Second time:—

The House divided: Ayes 113, Noes 299.

Division No. 25] **[7.28 pm**

AYES

Allason, Rupert *(Torbay)*	Bermingham, Gerald
Alton, David	Biffen, John
Ashdown, Paddy	Bowden, Sir Andrew
Austin–Walker, John	Boyson, Sir Rhodes
Banks, Robert *(Harrogate)*	Bruce, Ian *(S Dorset)*
Barnes, Harry	Bruce, Malcolm *(Gordon)*
Batiste, Spencer	Butterfill, John
Beggs, Roy	Campbell, Menzies *(Fife NE)*
Beith, A J	Carlile, Alex *(Montgomery)*
Benn, Tony	Chidgey, David
Bennett, Andrew F	Churchill, Mr

Colvin, Michael
Cook, Frank *(Stockton N)*
Cormack, Sir Patrick
Davies, Chris *(Littleborough)*
Dover, Den
Duncan Smith, Iain
Evans, David *(Welwyn Hatf'ld)*
Field, Frank *(Birkenhead)*
Fishburn, Dudley
Foster, Don *(Bath)*
Fry, Sir Peter
Gorst, Sir John
Grant, Sir Anthony *(SW Cambs)*
Griffiths, Win *(Bridgend)*
Hamilton, Sir Archibald
Harris, David
Harvey, Nick
Haselhurst, Sir Alan
Hawksley, Warren
Hicks, Sir Robert
Higgins, Sir Terence
Hoey, Miss Kate
Howell, David *(Guildf'd)*
Howell, Sir Ralph *(N Norfolk)*
Hunter, Andrew
Illsley, Eric
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Dr L *(B'ham Selly Oak)*
Jones, Martyn *(Clwyd SW)*
Jones, Nigel *(Cheltenham)*
Jopling, Michael
Kennedy, Charles *(Ross C & S)*
Key, Robert
King, Tom
Kirkwood, Archy
Knight, Dame Jill *(Edgbaston)*
Leigh, Edward
Lester, Sir Jim *(Broxtowe)*
Lewis, Terry
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Lynne, Ms Liz
Maclennan, Robert
Maddock, Mrs Diana
Marland, Paul
Marlow, Tony
Michie, Mrs Ray *(Argyll Bute)*
Mitchell, Austin *(G'st Grimsby)*
Moate, Sir Roger
Monro, Sir Hector
Morris, John *(Aberavon)*
Nicholson, David *(Taunton)*
Nicholson, Miss Emma *(W Devon)*
O'Hara, Edward
Onslow, Sir Cranley
Pearson, Ian
Pickthall, Colin
Rathbone, Tim
Rendel, David
Richards, Rod
Riddick, Graham
Ross, William *(E Lond'y)*
Shaw, Sir Giles *(Pudsey)*
Shepherd, Sir Colin *(Heref'd)*
Skeet, Sir Trevor
Skinner, Dennis
Smyth, Rev Martin *(Belfast S)*
Steel, Sir David
Steinberg, Gerry
Sweeney, Walter
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Thurnham, Peter
Tyler, Paul
Vaughan, Sir Gerard
Viggers, Peter
Walker, Bill *(N Tayside)*
Wallace, James
Waller, Gary
Walley, Ms Joan
Wardle, Charles *(Bexhill)*
Welsh, Andrew
Whittingdale, John
Wiggin, Sir Jerry
Wigley, Dafydd
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'd)*
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Christopher Gill and
Mr. John Carlisle.

NOES

Ainsworth, Peter *(E Surrey)*
Aitken, Jonathan
Alison, Michael *(Selby)*
Allen, Graham
Amess, David
Arbuthnot, James
Armstrong, Ms Hilary
Arnold, Jacques *(Gravesham)*
Ashby, David
Atkins, Robert
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Bates, Michael
Bell, Stuart
Bendall, Vivian
Beresford, Sir Paul
Boateng, Paul
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Mrs Virginia
Bowis, John
Bradley, Keith
Brandreth, Gyles
Bray, Dr Jeremy
Brazier, Julian
Bright, Sir Graham
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Burden, Richard
Burns, Simon
Burt, Alistair
Butler, Peter
Byers, Stephen
Cabom, Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell–Savours, D N
Canavan, Dennis
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Channon, Paul
Chapman, Sir Sydney
Chisholm, Malcolm
Clappison, James
Clark, Dr Michael *(Roch'd)*
Clarke, Kenneth *(Rushcliffe)*
Clwyd, Mrs Ann
Coe, Sebastian
Cohen, Harry
Congdon, David
Connarty, Michael
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Corbyn, Jeremy
Corston, Ms Jean
Couchman, James
Cran, James
Cunningham, Jim *(Cov'try SE)*
Currie, Mrs Edwina
Curry, David
Dalyell, Tam
Davies, Bryan *(Oldham C)*
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Dewar, Donald
Donohoe, Brian H
Dorrell, Stephen
Douglas–Hamilton, Lord James
Dowd, Jim
Duncan, Alan
Dykes, Hugh
Eagle, Ms Angela
Eggar, Tim
Elletson, Harold
Evans, John *(St Helens N)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Faulds, Andrew
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Flynn, Paul
Forsyth, Michael *(Stirling)*
Forth, Eric
Foulkes, George
Fowler, Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fyfe, Mrs Maria
Galbraith, Sam
Gale, Roger
Gallie, Phil
Garnier, Edward
Garrett, John
Gerrard, Neil
Gillan, Mrs Cheryl
Golding, Mrs Llin
Goodlad, Alastair
Gordon, Ms Mildred
Gorman, Mrs Teresa
Graham, Thomas
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Peter *(Portsmouth N)*
Grocott, Bruce
Gummer, John
Gunnell, John
Hague, William
Hall, Mike
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hanson, David
Hargreaves, Andrew
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heath, Sir Edward
Henderson, Doug
Hendry, Charles
Heseltine, Michael
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Hoon, Geoffrey
Horam, John
Hordern, Sir Peter
Howard, Michael
Howarth, George *(Knowsley N)*
Hughes, Robert *(Ab'd'n N)*
Hughes, Robert G *(Harrow W)*
Hughes, Roy *(Newport E)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hurd, Douglas
Hutton, John
Jack, Michael
Jackson, Mrs Helen *(Hillsborough)*
Jenkin, Bernard *(Colchester N)*
Jenkins, Brian D *(SE Staffs)*
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Kennedy, Mrs Jane *(Broadgreen)*
Khabra, Piara S
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Liddell, Mrs Helen
Lidington, David
Lilley, Peter
Loyden, Eddie
Luff, Peter
Lyell, Sir Nicholas
McAvoy, Thomas
Macdonald, Calum
McFall, John
MacKay, Andrew
Maclean, David
McMaster, Gordon
McNair–Wilson, Sir Patrick
McNamara, Kevin
Madel, Sir David
Maitland, Lady Olga
Malone, Gerald
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Martin, Michael J *(Springburn)*
Martlew, Eric
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Merchant, Piers
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Milburn, Alan
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Montgomery, Sir Fergus
Morley, Elliot

Morris, Alfred *(Wy'nshawe)*
Moss, Malcolm
Mowlam, Ms Marjorie
Mullin, Chris
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Norris, Steve
O'Brien, Mike *(N Warks)*
Oiner, Bill
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Sir Irvine
Patten, John
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Pope, Greg
Porter, David
Portillo, Michael
Powell, Sir Raymond *(Ogmore)*
Prentice, Mrs B *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Ms Dawn
Purchase, Ken
Redwood, John
Reid, Dr John
Renton, Tim
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robertson, George *(Hamilton)*
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roche, Mrs Barbara
Roe, Mrs Marion
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowe, Andrew
Sackville, Tom
Sedgemore, Brian
Shaw, David *(Dover)*
Shephard, Mrs Gillian
Simpson, Alan
Sims, Sir Roger
Soames, Nicholas
Spearing, Nigel
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Ms R *(Dunfermline W)*
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stewart, Allan
Straw, Jack
Streeter, Gary
Sykes, John
Tapsell, Sir Peter
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Timms, Stephen
Townsend, Cyril D *(Bexl'yh'th)*
Tredinnick, David
Trend, Michael
Trotter, Neville
Turner, Dennis
Waldegrave, William
Walden, George
Ward, John
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Sir John
Widdecombe, Miss Ann
Wilkinson, John
Willetts, David
Wise, Mrs Audrey
Wood, Timothy
Worthington, Tony
Wray, Jimmy
Yeo, Tim
Young, Sir George

Tellers for the Noes:
Mr. Patrick McLoughlin
and
Mr. Richard Ottaway.

Question accordingly negatived.

New clause 6

COTERMINOUS PISTOL CLUB LICENCES AND RIFLE CLUB APPROVALS

'. After section 15 of the 1988 Act there shall be inserted the following section—

"Coterminous pistol club licences and rifle club approvals

15A.—(1) Where an application is made on behalf of a club which is an approved rifle club for the grant or renewal of a pistol club licence, the officer of the club making the application may also apply for the club's approval to be withdrawn and replaced by a new approval taking effect on the same day as that on which the licence is granted or renewed.

(2) Where an application is made on behalf of a club which has a pistol club licence for the grant or renewal of approval as a rifle club, that approval may, if the club so requests, be granted or renewed for such period less than six years as will secure that it expires at the same time as the licence.

(3) The fee payable on the grant or renewal of an approval which—

(a) takes effect, whether by virtue of subsection (1) above or otherwise, at the same time as a pistol club licence granted or renewed in respect of that club, or

(b) is granted or renewed by virtue of subsection (2) above for a period less than six years,

shall be £21 instead of that specified in section 15(6) above.

This subsection shall be included in the provisions that may be amended by an order under section 43 of the principal Act.

(4) In this section "pistol club licence" means a licence under section 15 of the Firearms (Amendment) Act 1996." '.—*[Miss Widdecombe.]*

Brought up, and read the First time.

Miss Widdecombe: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael Morris): With this, it will be convenient to discuss the following: Government amendments Nos. 96, 97, 112 and 113.

Amendment No. 57, in clause 14, page 7, line 4, after 'club', insert

'or a qualified range conducting officer'.

Government amendments Nos. 114, 87, 88, 98, 99, 89 and 104.

Miss Widdecombe: I shall deal first with amendment No. 57 tabled by my hon. Friends, which I urge the House to resist. *[Interruption.]* I cannot support the amendment, which is unnecessary.

Clause 14(1) allows the responsible officer of a licensed pistol club to have in his possession the small-calibre pistols belonging to the members of that club without holding a separate firearm certificate for them. The amendment would extend that exemption to any qualified range conducting officer, but clause 14(2) already allows other officers or members of a licensed pistol club to enjoy the same exemption from the certification requirement as the responsible officer if the chief officer of police for the area in which the premises are situated has given his written permission for them to do so.

That ensures that unrestricted access to small-calibre pistols at a licensed club is limited to the responsible officer or other persons who have been approved by the local chief police officer. We believe that is right to ensure that the safety of the public is safeguarded. We are not suggesting that range officers are not responsible people, but we believe that unrestricted access to pistols must be tightly controlled.

New clause 6 and amendments Nos. 87, 88 and 89 have been tabled in response to an undertaking that I gave in Committee to my hon. Friend the Member for Hexham (Mr. Atkinson) in relation to licensed pistol clubs and approved rifle clubs. The amendments will improve the administrative procedures for dealing with the granting of licences and approvals for gun clubs.

New clause 6 provides for a lesser fee of £21 for grant or renewal of an approval for a rifle club when it is granted or renewed at the same time as a pistol club licence is granted to that club, or its pistol club licence is renewed, as the case may be. A lower fee is appropriate in those circumstances, because most of the

checking that has to be undertaken by the police before the pistol club licence is granted or renewed will usually also suffice for the purposes of a rifle club approval. As a general rule, I believe the fee should be one quarter of the full rifle club approval fee, which is currently £84. The reduced fee will apply only where grant or renewal of the licence and approval take place at the same time.

7.45 pm

New clause 6 will also allow joint clubs—where both pistol and rifle target shooting activities take place—to have their licence and their approval run from the same date. Again, that will benefit the police, and it will also assist club officials.

Amendments Nos. 87 and 88 will allow the licence for a pistol club to run for a maximum period of six years, the same period as that of a rifle club approval. I must make it clear, however, that the Secretary of State will retain the power to revoke his approval for a rifle club at any time before the expiry of that period and he will also have the power to revoke the licence of a pistol club. Allowing pistol club licences and rifle club approvals to run conterminously will ease the administrative burden on the police by allowing them to undertake checks on those premises from where both types of club will operate at the same time. I hope that it will also ease the burdens on the clubs.

Amendment No. 98 is a consequential technical amendment to the Firearms (Amendment) Act 1988. It would require a description of the pistols stored at a licensed club to be entered in that club's register. The list of items contained at clause 21(2) would be expanded to cover this important particular. Under the present wording, the description of the pistols could be caught only by the general paragraph (e) and would have to be covered by separate regulations. That course could be avoided by means of this minor amendment, which also emphasises the importance of the register containing accurate descriptions of each pistol.

Amendment No. 99 clarifies the matters in respect of which entries in the pistol register have to be made within 24 hours—when the pistol is first stored at the premises, or its subsequent removal from or return to those premises. Amendment No. 113 is merely a drafting change, intended to improve on the language of the Bill and to add to clarity.

Sir Jerry Wiggin: I apologise to my hon. Friend but, having spent a lifetime shooting, my hearing is not what it should be and there was also the noise of hon. Members departing. I think that she fully covered amendment No. 57, but I gather that she is not entirely enamoured of it. I hope that she will consider the practicalities of nominating an individual. I may have misunderstood her—I shall study her words with care—but I hope that she will be sympathetic to the practical problems of a small club, where, if someone were ill, a whole day could be wiped out. We are not asking for much, and I shall study my hon. Friend's remarks in the morning.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New clause 1

EXTENSION OF THE FIREARMS ACT 1968 TO PROHIBIT SMALL FIREARMS IN SCOTLAND

'.—(1) The 1968 Act shall be amended as follows.

(2) After section 5A there shall be inserted the following section—

"Prohibition of small firearms in Scotland

5B.—(1) A person commits an offence if, without the authority of the Defence Council, he has in his possession while in Scotland, or purchases or acquires in Scotland, or manufactures, sells or transfers in Scotland, any firearm which either has a barrel less than 30 centimetres in length or is less than 60 centimetres in length overall, other than an air weapon to which section 1 of this Act does not apply, a muzzle-loading gun or firearm designed as a signalling apparatus.

(2) For the purposes of this section, any detachable, folding, retractable or other movable butt-stock shall be disregarded in measuring the length of any firearm.

(3) For the purposes of this section a muzzle-loading gun is a gun which is designed to be loaded at the muzzle end of the barrel or chamber with a loose charge and a separate ball (or other missile).".

(3) In Part I of Schedule 6 (prosecution and punishment of offences), after the entry for section 5(6) there shall be inserted the following entry—

"Section 5B(1,.	Having, etc. a small firearm in Scotland.	(a) Summary	6 months or a fine of the statutory maximum; or both	—
		(b) On indictment	5 years or a fine; or both.".'.	—

—[Mr. Salmond.]

Brought up, and read the First time.

Mr. Salmond: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 6, in clause 1, page 2, line 8, at end insert—

'(10) The provisions of subsection (1)(aba) apply only to England and Wales.'.

No. 7, in clause 2, page 2, line 18, after '5', insert 'or by virtue of section 5B'.

No. 8, in clause 3, page 2, line 27, after '5', insert 'or by virtue of section 5B'.

No. 9, in clause 4, page 2, line 33, after '5', insert 'or by virtue of section 5B'.

No. 10, in clause 5, page 2, line 42, after '5', insert 'or by virtue of section 5B'.

No. 16, in clause 13, page 6, line 27, at end insert 'and

(d) the premises are outside Scotland.'.

No. 17, in clause 15, page 7, line 18, after 'premises', insert 'outside Scotland'.

No. 11, in clause 40, page 19, line 33, at end add—

'(6) Part II of this Act extends to England and Wales only.'.

Mr. Salmond: New clause 1 is in the name of a variety of hon. Members. Amendments Nos. 6 to 10 are

[Mr. Salmond]

consequential to new clause 1 and amendments Nos. 16, 17 and 11 seek to do the same thing as new clause 1 from a slightly different—perhaps more direct—approach.

Hon. Members will see that new clause 1 is supported by what can best be described as a rainbow coalition of Members. From the list of sponsors of the amendment, it appears that there are probably three reasons why hon. Members have put their name to it.

The hon. Members for Foyle (Mr. Hume), for Falkirk, West (Mr. Canavan) and for Argyll and Bute (Mrs. Michie) and I have all argued strongly for a handgun ban, and will seek each and every opportunity to argue that case. The support of the hon. Member for Caernarfon (Mr. Wigley) and of the hon. Member for Liverpool, Mossley Hill (Mr. Alton), who is not in the Chamber at the moment, for the new clause is motivated by the fact that they see the opportunity for Scotland to lead the way for England and Wales if it is successful.

The hon. Members for Belfast, East (Mr. Robinson) and for North Antrim (Rev. Ian Paisley) do not agree with the objective of banning handguns, but none the less believe that the Scottish will is most decided on the matter, and that Scotland should decide for itself rather than having something imposed from elsewhere. I welcome the support of all those hon. Members for amendments that are important in terms of both principle and the direction that they take.

I shall examine the idea of leading by example and the idea of letting Scotland decide on this matter, above all matters, in the aftermath of the Dunblane massacre. First, however, I shall talk about practicality.

Some hon. Members have said both here and outside the House that it would not be possible to implement a total handgun ban in Scotland if one did not exist in England and Wales. I think that it was the hon. Member for Cunninghame, North (Mr. Wilson) who said on "Question Time" that he could foresee someone going from Scotland to buy a handgun from a registered dealer south of the border and taking it back into Scotland because, as he put it, there are no border controls.

That betrays a total lack of understanding of the nature of the legislation. As we understand it, under the Bill it would not be possible to transport handguns except under strictly supervised conditions. The only handguns allowed—the .22 calibre weapons—would be in licensed pistol clubs in secure conditions.

As a result of the new clause, there would be no licensed pistol clubs in Scotland, so I would argue strongly that not only is it totally practical to have a total ban in Scotland, but such a situation would be easier to police and more practical than the legislation that would apply to England and Wales.

When .22 calibre weapons are transported, there are bound to be circumstances in which doubt arises. That is one of the weaknesses in the legislation. There will be doubt about whether the various mechanisms and protections surrounding transportation have been properly respected.

In Scotland, the position would be black and white. No civilian handguns would be legal and there would be no transporting of handguns. That position would be more effective and easier to police. The argument that a ban in one part of the United Kingdom but not in others would not be practical without border controls or an independent Scotland is false.

After all, the Bill is not United Kingdom legislation; it does not cover Northern Ireland, which has different regulations and rules on handguns now. Few hon. Members would seriously argue that we could impose legislation willy-nilly on Northern Ireland without taking account of the issue of personal security, which is so important in the Province—and that applies equally to those of us who argue that handguns should be banned. It is therefore possible and practical to have a handgun ban in Scotland.

I shall now explain the two main arguments behind the new clause. The idea of leading by example has attracted support among hon. Members from both England and Wales. As I have said in previous debates, I believe that elements in the Bill are a messy compromise between the ambitions, aims and objectives of the Secretary of State for Scotland, who was looking for a total ban on handguns, and the resistance of the Home Secretary, who did not share that position.

The Government have been left with a messy compromise that isolates .22 calibre weapons, saying that they can somehow be rendered safe, while higher-calibre weapons must be banned. That distinction has fallen apart, faced with the arguments advanced against it.

If the Government are confident of their position, why will they not allow a total ban in Scotland, while enacting their present proposals for legislation in England and Wales, and then compare the two and see which system is more accepted and can be better enforced? I think that the ban in Scotland would quickly lead the way to introducing different legislation in England and Wales.

My second argument is that we should let the Scottish people decide on the issue. My view, which I know many other Scottish Members share, is that among the Scottish population there is a settled will in favour of a handgun ban.

It is often said during debates on the Bill, especially by those who are upset or worried about it, and who think that it is spatchcocked, rushed legislation, that it has been carried forward on a tide of emotionalism, and that those of us who argue for a handgun ban are reacting to an emotional argument.

I do not believe that that is the position that has been reached in Scotland. Certainly there is understandable emotion in the aftermath of the Dunblane massacre, but we have moved well beyond that point in arguing the case through. There is a settled opinion in Scotland that a total ban on the civilian use of handguns is the most effective response to the tragedy at Dunblane.

When we debated the matter two weeks ago, on a free vote, 56 of the 72 Scottish Members argued and voted for a handgun ban. I believe that that reflected the overwhelming majority view among the Scottish population, which has been revealed in many ways. The House should find it in its heart to allow Scotland to decide on the issue—to respect the wishes of the Scottish people and accept the new clause.

It has been said to me over the past few days that I have tabled a nationalist new clause, which could be supported only by someone who believed in an independent Scotland. I do not believe that that is true.

The incorporating unionist tendency, as represented by the Government, has recently been making an enormous play of saying that Scotland can play a distinctive part within an incorporating Union. I cannot see much concrete evidence for that idea—except perhaps the odd stone here and there. It is a difficult argument to sustain, but those who support that position should be prepared to allow a distinctive judgment and response in Scotland to an event such as the tragedy of Dunblane.

I understand that such legislation would be covered by the devolutionist proposals, too. With devolution, legislation different from that approved by the Westminster Parliament here in London could well emerge from the Scottish Assembly in Edinburgh; so it is possible to support the distinction from a devolutionist point of view.

From a pro-independence position, too, I think that it is important for the Scottish people to determine something that is vitally linked to our social life and to how we react to tragedies.

The issue has brought together people from all political parties and from none. One of the experiences that I am sure we have all shared in responding to the Snowdrop campaigners is the realisation that people from outwith politics have played such a magnificent role in arguing the case. It involved many talented people who had found themselves for one reason or another outside the political process, or who did not feel that they should engage in party political debate.

The issue has brought together opinion in Scotland within parties, too. As some hon. Members will know, I am from West Lothian. I come from Linlithgow, so I am a "Lithca lad", a "black bitch". That may confirm some hon. Members' opinions—although I must tell the hon. Member for Hamilton (Mr. Robertson) that the description applies to both sexes. We are very forward-looking about such things in Lithca.

In West Lothian, politics is pretty rough at local level. There are endless arguments between the Labour party and the Scottish National party. Indeed, in the council group there are endless arguments within both parties, too. Yet, on the issue of banning handguns, both parties on the council united within and between themselves to say, "We do not want handguns in the West Lothian community." I venture to suggest that an issue that can unite the Labour and Scottish National party council groups in West Lothian has truly united the vast majority of Scottish opinion. The new clause asks the House of Commons to respect that opinion in Scotland. It is practical, it is possible and it is the right thing to do. I ask hon. Members to give it their support.

8 pm

Mr. George Robertson (Hamilton): May I speak early in what might be a short debate to make clear the position of the Opposition Front Bench? Tonight—as on 18 November—Labour Members will have a free vote, but it is important to make our position clear. I say up front that I am advising my colleagues not to support the amendment moved by the hon. Member for Banff and Buchan (Mr. Salmond), and I shall try to tell the House why.

I do not know whether it is necessary for me to do so, but I will repeat that my personal position—as well as that of my party—is very firmly in favour of a complete ban on handguns. We have dealt with this on a number of occasions, and no one should mistake the strength of feeling that I hold on this issue. My difference of opinion with the hon. Member for Banff and Buchan and those who support the amendment is not with the substantive issue, but with the implementation of their proposal.

The first and most important reason for not supporting the amendment is that it will not be passed. I have stood at this Dispatch Box for 17 years and articulated cases strongly, often in the sure and certain knowledge that we were not going to win. However, that in itself is not the argument. People outside this House who do not understand what goes on here and who have a strong sense of emotion and passion on this subject are likely to have their hopes raised, only to see them dashed.

The argument may be that, if every Opposition Member were here, we could defeat the Government this evening; but, on 18 November—on a free vote, but with a huge attendance by Members from all parties—the Government's position was endorsed by a majority of 25. For us to reverse that, we must assume that all the Ulster Unionist Members who voted as they did that night would change sides.

The hon. Member for Banff and Buchan has attracted the support of the hon. Members for North Antrim (Rev. Ian Paisley) and for Belfast, East (Mr. Robinson). I do not know whether those two Members will be here to vote at the end of this debate, but they were only two of those who voted with the Government on 18 November. There is no certainty that they would vote the opposite way were they here tonight.

In any case, their votes will not be sufficient to change the result. Four brave Conservative Members defied the three-line Whip on 18 November to vote for a complete ban. It is unlikely that they will vote for the amendment this evening, and there is no indication that they will.

In the circumstances, there is no prospect of the amendment being passed. It would be unfair and hurtful if people outside this House were led to believe that a set of circumstances existed in the House that might have led to a complete handgun ban in Scotland after we were unable to obtain one on the Floor of the House on 18 November.

As someone who is close to the people immediately involved in the campaign on the issue, I do not wish to be associated with something that might be seen as a gesture in the circumstances. I have spent some time today talking to a number of people who have campaigned with great distinction, and I have also spoken to some of the bereaved parents and explained the circumstances of this evening's vote. I was in Dunblane following the vote on 18 November, and I know the deep sense of disappointment that was felt by people who believed that the House of Commons would take a different decision.

I know how deeply and painfully people felt, and a number of senior pupils at Dunblane high school embarked upon a hunger strike, so deeply did they feel that the Parliament of this country had let them down. Therefore, whatever views I have on the issue, I have at the back of mind the feeling that these people should not be led to believe in something that cannot provide what they want.

After the vote of 18 November, this matter can only be resolved by a general election. I regret that bitterly, because we could have established on a free vote

[Mr. George Robertson]

throughout the House a position that would have resolved the issue without politics. However, the people will make their choice at a general election, and somehow we will resolve the issue in a more secure way than is possible at present.

The Labour party is committed to a complete ban on handguns. If we form the Government after the election, we will provide an early legislative opportunity for the House of Commons to vote and, on a free vote, we will recommend that a complete ban on handguns be implemented. We will close the loophole that allows 40,000 .22 pistols—at least half of them semi-automatic—to remain in legitimate private ownership.

The hon. Member for Banff and Buchan and I have, remarkably, agreed on this issue up to now. That is not something that we do often, but when we do, it counts. I say this with great sadness, but to press the amendment to a vote tonight—I hope he will not do so—will inevitably mean that there will be a bigger majority against this partial and geographical ban than there was on 18 November.

As the Bill moves from this House to another place—where it is clear the friends of the hon. Member for Weston-super-Mare (Sir J. Wiggin) will give it a lot of attention—that is the wrong signal to give. The feeling in the House and in the country remains strongly in favour of a complete handgun ban, and we should not give false comfort to those in the other House who might choose to take a different position. As we will support the Bill in the other House, I hope that there will be no dilution of what the Government have proposed. We will support the Bill on Third Reading, although it retains a key inadequacy, in our view.

The hon. Member for Banff and Buchan says, "Let the Scots make the decision." He quoted the figures—56 out of 72 Scottish Members voted for a complete ban. We do not need another vote to tell the world that the majority of Scottish Members are in favour of a handgun ban. That is only worth doing if it is going to change the situation, and, frankly, it will not. We do not need another defeat to underline the fact that a majority of Scottish Members are in favour of a complete ban, or that we will work towards achieving that in the near future. Such a defeat will take us no further, and I am only interested—especially in this area of policy—in doing things that advance the cause. I rarely wish to get involved in things that do not.

The hon. Member for Banff and Buchan said that this was practical and possible. I have dealt with the possible element, but now I shall refer to the practicality of his argument. He says that .22 pistols in England will be securely held in clubs under the regulations laid down in the legislation, and that they can only be transported from club to club under independent and secure conditions.

Frankly, he is using the Home Secretary's argument. If what he is saying is right, we can have no objection to the partial ban. If the Home Secretary is right to say that there will be shooting only in registered clubs and that guns cannot get out because they can only be transported under special conditions, what is the objection to the Government's partial ban?

Mr. Salmond: Will the hon. Gentleman give way?

Mr. Robertson: When I have finished this point.

The argument against a partial ban is that even the British Shooting Sports Council said that there would be circumstances in which people would be able to sign out their guns. The Government say that someone else would carry them on each occasion, but we are not persuaded by that. If guns can leak out of the system in England, they can leak into the system in Scotland. I regret the fact that the hon. Member for Banff and Buchan appears to be accepting the Government's arguments to support his own.

Mr. Salmond: I was not accepting the Government's arguments but rebutting an argument made on "Question Time" by a Labour Front-Bencher, who said that, if there was a ban in Scotland, people could go south of the border to buy a gun and transport it back to Scotland. That is clearly not possible. Given that that argument was advanced by one of the hon. Gentleman's Front-Bench colleagues, he should not remind me of how that is not possible and tell me that it is a foolish argument.

Mr. Robertson: The hon. Gentleman is entitled to rebut arguments, but he has not rebutted them all. If he relies on the Government's rationale for a partial ban in Britain as a whole to reinforce his arguments for a total ban in Scotland, he must do better than to rebut something that was said on television in response to an audience question.

We argue against a partial ban because we are not convinced that it would be secure; we argue for a total ban because we believe that that is the only way to end the handgun culture and ensure that lethal pistols and handguns will not simply leak back into society.

The key point was the argument concerning leakages which was advanced by the British Shooting Sports Council at the Cullen inquiry. I am not the only one who is sceptical about the Home Secretary's assurances regarding transportation. The sport is extremely fragmented, there are 40,000 handguns, and a large number of shooters are involved in competitive shooting, so it is not sustainable to believe that Group 4 will be in charge of every transportation that takes place. The scepticism of the shooting lobby, in this case, is far more powerful than Government reassurances.

The hon. Member for Banff and Buchan says that his proposal is devolutionist. I am the champion of the cause of devolution, and the Scottish Parliament that we will create will have the power to deal with firearms legislation. That will be the time to consider such matters, not in the final stages of a Bill that we hope to make an Act of Parliament by the end of the year or shortly thereafter. At this time we cannot deal with the ramifications and side issues that are inevitably involved in having a ban in one part of the country and not another.

The issue can and should be dealt with, but all the factors must be taken into account. I say, therefore, with no anger or bitterness towards the hon. Gentleman, that he should think again. It is not right in any way to dilute or undermine the strong stance that has already been taken on a handgun ban. We should not offer any comfort or support to those in the House of Lords who in a few weeks' time will consider the Bill and who may try to do some mischief if they are given half an opportunity.

The message of hope for those who believe that they have found the way to prevent or at least minimise the risk of another Dunblane is strong, and the House should

not abandon or dilute it. We should be realistic in what we offer and practical in everything that we do. A decision that will lead to an inevitable defeat will raise hopes only to dash them among the people who least deserve such treatment.

Mr. Bill Walker (North Tayside): I oppose the new clause for several reasons. Anyone who had not taken an interest in the debate but had listened to the hon. Member for Hamilton (Mr. Robertson) would say that he had never heard such a poor reason for voting or not voting. When the hon. Gentleman gets round to reading what he said—I shall certainly use it during the general election campaign—he will realise that he has said that there are times in Parliament when one can and should do things and times when one cannot and should not, and that it has nothing to do with beliefs, principles or anything of the sort.

At least the hon. Member for Banff and Buchan (Mr. Salmond) has taken an honourable position from his party's point of view. The fact that I disagree with it does not mean that I do not recognise that his party wants a separate Scottish Parliament and a separate Scotland where separate decisions are made. I am totally opposed to that, but he is using this Parliament as it should be used by advancing proposals on matters about which he feels strongly. That is what Parliament is all about.

8.15 pm

I dispute the statements that have been made about the people of Scotland all being in favour of the ban. It is true that there are probably more people with gun licences in my constituency than in almost any other part of the United Kingdom, but none the less, the ratio of letters that I receive on the subject is 9:1 against a ban. It all depends on where one is in Scotland and to whom one is talking.

I believe that my constituents, like everyone else, have a right to have their opinions heard in the House.

Sir Jerry Wiggin: Perhaps my learned Friend would care to know that in my constituency which, unlike his, does not have many shooters, the letters run in even greater numbers in favour of shooting and against this ridiculous Bill.

Mr. Walker: I am sure that the pattern varies throughout the country, and it is important that we express the views and concerns of our constituents. Of course there are times when, on matters of principle, one has to say to one's constituents, "I'm sorry, but in this case I cannot support you." That has happened to me at various times and I have not always been flavour of the month; it is interesting to note, however, that attitudes change with the passage of time.

I believe that the hon. Member for Banff and Buchan was right to table the new clause and to speak in support of it, and he will be right to press it to a vote if he so wishes, because that is what Parliament is all about, but—Whips or no Whips—I shall certainly oppose it.

Mr. Galbraith: I hope that the hon. Member for Banff and Buchan (Mr. Salmond) will not press the new clause to a vote and will reconsider his position. We should consider why the new clause is before us. As my hon. Friend the Member for Hamilton (Mr. Robertson) said, when the proposal for a total ban was voted on before, it was defeated by 25 votes, and there is therefore no prospect whatever of the new clause being added to the Bill tonight. We can only dilute our current position.

The hon. Member for Banff and Buchan made several suggestions as to why we should consider the new clause, one of which was that he wanted Scotland to be used for a pilot study, as the laboratory for handgun legislation and control. In other words, if the legislation were shown to be effective in Scotland it would be translated to England and Wales and, if not, it would be scrapped.

I am always worried about pilot studies in Scotland, because we tend to use them when it suits us. The poll tax was criticised as a pilot study that applied only to Scotland and that was given as the very reason why we should be against it; this is a pilot study, yet that is given as the very reason why we should favour it. We should be sceptical about such arguments, which we tend to use for our convenience.

The hon. Member for Banff and Buchan also sought to suggest that it was the settled will of the Scots that we were somehow different, perhaps more vulnerable or more willing; I am not quite sure of the basis of his argument. However, it is not the case. Concern and vulnerability do not stop at national borders. It is therefore proper and correct that this Parliament should consider the matter UK-wide.

I hope that the hon. Member for Banff and Buchan does not think me ungenerous if I suggest that there is perhaps a political motive behind his amendments: to embarrass the Labour party. That is not new; he does it from time to time in the House, as he is entitled to.

Ms Roseanna Cunningham (Perth and Kinross): Does the hon. Gentleman seriously suggest that hon. Members from other Opposition parties never make political moves in the House?

Mr. Galbraith: I was saying that such methods are legitimate, but I think that they are inappropriate in respect of this Bill. The people of Scotland will not like us using the Bill for political purposes. The press releases are probably already winging their way to the local press in Scotland demanding that local Labour candidates or Members of Parliament explain their positions—the usual hoo-hah. I understand that that happens from time to time; but with this Bill and the concerns, emotions and lives of the people involved, it is inappropriate. I hope that the hon. Member for Banff and Buchan will think twice about whether he should pursue his amendments. We have the high ground and we should retain it. We should not in any way dilute it with a new clause that is only a political act to embarrass the Labour party.

Ms Cunningham: I want to take up some of the points made by the hon. Member for North Tayside (Mr. Walker). I was interested in his assessment of the contents of his constituency mailbag. I represent the neighbouring constituency, and I must advise him that the contents of my constituency mailbag suggested precisely

[Ms Cunningham]

the opposite to his. Of course, it may be that people write because they know the views of their Member of Parliament.

Mr. Bill Walker: There are several factors involved, one of which the hon. Lady mentioned. She should also mention that more than 50 per cent. of her constituents live in the city of Perth; my constituency is largely rural.

Ms Cunningham: The hon. Gentleman is correct. I have a larger urban concentration than does he, although half my constituency is non-urban. I get the impression that my constituents overwhelmingly favour a total ban, but I have always accepted that people in my constituency who do not favour one may feel that writing to me would not necessarily result in the change of mind that they want.

Mr. George Robertson: I support the hon. Lady. The argument about mailbags is fatuous. The journals of the gun lobby suggest that it has organised a highly disciplined mailing to Members of Parliament. In contrast to those letters, many of which are hysterical, 750,000 people signed the Snowdrop petition in six months. That speaks volumes much more than an organised letter writing campaign ever will.

Ms Cunningham: I am grateful to the hon. Gentleman for drawing attention to that, because he must then accept that we have heard, in several different ways, the expressed will of the people of Scotland about the issue.

It cannot be contradicted that people in Scotland want the ban, which is why I find some of the comments of Labour Members astonishing. I do not think that I have heard more tortuous logic in my life than that of the hon. Member for Hamilton (Mr. Robertson). If the likelihood of losing a vote in the House was a reason for not putting something forward—and that was his lead reason—Opposition Members need never bother to visit the building. The point about Government majorities is that the Opposition are defeated frequently; only very occasionally do we win. The point of being in opposition is to express the view of a large number of people. In the case of Scotland, the Opposition express the view of the vast majority.

Mr. Henderson: Will the hon. Lady give way?

Ms Cunningham: I have given way enough. I rose only to make a few comments.

Mr. Henderson: It is a brief point.

Ms Cunningham: Very well.

Mr. Henderson: Will the hon. Lady confirm that her party was offered a position on the Standing Committee which it declined to take up?

Ms Cunningham: I fail to see what that has to do with the debate on this amendment. I am busy in the Committee considering the Crime and Punishment (Scotland) Bill.

Mr. Brian H. Donohoe (Cunninghame, South): Will the hon. Lady give way?

Ms Cunningham: No. I have given way sufficiently considering that I intended to speak for only a couple of minutes. I felt that I had to say something about the most tortuous logic that I have ever heard.

I am concerned that the careful comments of the hon. Member for Hamilton about the amendments' effect on appearances and on the petitioners verged on the patronising. The people involved in the campaign, the Snowdrop petitioners and the parents, have a good deal more savvy than what he said would lead us to suppose.

We are not talking about a pilot study for Scotland. Scotland is a separate legal jurisdiction within the United Kingdom. It has a separate criminal law. The last point of appeal for the criminal law in Scotland is in Scotland; appeals do not go south of the border. Our rules of evidence are different, especially in the criminal law. There are marked differences. Our proposal, in that sense, is perfectly practical and politically acceptable, given the existence of a separate jurisdiction, which, I assume, is not being attacked by Government or Opposition Members.

To describe a change to the criminal law in Scotland as a pilot study is a deliberate attempt to equate this with previous situations. I was interested when the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith) spoke about the poll tax. The reason why there was so much opposition to that in Scotland was not that it was a pilot study but that people were against the poll tax.

People very much want the amendments. There is no reason why they should not be agreed tonight. There is a different criminal law in Scotland. We are suggesting a change that would make something a crime in Scotland which was not a crime in England and Wales. It is practicable and would function no differently from the way in which many other provisions function. I see no difficulty with it, but I can see some people twisting and turning to try to explain the inexplicable. That suggests that, because they did not think of it, they will not support it.

Mr. Michael Connarty (Falkirk, East): I am attracted to support the new clause, because I think that it is unfortunate that it has turned into a bit of a party political football.

On 18 November, the most important amendment to the Bill, which would have made it a proper Bill by banning all handguns, including .22s, was resisted by the Government. They did everyone a disservice by whipping in their Members on that day. I was not one of the 56 people who did manage to turn out to vote for that amendment, because the Division Bell did not ring where I was that evening, nor did the policewoman call the Division there. I was not vigilant enough—rather, I put my trust in the House so much that I did not keep an eye on my watch and come to vote.

I have since been written to by a Conservative candidate who said there was a conspiracy by the Labour party on 18 November to allow the amendment to be defeated. I think that that suggestion comes not from the Government, but obviously from people who support them. If that conspiracy theory was correct, people would point to what is happening tonight and say that the conspiracy continues, because it seems that opposition to the Government's weakness not to ban all handguns has been further weakened by people falling out over a second bite at the same cherry. The new clause offers people the chance to say that, in Scotland, where the Dunblane massacre occurred, all handguns should be banned.

8.30 pm

The Serjeant at Arms, Mr. Peter Jennings, has apologised to me for the lapses on the night of 18 November. I believe that the Conservatives should apologise to anyone whom they tried to tell that there was a conspiracy to allow them to win victory. I was with the Dunblane parents the week before the vote on 18 November when they lobbied Labour Members who were not sympathetic to their case and members of the Ulster Unionist party who did not sympathise with their case and who said that they would vote with the Government. We knew before 18 November that we would be defeated, and defeated quite substantially. Those parents knew that by the end of the week.

It is wrong to say that, just because we would be defeated again tonight, we should not support the new clause. The defeat is the same in essence: the Government are not prepared to take proper action to prevent a further Dunblane or Hungerford.

During the Labour party conference I met a father who lost a daughter at Hungerford, not to a pump-action rifle but to a handgun. That weapon should have been banned after the massacre at Hungerford, but the Government buried their head in the sand and took inadequate action. I would support any move to ban all handguns, even the new clause, which is designed to cover Scotland alone, because it would put down a marker for the people who signed the Snowdrop petition in Scotland. It would put down a marker for the people I helped to raise signatures for that petition and for the people of Dunblane to whom I and other hon. Members have spoken. Some hon. Members know that I live with the consequences of Dunblane daily because of connections in my life. Those people want to see us do something, but we failed to do that on 18 November. We should take the opportunity to do so tonight.

It seems to me that we have lost our way. I respect the views of my hon. Friend the Member for Hamilton (Mr. Robertson), as well as his technical knowledge of the House and about what might happen in another place. The written record of tonight will not read well because people outside who look into this place want to see if their overwhelmingly clear emotions have been reflected in the debates and votes held in the House. They are not interested in the technicalities and the wizardry of those who usually stitch up deals through the usual channels.

It has been said that, if we push the new clause to a vote, it will raise hopes that will then be dashed. What else is there if we take away the hope that we offer people that we can see clearly through the mud and the mire of the stitch-ups and the three-line Whips, the Government and party advantages in debates and votes in the House? We should see through clearly to what people want us to do—make society safer for them and their children.

Tonight's debate also shows clearly what the Opposition may be about—what we are about, I hope—when we talk about the powers of the Scottish Parliament within the United Kingdom. I am not talking about a separate Parliament that Members of the Scottish National party want, but one that respects the House and works with it, but would give Scotland the right to legislate for just the kind of decision incorporated in the new clause. It may be that, despite Hungerford and Dunblane, Members representing England may not want a ban on all handguns, but the people of Scotland want it because of Hungerford and Dunblane. Perhaps those people wanted that ban before Dunblane and would have had it if they had had the legislative power to do something different from the inadequate reaction of the Government after Hungerford.

I would have been much happier tonight if all the points of agreement had been stressed much more strongly. People might then have pleaded with the SNP Members not to press the new clause to a Division. In fact, those Members would also include my hon. Friend the Member for Falkirk, West (Mr. Canavan), who is one of the signatories to the new clause, and who is present. I commend him for sponsoring that new clause. We share a common district council area and I believe we share a common thought on this matter.

Tonight, I hope that we shall not end up with people sending out press releases, to which my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Galbraith) referred. I hope it will not be like that. I would be much happier if we were able to support the new clause vigorously. That would show that, when we have a Scottish Parliament, we shall have separate legislation. I have absolutely no doubt that, if such a Parliament existed now, such legislation would be different from that passed by the House. But then, as my hon. Friend the Member for Hamilton has said, after the general election, I hope that the majority will be provided by the Labour party. We shall then pass the legislation that we want for all the United Kingdom. In the meantime, I certainly intend to vote for the new clause if it is pressed to a Division.

Mr. Dennis Canavan (Falkirk, West): I should like to make a brief contribution because I am one of the six principal sponsors of the new clause, which has been described by some people as a Scottish National party one. Credit must go to the leader of the SNP for taking the initiative in tabling the new clause, but the six principal sponsors also include the leader of Plaid Cymru, the leader of the Social Democratic and Labour party of Northern Ireland, a member of the Democratic Unionist party of Northern Ireland, the hon. Member for Argyll and Bute (Mrs. Michie), who is a member of the Scottish Liberal Democrat party, and me. Very rarely would the six principal sponsors of a new clause come from different parties and different sides of the House.

I would prefer a complete ban on all handguns throughout the United Kingdom. That is what I voted for on a previous occasion, but unfortunately that amendment was defeated. A complete ban on handguns throughout Scotland would at least be a start towards achieving that objective throughout the United Kingdom. If such a ban were enacted in Scotland, I hope that, in the fulness of time, the rest of the United Kingdom might follow suit, although that would probably require a general election, which would change the composition of the House.

I understand that one of the arguments used against the new clause is that it would create practical difficulties. We are asked how we could have a complete ban in one part of the United Kingdom and an incomplete one in another part of it. I can understand the Tories putting forward that argument, but for the life of me I cannot understand why hon. Friends on the Opposition Benches who are committed to setting up a Scottish Parliament can swallow it.

Let us suppose a Scottish Parliament had been in existence in the aftermath of the Dunblane massacre. There is no doubt that that Scottish Parliament would have

[Mr. Dennis Canavan]

passed legislation for a complete ban on all handguns throughout Scotland, whatever the practical difficulties posed by the border between Scotland and England. As I understand it, under the proposals of the Scottish Constitutional Convention, which are supported by the Labour party and the Scottish Liberal Democrats, the Scottish Parliament would have the power to control firearms. I cannot accept the arguments about insurmountable practical difficulties.

The second argument that I have heard is that our case is unwinnable. They tell us that we will not win the vote, so we are wasting our time voting. I have been a Member of Parliament for 22 years, 17 of them in opposition. I have been travelling back and forth from Scotland down here every week. It is like walking on to the football field, knowing that we will be on the losing side before the ball has even been kicked, yet we still come down here and dutifully use our vote, because that is why our constituents sent us here. If we just sit here and abstain because we are not going to win, that is an affront to parliamentary democracy.

I see some Conservative Members nodding—perhaps they are being persuaded by my powers of argument. Perhaps even they might come into the Lobby with me tonight, or at least abstain and allow the representatives of the people of Scotland to vote and determine this important question without the votes of Members for constituencies south of the border. It is nonsense to say that we should not vote just because we have little, if any, chance of winning. The new clause gives the House the opportunity to express a view on a total ban on all handguns throughout Scotland.

Although I have carried out only informal soundings and have no absolute scientific evidence on which to come to a firm conclusion, I sense that the anti-gun feeling in the aftermath of the Dunblane tragedy is much stronger in Scotland than south of the border. The House has the opportunity tonight to respond to that feeling and to show that we recognise that, sometimes, the Scottish dimension to a problem and the solution demanded by the majority of the people of Scotland might be different from that south of the border.

Mr. Howard: The last thing I expected to find myself doing when I rose to reply to the debate on this new clause was agreeing with the hon. Members for Perth and Kinross (Ms Cunningham) and for Falkirk, West (Mr. Canavan)—although it is fair to say that my hon. Friend the Member for North Tayside (Mr. Walker) made exactly the same point.

This evening, we have heard the most bizarre speech from an Opposition Front Bencher that I have ever heard in my 13 years as a Member of this House. The hon. Member for Hamilton (Mr. Robertson) spent 75 per cent. of the time that he used for his speech explaining that he is not going to support the new clause because, if one votes for something knowing that one is not going to win, that is gesture politics and he is not interested in gesture politics.

What on earth has the hon. Gentleman been doing for the past 17 years? What has he been playing at? Why has he been coming to the House for the past 17 years? Why has he been voting? Why has he been speaking from that Front Bench? Can we expect a decent period of silence on his part for the rest of this Parliament, or perhaps even his absence? He displayed the most extraordinary and grotesque attitude, and I thought it absolutely astonishing. The hon. Members for Perth and Kinross and for Falkirk, West made those points with appropriate eloquence, as did my hon. Friend the Member for North Tayside.

I, at least, am prepared to deal with the merits of the new clause, and I shall explain why I believe that the House should reject it.

The hon. Member for Banff and Buchan (Mr. Salmond) argues that there is in Scotland strong support for a complete ban on handguns and that that justifies making different laws north of the border, but I am not sure what, in practice, would be achieved by the new clause. I believe that the proposals in the Bill will make it virtually impossible for someone to remove a handgun illicitly from a gun club, so I do not believe that the hon. Gentleman's new clause would, in practice, add to public safety in Scotland.

Let us suppose for a moment, however, that the Bill did not impose such stringent security arrangements upon handgun shooting in England and Wales—let us suppose that it was possible for someone to remove a gun from a club in England and Wales. Would the new clause make Scotland a safer place? Of course it would not. It would still be open to a pistol shooter from Scotland to join a club south of the border and illegally import his gun into Scotland.

We have to recognise that our two countries share an island, and we must be realistic about the extent to which laws about the possession of guns can differ between the two jurisdictions.

8.45 pm

Mr. Salmond: The Home Secretary is saying that, if his Bill does not work, the new clause might not work—but this is a new clause to his Bill. The right hon. and learned Gentleman cannot have it both ways: either he thinks that his Bill will work, or he thinks that it will not.

Mr. Howard: I think that the Bill will work, and, if it works, the new clause will be of no significance for the reasons that I have given—but even if the Bill did not work, the new clause would be of no significance. That is my point.

I now want to make a more fundamental point. The House does not reach its decisions on the basis of petitions, public opinion polls or letter-writing campaigns, and nor do the Government. Competitive pistol shooting has a long history both north and south of the border. Target shooting with .22 calibre pistols has been a part of the Olympic games from the very earliest days of the modern Olympics.

The Government believe that, if they are able to provide a way of preserving some limited competitive target shooting while providing the high level of safety from the misuse of handguns that the public expects and deserves, they ought to do that. It is our duty to make that solution work, and I believe that it can be made to work without compromising public safety.

I have to tell the hon. Gentleman that those arguments are shared by a number of Scottish newspapers which have commented on our proposals. On 17 October—the day after my statement—the *Dundee Courier* said of our proposals:

"They should be given the chance to work, thus permitting the continued existence—albeit rigorously controlled—of a long established Olympic sport."

On the same day, *The Herald* said:

"The Government has, on this occasion, come down on the side of rationality and fairness. No Scot will despise reason and its role in our political life."

I do not accept, therefore, that public opinion in Scotland is anywhere near as monolithic as the hon. Gentleman suggests.

For the substantial reasons that I have given, and not for the extraordinarily bizarre concoction that we got from the hon. Member for Hamilton, I invite the House to reject the new clause.

Mr. Salmond: I shall deal first the Home Secretary's points. *The Courier* and *The Herald* are excellent newspapers—indeed, I write for one of them—but their combined circulation does not equal the circulation of either of the leading tabloid newspapers in Scotland, *The Sun* and *The Daily Record*, both of which have argued strongly in favour of a handgun ban. We are not arguing that opinion in Scotland is monolithic—we are saying that opinion in Scotland is overwhelmingly in favour of a handgun ban.

The Home Secretary knows that. Among other comments in the Scottish newspapers in the past few months, there have been broad hints from Scottish Office sources—for example, those published in the *Evening Express* of 16 October—that the Secretary of State for Scotland is in favour of a handgun ban, but that this legislation was the best deal that he could get out of a Home Secretary who resisted that approach. If anything, the number of Scottish Members of Parliament who voted two weeks ago to ban handguns—56 Members of Parliament—is probably an underestimate of the balance of Scottish opinion on this issue that might be revealed in a free vote. If we are to believe the briefings from the Scottish Office, it may be that, in a free vote and were it not for his Cabinet responsibilities, the Scottish Secretary himself would follow his constituents' views and vote for a handgun ban.

At least the Home Secretary did not tell us that our new clause was in some way technically incompetent—that is usually the last refuge of Ministers. *[Interruption.]* I see that he is acknowledging that the new clause is technically correct. Although he probably did not mean to do so, in his speech he also acknowledged that, in terms of his interpretation of the Bill, the new clause would be practicable. He argued that it would be impracticable only if his own legislation does not work.

However, the Home Secretary has missed the major criticism of the legislation. The factor that motivated me more than any other to vote for the handgun ban was the gun lobby's argument that arsenals of guns would be created at gun clubs, which would be vulnerable to people of criminal or terrorist intent.

I concede that the new clause would not prevent a gun club in England being raided and illegal weapons being taken into Scotland—there are many illegal weapons in Scotland at present—but it would ensure that there were fewer arsenals, because there would be no pistol clubs in Scotland, and it would ensure that fewer guns were legally in circulation. We believe, therefore, that it would make our society that bit safer.

The Home Secretary should consider all the arguments that have been made against his legislation before he picks and chooses which to acknowledge.

If Labour Front-Bench spokesmen care to read my opening speech, they will find—perhaps they were anticipating a different type of speech—that I did not make a series of political points against the Labour party. Instead, I explained the positive reasons why I believed that the House should find the new clause worthy of support.

I was told by the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith) that I had said that Scotland should be a testing ground. What I actually said was that English and Welsh Members had supported the new clause because they could see a virtue and a value in Scotland leading the way. They believe, reasonably, that, if Scotland can implement a total handgun ban, the lesson will be followed south of the border.

The handgun ban is not comparable to the poll tax. The overwhelming majority of the people of Scotland opposed the poll tax. The overwhelming majority of the people in Scotland support a handgun ban—and not only in Scotland. *[Interruption.]* I disagree; two weeks ago, I was proud to go into the Lobby to vote for a handgun ban in Scotland, England and Wales. However, that option is not available to us tonight, because our procedure does not allow us to revisit that argument.

Mr. Donohoe: We do not have long to wait.

Mr. Salmond: It is convenient for people to say, "We shall take this issue to a general election." Of course I will enter the general election campaign with a manifesto commitment to a handgun ban, but, as the hon. Gentleman should know, the result of no general election is a given, and in any case, as Labour Front-Bench spokesmen appear to have committed themselves only to allowing a free vote, the matter may not be determined by an election. We should take every opportunity to express our point of view, and tonight is the current opportunity.

The hon. Member for Hamilton (Mr. Robertson) argued that people should not propose amendments that they believe that they will lose. That comment has been dealt with by several hon. Members. Last night, the Opposition voted for VAT on fuel at 5 per cent. instead of 8 per cent. We were not confident of winning the vote. Earlier tonight, I supported new clause 3, tabled by Labour Members, which proposed a licensing system for air rifles. I was proud and happy to support that new clause; I do not believe that we expected to win.

The one argument that I resented tonight was the argument that the clause would disappoint people in Dunblane, the relatives and the Snowdrop petitioners. They are not naive. I would not have tabled the new clause without consulting the relatives and the Snowdrop petitioners. The ones that I have spoken to all strongly support the new clause. I am even willing to name names, because they have said that I can if I need to, but I will not concede to an argument from anywhere that I am discounting their opinion.

[Mr. Salmond]

I have been more affected by this issue than by any political issue since I became a Member of Parliament. I am not unique in that. I am sure that that has been the case for the hon. Member for Hamilton, the Secretary of State for Scotland and any right hon. or hon. Member with a heart. I have tried to approach it in a way that dignifies the argument that I am advancing.

Mr. George Robertson *indicated dissent.*

Mr. Salmond: The hon. Member for Hamilton shakes his head. He and I have disagreed on many subjects, as he rightly said. We have come to verbal blows on many matters. On this issue, until now, there has been no difference between us.

Perhaps the hon. Member for Hamilton should have told the House that, before I tabled the new clause, with the rainbow coalition of support that it has tonight, I asked him if he wanted to be one of its lead signatories. If he had been prepared to take that opportunity, it would have been of no possible political advantage to the Scottish National party. If he is prepared to lead Labour Members into the Lobby, in the knowledge that some Members who voted against a similar proposal two weeks ago will not vote against it tonight—

Mr. Robertson: It is important that the House realises that the hon. Gentleman made that offer last Saturday, sitting in St. Giles's cathedral in Edinburgh. If there was a seriousness about getting the measure through the House, a seriousness about winning the Division, a seriousness about organising it, the time to start consulting people like me was much earlier than last Saturday.

I do not doubt the hon. Gentleman's motives, and I hope that, because some of my colleagues may have expressed a certain view, he will not simply ascribe it to me; nor should he say that people involved in a community cannot speak one for another. I do not doubt the hon. Gentleman's motives at all. I am saying that, on a previous occasion, when much attention was paid to the matter and a great deal of lobbying was done, we did not succeed. We are in danger of raising false expectations, and dashing them, in people who would deeply resent it. If the hon. Gentleman had talked to me—

Mr. Deputy Speaker: Order. This is a very long intervention. If the hon. Gentleman wishes to catch my eye again, he may do so.

Mr. Salmond: I think the hon. Gentleman made a misjudgment when he did not the accept the offer to be one of the lead signatories to the new clause. We know that some hon. Members who, for one reason or another, voted against a similar proposal two weeks ago or were unable to vote for it then, have expressed support for the new clause. If the hon. Gentleman wants a good result tonight, all he must do is to lead his troops, by encouragement, into the right Lobby; then we shall get a result that will encourage Scotland. Perhaps he will then be in a position where no one will be able to take political advantage of him. The position is in the hon. Gentleman's hands.

I would say to all hon. Members that the new clause has been tabled by all its signatories because we believe that it is the right thing to do by the Scottish people. I hope that hon. Members on both sides of the House will find it in their hearts to give us some support.

Question put, That the clause be read a Second time.

The House divided: Ayes 25, Noes 202.

Division No. 26] **[8.56 pm**

AYES

Alton, David
Benn, Tony
Campbell, Menzies *(Fife NE)*
Connarty, Michael
Cunningham, Ms R *(Perth Kinross)*
Ewing, Mrs Margaret
Foster, Don *(Bath)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Kennedy, Charles *(Ross C & S)*
Kirkwood, Archy
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
Maclennan, Robert
Michie, Mrs Ray *(Argyll Bute)*
Mitchell, Austin *(Gt Grimsby)*
Nicholson, Miss Emma *(W Devon)*
Rendel, David
Salmond, Alex
Skinner, Dennis
Taylor, Sir Teddy
Wallace, James
Wigley, Dafydd
Wise, Mrs Audrey

Tellers for the Ayes:
Mr. Dennis Canavan and
Mr. Andrew Welsh.

NOES

Ainsworth, Peter *(E Surrey)*
Aitken, Jonathan
Amess, David
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Atkins, Robert
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Beresford, Sir Paul
Biffen, John
Boswell, Tim
Bottomley, Mrs Virginia
Bowden, Sir Andrew
Bowis, John
Brazier, Julian
Bright, Sir Graham
Brooke, Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Butler, Peter
Butterfill, John
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Chapman, Sir Sydney
Clappison, James
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Couchman, James
Cran, James
Davis, David (Boothferry)
Day, Stephen
Deva, Nirj Joseph
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Eggar, Tim
Elletson, Harold
Evans, David *(Welwyn Hatf'd)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fox, Dr Liam *(Woodspring)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Garnier, Edward
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Alastair
Gorman, Mrs Teresa
Gorst, Sir John
Greenway, Harry *(Ealing N)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hargreaves, Andrew
Harris, David
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Heald, Oliver
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence
Hill, Sir James *(Southampton Test)*
Hogg, Douglas *(Grantham)*
Horam, John
Howard, Michael
Howell, David *(Guildf'd)*

Hughes, Robert G *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Jack, Michael
Jenkin, Bernard *(Colchester N)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
King, Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Lait, Mrs Jacqui
Lawrence, Sir Ivan
Lennox-Boyd, Sir Mark
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McNair-Wilson, Sir Patrick
Madel, Sir David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(NW Hants)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Sir Irvine
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David
Rathbone, Tim
Richards, Rod
Robathan, Andrew
Roberts, Sir Wyn
Robertson, Raymond S *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Ross, William *(E Lond'y)*
Sackville, Tom
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shepherd, Sir Colin *(Heref'd)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Spencer, Sir Derek
Spicer, Sir Michael *(S Worcs)*
Squire, Robin *(Hornchurch)*
Stanley, Sir John
Stephen, Michael
Stern, Michael
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Thompson, Patrick *(Norwich N)*
Townsend, Cyril D *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Viggers, Peter
Walker, Bill *(N Tayside)*
Waller, Gary
Waterson, Nigel
Watts, John
Wells, Bowen
Whittingdale, John
Widdecombe, Miss Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'd)*
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Gyles Brandreth and
Mr. Patrick McLoughlin.

Question accordingly negatived.

Amendments made: No. 80, in page 1, line 15, leave out 'to which section 1 of this Act does not apply'.

No. 81, in page 1, line 20, at end insert—

'(3A) In paragraph (ac) (self-loading and pump-action smooth-bore guns) after the word "or" there shall be inserted the words "an air weapon or".'.—*[Mr. Ottaway.]*

Clause 2

SLAUGHTERING INSTRUMENTS

Amendments made: No. 90, in page 2, line 21, after 'have' insert 'the instrument'.

No. 91, in page 2, line 22, leave out 'a slaughtering instrument' and insert 'it'.—*[Mr. Ottaway.]*

Clause 3

FIREARMS USED FOR HUMANE KILLING OF ANIMALS

Amendments made: No. 92, in page 2, line 29, after 'have' insert 'the firearm'.

No. 93, in page 2, line 30, leave out 'a firearm' and insert 'it'.—*[Mr. Ottaway.]*

Clause 4

RACES AT ATHLETIC MEETINGS

Amendments made: No. 94, in page 2, line 38, after 'have' insert 'the firearm'.

No. 95, in page 2, line 38, leave out 'a firearm' and insert 'it'.—*[Mr. Ottaway.]*

Clause 6

HAVING SMALL-CALIBRE PISTOL OUTSIDE PREMISES OF LICENSED PISTOL CLUB

Sir Jerry Wiggin (Weston-super-Mare): I beg to move amendment No. 58, in page 3, line 18, at end insert 'or

(d) the slide assembly or cylinder has been removed and stored according to the conditions specified in subsection (2A) below.

(2A) Except as permitted by virtue of any provision of this Act, a small-calibre pistol shall be held under the following conditions—

(a) the slide assembly or cylinder shall be held on the premises of a licensed pistol club, and

(b) the remainder of the weapon shall be stored at different premises which shall be specified on the certificate granted for that pistol.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss also the following amendments: Government amendments Nos. 84 to 86.

No. 62, in clause 12, page 6, line 13, after 'pistols', insert

'and such premises may include the premises of a registered firearms dealer which may be used for the purpose of storing small-calibre pistols;'.

No. 63, in clause 15, page 7, line 25, at end insert—

'(4A) In determining whether to grant a licence, the Secretary of State shall consider whether the requirements of this Part could be adequately met by proposals by the Club for the storage on its premises of parts of weapons belonging to members of the Club.'.

No. 64, in clause 40, page 19, line 28, at end insert—

'(3A) In determining which days to appoint, the Secretary of State shall have regard to the need to permit adequate time for licensed pistol clubs to make the necessary arrangements to conform with the provisions of the Act.'.

Sir Jerry Wiggin: The hon. Member for Great Grimsby (Mr. Mitchell) asked me to add his name to the list of supporters of the amendments but, in all the excitement and in view of his many amendments on the Order Paper, I am afraid that I failed to do so. Nevertheless, I am glad that the amendments enjoy cross-party support.

The purpose of the amendments is to require guns to be stored in separate parts, so that the complete gun is not in the owner's hands except within the secure confines of the club. The amendment does not provide an alternative:

[Sir Jerry Wiggin]

the two parts of the gun must be stored separately. The reason is that, if some guns were stored whole, we would immediately lose the benefits of reduced security arrangements—which would have to remain in place for the few guns that were not disassembled.

The effect of the amendment is to force the surrender of those guns that cannot be disassembled. The amendment does not challenge the distinction between .22 and other calibre weapons, and it retains the Government cut-off point. It does not challenge the separation of the complete gun from its owner when outside a licensed club, which is the core of the Government's security assumption.

Lord Cullen said that the option

"which is open to the least objection on the ground of practicability is the temporary dismantling of self-loading pistols and revolvers by the removal of major components".

That suggestion has several obvious advantages: it is quicker and easier to implement; it will save much expenditure, both to clubs and the Treasury, by way of compensation; and it will avoid the risk of terrorist attacks on arsenals of weapons. The recommendation continues to fulfil the Bill's central purpose: to separate the owner from his pistol or revolver, except within a club, as a safeguard against another amok killing.

The only objection raised against the proposal refers to its practicability. All firearms experts agree that the proposal is practicable, but the Government's response to Cullen says:

"While removal of key components is feasible for certain types of gun, it is not a practical proposition for others".

Before considering the question of practicability, it is important to understand the present law regarding components. Buying spares without authority is already illegal. The two parts to which Lord Cullen referred—the slide assembly and cylinder—are already controlled by law. They are pressure-bearing component parts of the gun, which it is impossible to buy or possess without entering it on one's firearms certificate. Any additional slide assembly or cylinder requires the consent of the chief officer of police, who must grant a variation of the original certificate. From the point of view of the present law, there is no difference between buying another gun and buying a replacement slide assembly or cylinder.

The evidence on which the Government's statement relies consists of two letters from Mr. Warlow of the Forensic Science Service, which I shall not refer to in detail. The letters are in the Library—although the first was somewhat late—as those hon. Members who are interested will know.

I do not think that the Government were entirely fair to Mr. Warlow, as his first letter did not bear the interpretation that they sought to put upon it. Nowhere does he say that dismantling is "impracticable". It is perhaps a nuisance—unusual, because it was hitherto unnecessary—but, at worst, would result in the loss of a 10p screw or a scratch on the polish.

Everyone outside the Home Office knows that it is simply not true to say that the proposal is impracticable, as, in the words of Mr. Warlow:

"self-loading pistols are designed so as to allow them to be stripped down without the need for tools".

The obvious inadequacy of Mr. Warlow's first letter was exposed during debate in the House on 18 November. The Government were forced to describe it as

"a summary of careful consideration by the service".

They said that the letter

"was not meant to be a definitive answer to every point raised".—[*Official Report, Standing Committee E*, 20 November 1996; c. 7.]

On the same day as the debate on the Floor of the House, Mr. Warlow wrote again to the Home Office. That letter was described by the Minister as offering

"as much advice as we are able to release".

We must therefore regard it as the Government's definitive evidence.

Mr. Warlow, in his second letter, added the following:

"This procedure (ie dismantling) . . . would constitute a much resented and annoying imposition on the vast majority of club members."

No club member has yet been able to interpret that extraordinary remark. The Government's new restrictions are extremely onerous and irksome and will annoy many—I dare say all—club members, but why is it more likely to produce annoyance if the storage is of part of a gun instead of the whole gun?

"It would be an extremely difficult task to police . . . effectively at club level,"

he said,

"especially in instances where the individual is a member of more than one club."

9.15 pm

The present Bill requires a shooter to deposit a gun that is identified on his certificate. The proposal requires the shooter to deposit a named part that is identified on his certificate. The Bill requires the gun to be stored at a single named club. If a shooter belongs to a second club, that condition still has to be complied with. The proposal would require the part to be stored at a single named club in the same way.

"Some will possess more than one set of barrel or slide components for their pistol",

goes the criticism. Only if permitted by the police. The Home Office mysteriously failed to acknowledge that each slide assembly and cylinder is, for purposes of the law and police control, already treated as if it were a complete gun. At the commencement of the Act, all the guns and component parts of each legitimate shooter will be known to the police. Therefore, only those parts that conform to the requirements of the new Act and are approved by the police will be allowed to continue. The situation described by Mr. Warlow cannot arise unless the police permit it to arise.

Mr. Warlow then says that some

"will possess components which will allow the calibre of the weapon to be converted by simple substitution of components".

It is possible for a .32 slide assembly to be substituted for a .22, but only if someone has one. For the same reasons that I have just given, a shooter cannot have both components unless the police permit him to do so. The Act will not permit the police to do so.

"A criminal member could obtain 'major components that would pass inspection' prior to storage."

The only example of that given by Mr. Warlow is that a person could buy a deactivated gun of the same make and model for which no authorisation is necessary, and so deceive the club. That example smacks of desperation, and is a classic instance of arguing from extreme cases. Even so, it relies on the highly contentious assumption that deactivated parts are not easy to spot.

The Home Secretary said:

"it would not be difficult for a gun owner to keep an illicit spare at home. That would enable him to reactivate the gun at any time. It is perfectly true that, in doing so, he would be breaking the law, but he would be unlikely to be discovered until it was too late."—[*Official Report*, 18 November 1996; Vol. 285, c. 784.]

We all know that the number of illegal guns in this country quite probably exceeds, by a substantial proportion, the number of legal guns, but that does not prevent the Government from maintaining a system of legal gun ownership. I think that all hon. Members would support that.

The Government have now added a further offence—to have a .22 pistol outside licensed premises—but that does nothing to alter the distinction between legal and illegal guns. Nor would it make any difference if the new offence were limited to having a complete .22 pistol outside licensed premises, leaving the carrying of a part lawful.

The legal control of the part is as strong as that of the whole: a legal spare part cannot be obtained without police permission. Getting the system off to a secure start will rely on exactly the same information—current certificates—whether we are dealing with dismantled or whole guns. All components, as well as whole guns, that do not conform to the Bill's requirements will have to be surrendered. Illegal components are more difficult to obtain than illegal guns, and probably more expensive. It is difficult to see why anyone willing and able to buy an illegal gun should want to buy an illegal part.

All the objections of the Forensic Science Service are met once it is recognised that, at the commencement of the Act, all pistols will be subject to assessment by the police. A complete inventory of pistols and component parts exists today on firearm certificates. All pistols not conforming to the Act will have to be surrendered and removed from the certificate. That applies in exactly the same way to components. Thereafter, all that is required is for the police to notify the club of any changes in a member's certificate.

The House may wonder why we are making a fuss about this point. First, we are concerned that the keeping of many guns in the same place, possibly on a remote range, will require such high security provisions that very few clubs will be able to afford them. Secondly, the concentration of such guns in complete form may be attractive to a robber. The proposition that carriage should be of complete guns—we shall debate that on the next amendment—is surely far less secure than the contemplation of parts being carried about.

A gun will not work until the part that is kept at home and the part that is at the club are put together. Shooters who continue to use .22 calibre guns see many practical objections to the current proposals. Although dismantling is onerous and tiresome, it is what Lord Cullen recommended, and what I think the shooting fraternity would, with reluctance, accept. I do not think that the Home Secretary has received full enough advice on this matter. The amendment asks him to think seriously again, either now or during the Bill's passage through the other place, before finally rejecting this alternative.

Mr. Frank Cook: The Home Secretary repeated today the statement that he has made many times, that the prime consideration is the safety of the population. No hon. Member would disagree: the question is how we ensure the preservation and protection of the population. For the purpose of the debate, I shall leave aside my disagreements with what I consider to be bad law. I do not have a vested interest, because I do not own a gun and I have never held one other than during my time in the forces. My only vested interest is as honorary pistol captain of the Palace of Westminster rifle club.

If the measure becomes law, and the odds are that it will, the consequences are already beyond dispute. There will be fewer clubs, because at the moment many clubs use municipal premises or Territorial Army Volunteer Reserve premises. They do not have their own establishments within which to pursue their sport. Those members of clubs that close who wish to continue participating in the sport with .22 calibre only will gravitate towards the clubs that remain.

Therefore, there will not only be fewer clubs but they will have larger memberships, and those members will have to store their weapons in club armouries. That means enlarged armouries. As we have heard, a Stockholm gun club with state-of-the-art security—the most secure provision that could be made, according to the Stockholm police—was raided.

We are creating a ram raider's dream, an Aladdin's cave of firearms from which Jack the lad can help himself. In the past, members of terrorist organisations within these isles of ours have done that at military establishments, and I am certain that others could do it at gun clubs. We are not only penalising a law-abiding section of the community and making it difficult for them, but creating a danger for the population that the Home Secretary has repeatedly said he wants to protect.

The answer to the problem is disassembly. If a set of "half pieces"—the trade term—is left in the club's armoury and each member takes home the other components with him or her, no one will have a working firearm. I ask hon. Members to think about whether that proposal makes sense. It not only makes sense, but, if one extended it to the .32 wadcutter—which is purely a target gun, that is used for no other purpose—it could well reduce compensation costs, and that might be advantageous for the Government.

One of the objections that has been made to the proposal is that not every weapon is amenable to easy dismantling. I have asked experts about that point, and they say that it is true. But they also said that there are very few such weapons, because they are going out of fashion. Walthers, which are impossible to disassemble, probably account for less than 2 per cent. of handguns in the United Kingdom. Furthermore, it would be reasonable to ask those who participate in shooting sports to stop using such increasingly outdated weapons—which, again, would reduce the amount of compensation that must be paid—and to rely instead on weapons that are amenable to dismantling.

[Mr. Frank Cook]

Yesterday evening, there was a demonstration of many weapons in the House. Every model was, within seconds, easily dismantled—as they must be for cleaning. I ask the Home Secretary please to realise that mandatory disassembly will increase public safety.

Overall, three basic requirements must be met in the legislation. First, it must be comprehensive; secondly, it must be properly enforced; and, thirdly, violations must incur an appropriate penalty. To ensure all those requirements, however, we must have a properly resourced, properly trained and well-motivated police force.

We know from our pre-Cullen and post-Cullen experiences and from the evidence that has emerged about Thomas Hamilton that those elements were not in place. How else can we explain the fact that gun clubs that cancelled Hamilton's membership have had their membership records confiscated by the police, and the police now refuse to relinquish them?

Many questions that must be answered depend on that type of evidence, but we are not yet able to obtain it. Nevertheless, we are pressing ahead with this legislation, under a guillotine. This Bill is bad law, because it is ill-conceived and impetuous. I passionately believe that, ultimately, the House and the country will eventually regret its enactment.

Sir Teddy Taylor (Southend, East): I am very grateful to you, Mr. Deputy Speaker, for selecting my amendments Nos 63 and 64, although they are supported only by me. I thought that the selection was based on your traditional kindness, but I now think that the real reason is that you appreciate that, when you have a messy Bill, it is crucial to look for a solution. Although, understandably, you have no views on the Bill, I think that you must have seen that my proposal in amendment No. 63 is the sensible answer to a difficult situation.

Hon. Members have been speaking and voting on the Bill according to varying perspectives, because of the Bill's unusual features. I am sure that the hon. Member for Banff and Buchan (Mr. Salmond) will be well aware that, in the previous Division, for the first time in my life, I went into a Lobby different from that chosen by my hon. Friend the Member for North Tayside (Mr. Walker), for whom I have great respect.

I did so simply because I was sincerely and utterly appalled by the speech made by the Labour party Front-Bench spokesman, the hon. Member for Hamilton (Mr. Robertson). He said that he did not want to support the new clause simply because it might not pass. Even if that were a valid argument, it was not true. The figures from the Division show that, had the Opposition turned up in strength, they could have won on that new clause.

I have a horrible feeling—although I do not like to cast aspersions loosely—that probably the reason why they did support it was that it was moved by the Scottish National party. The hon. Member for Banff and Buchan made a super speech—though I am afraid that I disagreed with it—but I voted for his proposal as a protest against the dreadful speech of the hon. Member for Hamilton and the dreadful principle behind it.

Many of us have been voting for measures that we think are daft and saying things that we think are daft, because, through no fault of our splendid Home Secretary—who is a giant in the Cabinet—the Bill is a bit of a mess.

Mr. Salmond: If we keep making super speeches, will the hon. Gentleman be tempted into the Lobby with us again?

9.30 pm

Sir Teddy Taylor: If we hear more speeches like that made by the hon. Member for Hamilton, I shall do all kinds of crazy things, and vote for measures that I think are nuts.

Those of us who believe in things—the hon. Member for Banff and Buchan and I believe in totally different things—should speak for them and vote for them in the House, and try to build up support for what we believe. My hon. Friend the Member for Ludlow (Mr. Gill), who is sitting beside me, is a perfect example. He has been arguing strenuously for years about the dangers of the European Community. He has been laughed at and scorned and people have said that he was talking a load of rubbish, but now most of the Tory party agrees with him because he kept trying.

Unless we are prepared to argue for what we believe in, and to keep fighting and voting for it, we will get nowhere. If we accept the advice of the hon. Member for Hamilton, we might as well not bother to come here, because it will all be a waste of time. Everything he said was bogus because, if Labour Members had turned up, they could have won the vote, and Scotland would have had a ban. That might have made life slightly easier for those south of the border affected by the Bill.

The Government have a big problem. They wanted to reach a compromise. I am sure that there was a violent discussion about it in the Cabinet, in which no doubt my right hon. and learned Friend the Home Secretary was on the right side and some others may have been on the wrong side. With a partial ban, gun clubs will find it impossible to continue, and the public will be put at risk.

The Southend pistol and gun club, of which I have never been a member, is in my constituency. I called to see the members for the first time recently. They are delightful people. There are not many of them, and they have to pay quite a bit for the sport they are engaged in. How on earth will they pay for the storage that will be needed for all the weapons? It will be virtually impossible.

Although I do not blame my right hon. and learned Friend the Home Secretary, he must be aware that the Cabinet's unusual decision will mean that guns will be available only to the very wealthy, perhaps in exclusive clubs such as the House of Commons—we have a club here, of course, and all these wealthy people. The sport will be denied to everyone else.

Ministers should listen to sensible people such as my hon. Friend the Member for North Tayside. As I have said, the last vote was the first time in my life that I had gone into a different Lobby from him, simply because of my outrage at what the hon. Member for Hamilton said. We must look for a solution.

We must also remember public safety. I am sure that the Cabinet tried to get the right answer when arriving at their unusual decision, but they do not appreciate that they

are creating a major public safety problem. Unless we dig a hole 60 ft down with steel 6 ft thick all round it, we cannot have real security for the weapons, because there are so many rascals these days.

Although crime is going down for the first time in living memory because of the splendid and active policies of my right hon. and learned Friend, the plain fact is that we still have a lot of criminals. From the contacts that he must have, my right hon. and learned Friend must be well aware that criminals are becoming cleverer and more able, finding different ways to do things that criminals in the old days did not even think of. They will find a way round a big lock or a security system that does not work. I am scared that the system of storage at clubs will be a real security danger. It will require massive expenditure that average clubs will not be able to afford.

My hon. Friend the Member for Weston–super–Mare (Sir J. Wiggin), who has argued well for his amendments, suggested that we should go for partial storage. He pointed out that the arguments against that were bogus. I have suggested a compromise. Accepting amendment No. 63 would leave the way open for my right hon. and learned Friend the Home Secretary to consider whether there might be a case for partial storage, and a way of overcoming the arguments that have been put forward against it. My right hon. and learned Friend the Home Secretary should be free to consider partial storage if he thinks that it is right.

Can partial storage work? We all know it can. What are the arguments against it? One seems to be that a clever chap with a gun could have two parts of the gun instead of one to take away—he could have another one at home. That is not a very sensible argument, because I think that we are aware that, if that were so, he would have two guns—one in the club and one at home. Such an argument applies to illegal weapons and illegal possession at the present time. I do not think that that is a very strong argument.

I therefore think that, if my right hon. and learned Friend wishes to allow clubs to continue and to protect the public against the danger of theft of guns from clubs, he should consider very carefully amendment No. 63, which would give him the opportunity, if he thought it appropriate and sensible, to allow for partial storage.

Having looked at amendment No. 63 and found that it is the right answer, I hope that my right hon. and learned Friend the Home Secretary will also consider the principle of amendment No. 64. Under the Bill, he has power to name separate dates for the implementation of different purposes and different areas of the legislation. In so doing, the Government should bear in mind the importance of allowing time for clubs to do what is necessary under the law. There is no point in rushing such requirements through if the clubs simply cannot meet them. In fixing the dates, my right hon. and learned Friend should bear in mind the importance of a practical answer.

Speaking as a huge admirer—as I think everyone knows—of my right hon. and learned Friend the Home Secretary and his works, I feel rather sorry for him in these debates. Most of the time when we hear him speak, whether at the conferences or in Parliament, he does so firmly, decisively and with conviction about something in which he believes. The problem tonight is that he is supporting a Bill that is a bit of a mess.

We must therefore help him, the country and the Government by accepting amendments Nos. 63 and 64, and trying to ensure that this messy Bill is made more sensible. That is the right way forward. They do not commit him to going in a particular direction; they simply leave the way open for him. Would that not be the right thing to do after a day of confused debate and voting, during which the majority of Members of Parliament have been unhappy, confused and distressed over what has been proposed? Let us try to sort something out.

We spend so much time in the House shouting at one another. Terrible Labour Members shout at the Conservatives—even during Prime Minister's Question Time. My constituents are getting sick of it all. They say, "You don't know who to believe, because everyone is shouting propaganda at each other." They basically say that they cannot believe anyone at all.

We were sent to the House to try to solve problems for the people. Instead of parties shouting at each other over this legislation, we should acknowledge that it is a bit of a mess, and try to make it better. That is why the answer is to support amendments Nos. 63 and 64. No one could object to them, because they are sensible. They suggest a way out of a bit of a mess.

It should be emphasised that the mess was not made by my right hon. and learned Friend the Home Secretary. I have never been a member of the Cabinet—it is a shame for the country that I have not—but from what I am told, discussions are in a bit of a mess. Everyone shouts something, someone produces what they think is a compromise, and they find out half an hour later that the supposed compromise is impractical.

That is what has happened with the European business. All the mess that we are in on that is because some in the Cabinet are for it, some are against it and what emerges is a measured solution from which everyone suffers. They suffer more in Europe. I do not know whether the House is aware, but figures were published this morning revealing that an additional 5 million people across the rest of the European Community have become unemployed over the past five years. What is happening is terrible.

I am sure that, if my right hon. and learned Friend thinks about the matter with determination, honesty, integrity and vision, as he does with every other matter, he will appreciate that the right answer lies in amendments Nos. 63 and 64. If they are accepted, we can make a messy Bill better, help the public, preserve security and all walk home tonight a little happier than when we arrived today.

Mr. Austin Mitchell: I rise, as an invisible signatory to amendment No. 58, to support it. I do so faute de mieux, because unfortunately, through some strange aberration or oversight, my own much more subtle and effective amendments were not selected for discussion. Although I have managed to fill the amendment paper with amendments, we have seen a massacre of the innocents. My pauvre bonnes pensées have all disappeared.

The purpose of my amendments—in common with amendment No. 59, although it is much more limited—was to ban all weapons that could not be dismantled, which, as my hon. Friend the Member for Stockton, North (Mr. Cook) said, is only a small number of handguns, and

[Mr. Austin Mitchell]

to require all other weapons to be dismantled, the weightier part—although I found that concept difficult to put in legislative terms—to be stored at the gun club and the other part taken home. That would give us what we have been arguing for all along—a total ban on assembled, working weapons outside gun clubs.

Thomas Hamilton's actions in Dunblane would have been impossible, because no working, assembled weapons would have been allowed outside gun clubs. If assembled weapons were seen outside, they would be ipso facto—automatically—illegal and illicit and could be dealt with as such. That is a clear, simple, straightforward proposition and its rationality appealed to me, as it appealed to Lord Cullen.

Unfortunately, our judges are too diffident. They do not realise that they must be tougher and more direct with politicians and say what they are going to say, say it and then tell us what they have said. If they approached the task in that way, they might have some hope of getting through to us. But the judge is this case was too subtle. The approach in the amendment was his preferred approach, but he did not take it any further.

The civil servants in the Box know that the amendment embodies a more effective approach. Everybody knows it is a much more effective approach, but the Government wanted a grand gesture. Why? They wanted it because of the tide of feeling in Scotland and because of the threat to the seat of the Secretary of State for Scotland. They wanted a big, simple gesture in the face of that tide of opinion in Scotland. The virtue of achieving their aim in a more direct, rational, effective, cheap and less pernicious way never seemed to occur to the Government. The Labour party wanted an even grander gesture.

The tide of opinion in Scotland has been the motivating force and the dynamic behind the legislation, and was the reason why I voted for new clause 1. If Scotland wants a total ban, Scotland should have a total ban. But the general principle that we must emphasise in connection with these dismantling proposals is simple. Legislation made under strong emotional pressure and backed by a highly emotional campaign—which is understandable I do not criticise it for that—is in danger of being bad legislation or a bit of a mess, as the hon. Member for Southend, East (Sir T. Taylor) told us several times. Legislation made in such a situation is bound to be a bit of a mess.

Dismantling would give us all that those on both sides of the House want, simply and straightforwardly, and allow the sport of handgun shooting to continue. I do not see why people who enjoy that sport should not be allowed to continue it if they can do so in licensed, controlled premises, safely and without the guns going outside. Dismantling would allow that and it would also avoid the horrendous problem of compensation.

I have heard the amount mentioned for compensation rise from a starting point of £25 million to £300 million today. I know of no other issue on which the Government, with gay abandon, would sling around millions of quid like that. The parsimonious, Scrooge-like Government who hate to spend a bawbee or a groat are prepared to sling away, unnecessarily, £300 million in compensation. It may well be more, of course—the Home Secretary is right to nod in that warning fashion. It is true. I agree with him, because we do not know the size of the bill that we are taking on.

There would be no need to take it on at all if my proposal were accepted. Why should we pay that massive bill for compensation, while the security problem remains? When the Government legislation is passed, as my hon. Friend the Member for Stockton, North said, more guns will be stored in fewer premises—a concentration that will inevitably attract raids.

The art of ram raiding, which is spreading down the country from the north-east, where its most skilled practitioners have taken it to a fine art, will be a threat to gun clubs in which whole weapons are stored. They need not be stored in that fashion; they could simply be dismantled, and all that the ram raiders would get in return for what I hope would be extensive damage to their vehicle—their tank, their milk-float, or whatever—would be parts of weapons.

9.45 pm

Mr. Tam Dalyell (Linlithgow): My hon. Friend gave the tentative figure of £300 million. Does he accept that the figure that I have been given by someone who really knows about guns and valuation is at least £1,200 million?

Mr. Howard *indicated dissent.*

Mr. Dalyell: The Home Secretary shakes his head, but when my hon. Friend has finished his speech it will be interesting to hear the right hon. and learned Gentleman's figure.

Mr. Mitchell: I am grateful to my hon. Friend, because he is right to say that the bill will escalate in that fashion. When we embark on legislation, we should know what the bill will be at the end of it. If we had known the scale of the bill, perhaps we would have been more enthusiastic and concerned about the dismantling proposal, which would not have required the bill to be paid.

If the Home Secretary had been able to give us a realistic calculation, it would have strengthened the arguments for the kind of dismantling that Lord Cullen, the hon. Member for Weston-super-Mare (Sir J. Wiggin) and I have proposed. We would not then be fighting a last-ditch rearguard action in the hope that the House of Lords will come to the rescue of the beleaguered advocates of common sense in the Chamber. That is an unusual situation, but there we are.

My proposal for dismantling all weapons, as an alternative to a total ban, was not agreed. I must tell the Home Secretary that I had not intended to go as deeply into the issue as I have done. I do not like guns or shooting. Several years ago, when we were discussing the post-Hungerford legislation, I went down to the pistol and gun club for the one and only time. I was terrified to hold one of those things and point it at a target. It was a worse ordeal than speaking in the House, and that in itself is pretty awful. I do not like the whole business, and I did not intend to get involved in it; but, having seen that we were going down what I think is the wrong path, I believe that it is essential, even at this late stage, to put the argument for rationality.

Anyway, it is no use crying over spilt amendments. They are gone, more's the pity. We now have amendment No. 58, which is much more limited in scale. It offers an

alternative method of storage and says to the Government, "You have got what you want. You have got your grand gesture—your ban on all weapons bigger than .22. Now let us approach the last remaining step—a sensible proposal for storing the weapons safely, by requiring them to be dismantled."

The amendment does not offer the grandiose prospect that I held out, of dealing with the problem in a more simple and straightforward way. It is simply a sensible storage suggestion for the Government, and I cannot understand why they will not accept it. Perhaps it undermines the validity of the gesture that they made in the first place, by attempting to ban weapons bigger than .22.

Let me not venture off into abnormal psychology. I shall never hope to understand this Government, or the rationality of Ministers. None the less, I would like them to consider the more limited proposal for safe storage of weapons, because it would avoid the obvious danger. Perhaps it could serve as a beachhead to build on, and to push the process of developing common sense, which we should have pushed earlier.

I hope, therefore, that the Government—*[Interruption.]* The Home Secretary looks as if he is longing to leap to his feet to accept my argument. If he wants to do so now, in the middle of my speech, I shall give him the opportunity. I hope that he will consider the dismantling issue more seriously than he has done up to now.

The hon. Member for Weston-super-Mare moved the amendment in a sensible, cautious, moderate, sound, well-argued and well-advocated manner, and I hope that he pushes it to a vote. I think that the House should be allowed to vote on the issue of dismantling, as numerous people have come up to me and said, "That is not a bad idea. Why didn't we think of it?" They had not read the Cullen report. People are beginning to come around to the idea of dismantling weapons. It would be useful if the Lords could discuss the Bill in the knowledge that this House was slowly coming around to sense but that, because of the rush of legislation, we had not got there yet.

Mr. Peter Brooke (City of London and Westminster, South): I shall be extremely brief, because of the Procrustean nature of the guillotine under which we are operating. A guillotine is a good way of preventing a filibuster—which nobody has threatened during debates on this Bill—but it frankly gets in the way of constructive debate. I am not sure whether I am supposed to declare an interest but, in effect, my only shooting has been done with a .22 as an Army cadet and with a .303 in the Army, where, thanks to tuition rather to any innate skill of my own, I became a first-class shot. On only three other occasions have I shot at all, twice with pistols.

My hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin) has spoken of the technicalities of the amendment, and I do not propose to use up the time of the House in reiterating those. My preoccupation, as evidenced by my interventions during the debate in Committee on the Floor of the House, is with those who shoot at county, regional, national and international level. The amendments that could be beneficial to them have a potentially wider application among other pursuers of target shooting.

The restrictions on particular pistols contained in the Bill are supported by the argument that they will allow our nation to continue to compete in Olympic shooting. However, that is an empty argument if those who would represent us cannot have the opportunity to train at international levels. We heard earlier this evening about how going beyond Cullen enlarged the need for compensation, and the amendment returns indirectly to that issue.

I have written to my hon. Friend the Minister of State—in line with my comments in Committee on the Floor of the House—about the training regime that those who shoot at international level have to pursue. Through you, Madam Deputy Speaker, I thank her for the promptness of her reply, although she gave me little comfort on the main issue. Given the rest of the Bill, a key consideration as to whether our international competitors can continue to train will be how many clubs are able to remain open—as the hon. Member for Stockton, North (Mr. Cook) said—when they have to meet the capital upgrading costs required in the Bill.

If the clubs shrink in number, the time involved in getting to one's club will become more of an obstacle to training. One cannot tell a competitor simply to move, for his or her job may not allow him or her to do so. Thus, the potential solution to the problem of the need to keep one's pistol at an upgraded club, which was offered by my hon. Friend the Member for Weston-super-Mare, becomes a matter of great importance.

There is a further dimension. In my letter to my hon. Friend the Minister of State, I alluded—as I did in Committee—to that element of training which at the highest level is technically called kinaesthetic, which represents 80 per cent. of the training at the highest level. It is done without shooting and can be conducted at home, thus hugely simplifying training if it has to be done daily and if the individual's club is open only twice a week. Although one cannot do all the kinaesthetic training without the missing part to which the amendment refers, one could do part of it in that manner. This solution, if viable, would go a long way towards solving a crucial problem at national and international level. That is a further argument in support of the amendment.

I must tell my right hon. and learned Friend the Home Secretary and his Treasury Bench colleagues that, if we do not find a way around these critical training problems, they run the risk of dancing on the grave of British performance in international shooting.

Mr. Beith: I very much agree with the right hon. Member for City of London and Westminster, South (Mr. Brooke) about the need to find a way in which those who are engaged in, and those who will in future want to engage in, competitive shooting sports can continue to do so. The amendment provides one route, but there are others.

I am one of those who did not vote either for the total ban or for the Government's alternative solution, because I took the view that neither provided a reasonable basis for compromise between an acceptable system for increasing public security and the reasonable rights of those who use guns responsibly. I felt that Lord Cullen's proposals provided that route, and I do not know how we are to continue inviting judges to conduct inquiries if we ignore them as comprehensively as we have done since the Scott inquiry.

Lord Cullen's proposals have not been debated as seriously as they should have been, except to the extent that the hon. Members for Great Grimsby (Mr. Mitchell)

[Mr. Beith]

and for Weston–super–Mare (Sir J. Wiggin) and others have drawn the attention of the House back to them from time to time. I welcome their efforts, because I believe that the proposals provide an acceptable basis for legislation.

When the Government considered the proposals, they felt that they should go further, and we as a party said in our original statement that we would assist in ensuring that a Bill could be introduced and dealt with expeditiously on that basis, although we believed that the central issue of the banning of handguns—if at all, and to what extent—should be a matter for a free vote. My party has done what it said, but some problems remain.

The Government have made some valuable moves on compensation, and we welcome that, but they have made no sensible provision for people who could legitimately engage in international shooting sports. The amendment represents one of the ways in which that could be done. As has been said, the Cullen method—the disassembly method—has significant public safety advantages over the retention of guns in one piece, whether in a gun club or elsewhere.

As I listened to the parents bereaved by the terrible disaster that prompted this legislation, I often asked myself whether I should vote for what they strongly believe that the House should vote for as the solution to the problem. The answer to that rhetorical question must be no, because neither I nor any other hon. Member can suspend judgment on what would be the most effective way of preventing such a tragedy from happening again simply because those closest to it feel that a total ban is the only way.

The legislation is not a matter of paying the greatest tribute that we can to the children who lost their lives on that murderous day; it is a matter of how we can best ensure that such an event is less likely to happen again, while protecting the reasonable rights of those people who are legitimately engaged in sport, in so far as those rights do not promote or assist the committing of such terrible acts.

That is a difficult decision to make, and I do not attack the Government for devising the complicated further compromise that has formed the basis of the Bill, but I feel that we have not given sufficient weight to Lord Cullen's sensible proposals.

Mr. Gill: I support amendment No. 58. In an earlier debate, my right hon. and learned Friend the Home Secretary relied heavily on a letter from the Forensic Science Service that right hon. and hon. Members had not had the opportunity to read. When we read it, many of us were disappointed at how thin the evidence was. My hon. Friend the Member for Weston–super–Mare (Sir J. Wiggin) has demonstrated this evening that almost everything in the letter could be proved to be misleading, inaccurate or incapable of being substantiated.

According to the information that I have received, 95 per cent. of pistols and revolvers are multi-shot and only 5 per cent. are single-shot, but of the multi-shot weapons only 5 or 10 per cent. are not capable of being dismantled. The vast majority, then, can be dismantled.

It is simple common sense that dismantling weapons, and keeping their separate parts in different places, is a far more secure means of keeping them out of harm's way than concentrating them in clubs, where it is known that there will be a concentration of weapons. That will create enormous security problems for clubs. My right hon. and learned Friend the Home Secretary knows of the concern expressed this evening about the cost to the sport of the measures. He will recognise that 113 hon. Members voted for an amendment that would have obliged the Government to introduce compensation for consequential loss.

Mr. Dalyell: The hon. Gentleman is knowledgeable on these matters. Would he care to hazard a guess at an overall figure for compensation?

10 pm

Mr. Gill: I have no idea. I sense that the figure that is most commonly used is an underestimate, but I have no means of judging the correct figure. I suspect that it will be higher than the £300 million that has been mentioned in the debate.

The cost of compliance with the regulations could be substantially reduced if we were prepared to countenance an amendment that allowed disassembly. I am sure that my right hon. and learned Friend the Home Secretary accepts that the physical security required to protect such weapons if they were kept in separate parts in separate places would be much less than that required by keeping them all in the same place, quite apart from the greater risk run by concentrating so many weapons in one place.

The cost of keeping weapons in one piece in clubs will be substantial and will severely reduce the number of clubs. If the Government intend to have a severe reduction in the number of clubs, they should be up front about it and say so. Inevitably, the number of clubs will be reduced by dint of the fact that many clubs meet on an ad hoc basis in rented accommodation and have no premises of their own to make secure. The opportunities for people to enjoy the sport will be severely restricted.

I hope that the issue of disassembly will be considered by their Lordships in due course and improvements made.

Sir Teddy Taylor: Will their Lordships not find it strange that every hon. Member who has spoken has supported the principle of considering disassembly carefully, as I am sure the Home Secretary would like to do?

Mr. Gill: Not only do I think that their Lordships will be interested in that point, which is right, but the other thing that gives hope for the future is that they will recognise the common sense of tackling the problem in this way rather than through the draconian measures proposed in the Bill.

Mr. Harry Barnes (North–East Derbyshire): The idea of dismantling is winning the argument, although the votes may not be there in the end. I support amendment No. 58 and, as a fallback, amendment No. 63, although it places much faith in the Secretary of State. I do not know whether I have such faith either in the current Secretary of State or in his successor on this matter.

I believe that the dismantling of guns is the solution to an extremely difficult problem. It would also resolve many of the other difficulties described. If the Government's position is held on the availability of .22s

in gun clubs, it would be necessary for the Government to introduce an amendment on dismantling. The dismantling argument is a genuine one and should apply in all circumstances. In fact, it has been pointed out that it is quite likely that the argument about .22s relates to a de facto ban on handguns. Ideally, I would like all guns to be dismantled for safety.

I met the parents of Dunblane for about 25 minutes before the Second Reading of the Bill. It was probably the most emotionally draining experience that I have had as a Member of Parliament, especially because I had to put my case, which was different from their own. All my fellow feelings went to out those parents as I imagined the terrible things that they had been through and what their children had suffered. In general, I am to be found on the side of humanitarian feelings when matters are discussed in the House, so it may be surprising that on this occasion I seem to have taken a different stand.

I received letters of support from gun clubs because of positions that I adopted previously and a speech that I made on Second Reading. I do not, however, identify with gun clubs. I do not have any experience of them or of guns. The last time I came near a rifle was 40 years ago, when I completed my national service. I do not like the gun club culture, and I am concerned about the willingness of people to belong to such clubs.

Mr. Frank Cook: I am bit worried about the use of the term "gun club culture." As I know it, the gun club culture has at the top of its agenda safety, safety and safety. Every member of every gun club I know is indoctrinated in a strict regime which ensures that no one can possibly come into any danger from a weapon. Even if a weapon is empty, one is taught to point it down range and not to fool around with it. Anyone who transgresses is quickly rebuked either by the range officer or by fellow members of the club.

Mr. Barnes: I do not deny that. That intervention was useful because it illustrates the different stance taken by me and by my hon. Friend, although we support the same measure.

I do not like the circumstances in which such a willingness to indulge in the sport of shooting has grown up. I grant that safety measures are taken, and we must take that into account. Some people enjoy different sports as their pastime from those with which I am familiar. I am extremely conscious that certain rights are involved, and I would not wish to lay down my own code of practice.

The hon. Member for Weston-super-Mare (Sir J. Wiggin), who moved amendment No.58, said that members of gun clubs have reluctantly accepted that dismantling is the answer. They have opted for the tactical dismantling position, whereas I am a genuine dismantler. I am not claiming that that is not a genuine belief, but it comes from assessing the alternatives and practicalities involved, as I shall seek to show.

To some extent, I wish to argue with those who do not accept dismantling because they want a complete ban on handguns. That body of opinion is still around and there is still a possibility that a ban will be proposed at some point in the future. I do not believe, however, that we can get rid of handguns in one fell swoop. There are tremendous dangers in moving in that direction. Much as I might wish for a magical act whereby people's values and attitudes would change, that will not occur in reality. If we try to force that on people, there is a grave danger of the proliferation of illegally held guns and ammunition, and even of the operation of illegal gun clubs.

The Home Secretary uses that sort of argument and claims that we should keep .22 weapons in clubs because a complete ban would lead to that dangerous situation. I accept some of the logic of that argument, but I do not believe that the Secretary of State has given the reasons for his policy fully enough.

If he gave the reasons, they would tell in favour of dismantling because of the possibility of guns being held illegally on a much wider basis. It is better to regulate and control—especially where we have a method by which that can be done—than it is to ban and fail. There is a great danger of failure in these circumstances. The Government's position whereby .22 pistols will be held in clubs seems to me to pose all the dangers that other hon. Members have described so well, such as clubs being raided or unsafe.

I am greatly concerned that we have not had the courtesy to consider and discuss Lord Cullen's report. We have been bounced straight into a White Paper and legislation. We were asked to consider only two views, but we have not done so. Lord Cullen did not even put those views forward as strong recommendations—he said that we had to make up our own minds. He wanted us to consider those two possibilities and I have heard nothing to make me deviate from his position.

The first possibility that Cullen put forward was dismantling, of which I am in favour. He said that if there were impracticalities connected with that—I do not think that there are—he would then be in favour of banning. He would not have been in favour of this halfway house of keeping .22 pistols. I adhere to that opinion.

In the previous Division, I supported banning, but only because I did not have a prior opportunity to vote in favour of dismantling. In fact, I tabled an amendment which sought to sneak in front of the one on banning, but it was not selected. I wanted to be able to vote in favour of dismantling, but I could not do so and—very reluctantly—I joined those in favour of banning, although I thought then and I still think that it is fraught with difficulty.

I do not think that the impracticalities of dismantling claimed by the Home Office and the Police Federation and set out in the letters that many of us have obtained are anything like so great as the problems that will be encountered in searching for and finding the banned guns, because many will pass quickly into illegal ownership.

Mr. Beith: I do not want to interrupt the hon. Gentleman's very good speech but, for the record, perhaps it should be made clear tha,t when Lord Cullen said that the alternative to dismantling was banning, he was talking about banning the individual possession of handguns, not necessarily excluding their use in clubs.

Mr. Barnes: I grant that point. There are different methods by which banning can be engaged, and the end position, which is still compatible with what Lord Cullen says, would be a total ban.

We have there a position which meets all the needs of the situation. We have an opportunity to debate and discuss those matters. Many people outside this place

[Mr. Barnes]

believe that we should have considered them thoroughly, and feel affronted by the procedures that we have engaged in the House. They feel affronted by the way in which we have dismissed the Cullen report and moved rapidly into legislation. We have acted fast, often for very honourable reasons and as a result of strong emotion. As has been said, however, we must use our judgment about such situations, and that judgment should be in line with amendment No. 58.

10.15 pm

Mr. Dalyell: A minute ago, the figure of the Chancellor of the Exchequer swooped into the Chamber.

Mr. Terry Lewis (Worsley): Waddled.

Mr. Dalyell: My hon. Friend says "waddled", but I am sure that "swooped" is a better description of the movement of a Chancellor of the Exchequer.

That prompts me to ask a question, because I am exceedingly curious. In the past few weeks, has no Treasury official visited the Home Office and said, "Look here, your Home Secretary is introducing a Bill. We wonder what the costs of all this will be"? During times of Labour government at least, any movement by another Department that would lead to substantial—or insubstantial—costs immediately attracts the attention of the all-seeing Treasury.

I ask the Home Secretary this question. When the Treasury officials have descended on the Home Office or summoned his officials and said, "Look here, Mr. Secretary of State, exactly what are you involving us in? What are the likely costs, and when, of the measures you propose?" I should like to know what answer was given, because some answer may have been given.

I am in a similar position to the hon. Member for Ludlow (Mr. Gill)—I do not know. A figure of £300 million has been given. The figure that I was given by a noble Lord—not of my political persuasion, but one who knows about guns—is vastly more than £300 million. What has the Home Secretary said to the Treasury?

Mr. Henderson: I do not wish to detain the House more than necessary, as it appears capable of detaining itself tonight, but I must respond to points that have been made from both sides of the House.

I am firmly of the view, and have been since my mind became concentrated on the issue of pistols after the horror of Dunblane, that it would be almost impossible to prevent leakage, given the ingenuity of evil people and criminals, if one allowed pistols to be in circulation.

When presenting its evidence to Cullen, the Labour party said that its collective instinct was, broadly, the instinct that I expressed as an individual, but there was a caveat to the effect that, if a safe method could be found of continuing to allow the ownership and use of pistols, that option should be examined and might lead to a separate conclusion. I was prepared to consider possible alternatives. As a keen sportsmen, I do not like people not to take part in a sport that they want to participate in, but in Committee I added a proviso: provided that that sport does not endanger other people.

There have been arguments in favour of another way of protecting the sport and, at the same time, of meeting the fears of the public and of the vast majority of Members of this House who support either the Government's position or our position. Can these guns be dismantled so as to render them safe? I have looked into that. Regardless of what the experts say, it seems only common sense to me that keeping track of which bit of which gun was in which location in what circumstances—and who was looking after it—would present a bureaucratic nightmare and would stretch the abilities of even the most intelligent drafter of legislation to breaking point.

We do, however, have expert opinion as well. The Minister of State in Committee and the Home Secretary on his Second Reading both intimated that the Government's forensic experts have stated that there are severe problems with dismantling. The guns would be damaged and would thus be useless for sport; moreover, because of the damage, they might be rendered more dangerous and unpredictable. Lord Cullen recognised that. The British Shooting Sports Council drew Cullen's attention, on page 125 of the report, to the evidence given to the Home Affairs Committee by Jim Sharples, chief constable of Merseyside and president of the Association of Chief Police Officers. He said that he believed that there could be problems with dismantling guns. He said:

"They could be damaged very easily",

and went on to outline other problems that could arise.

The BSSC has in a way undermined its own arguments. Having lost the argument on pistol use, it now argues that dismantling can be effective—

Mr. Frank Cook: If my hon. Friend had attended the demonstration to which I understand that he was invited yesterday evening, he would have seen a range of .22 weapons of various types dismantled in seconds, as they regularly are for cleaning, and reassembled in seconds without any problems at all. So my hon. Friend's argument is spurious. What is more, illegal guns can be obtained more easily than legal ones, and can be bought more cheaply. So these arguments do not stand up when it comes to protecting the population and avoiding a repetition of Dunblane.

Mr. Henderson: I do not know a lot about guns, but I have seen them being dismantled. I took the trouble to ask the Metropolitan police to show me guns used by the military, the police and gun clubs. They showed me the extent to which they can be dismantled, the extent to which parts are interchangeable, and how a clever engineer can easily adapt one piece of equipment to another—especially if he is criminally minded. The Metropolitan police armourers regularly make replacement parts for guns, and they are of the view that dismantling is not a practical solution.

I am grateful to my hon. Friend for intervening and giving me the chance to tell the House what I have seen for myself. If nothing else, what I have seen has convinced me of the hopelessness of the dismantling solution.

I am grateful, Madam Deputy Speaker, that I was able to catch your eye, but I must reluctantly conclude that I cannot support the amendments.

Mr. Howard: The debate has been wide ranging and has covered various aspects of dismantling. We heard, as we have heard throughout the day, a series of cogent speeches.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) accused us of ignoring the recommendations in Lord Cullen's report. The report contained 23 recommendations, and we have accepted every one of them. Lord Cullen also made suggestions—not recommendations—concerning the possession and ownership of handguns. In relation to those suggestions, the Government have taken the view that we can meet his objectives through a different route. As we have accepted all 23 of Lord Cullen's recommendations, I do not think that it can seriously be contended that we have ignored his report.

Mr. Malcolm Bruce (Gordon): Does the Home Secretary accept that, as my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) said, many people who use guns felt that they had been unfairly treated? Although the Government may have accepted the recommendations, they were not debated. The Government presented their conclusions before any of us had a chance to read the report and before the people who were affected by them had the chance to contribute to the debate. That is the source of most of the irritation: people feel that the debate has not been fairly and responsibly handled.

Mr. Howard: That complaint comes ill from a party which supported a complete ban on handguns. It is all very well for individual Members to say that they did not vote for it, but their party did and their complaint does not lie well against that background.

The subject of amendments Nos. 58 and 63—the dismantling of guns—was explored during the Second Reading debate and by the Committee of the whole House. I will repeat why the Government have not felt able to go down that route. I accept at the outset that it is a matter of judgment and that it is not possible to prove conclusively that one argument is right and one argument is wrong, and I understand why some of my right hon. and hon. Friends and some Opposition Members reach a different judgment from that reached by the Government.

Many handguns, it is true, could be dismantled in some way, but there are practical problems with that approach. They have been identified by the Forensic Science Service, reinforced by the police, as the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) said in his contribution, and they must be taken seriously. In the light of those practical objections, and taking into account the advice of the Forensic Science Service, we do not believe that disassembly would provide guaranteed assurance against the possible misuse of a pistol by a determined individual.

For example, some people will possess more than one set of barrel and slide components for their pistol, or will possess components that will allow the calibre of the weapon to be converted by the simple substitution of components. It would be impossible to be certain that a person could not still possess a complete weapon at home by keeping such an illicit spare. Indeed, the frames of some pistols are specially made so that the owner can purchase a comprehensive range of barrels of different lengths and cartridge chamberings, which can be simply substituted and fitted at the will of the user. That could again lead to the situation where a person would be in possession of a complete firearm although appearing to comply with club regulations.

Of course, it could be argued that a way of combating the risk of people keeping illicit spares would be to require them to lodge with the club secretary the frame of the gun, rather than some small component such as the slide or the cylinder—a point made on Second Reading by the hon. Member for Great Grimsby (Mr. Mitchell), if I remember correctly. However, it would not be acceptable for the club secretary to keep at home several hundred gun frames, each one of which would require only a small component to reactivate it. It would therefore be necessary for the frames to be stored under secure conditions in a gun club. I do not see that that proposal has any significant advantage over the Government's proposals, and it would create even greater difficulties for those who engage in competitive shooting.

Amendment No. 62 is intended to allow registered firearms dealers' premises to be used for storing small-calibre pistols as part of a licensed pistol club. The amendment is unnecessary. The definition of "licensed premises" in clause 12 does not prevent a registered firearms dealer's premises being specified in a pistol club's licence as the place where small-calibre pistols may be stored. Whether or not they are stored there will depend on the individual circumstances of the pistol club that wishes to be licensed. Some existing pistol clubs are run by gun dealers and are situated on the dealer's premises.

10.30 pm

The chief officer of police for the area in which the pistol club premises will be situated will advise me whether a registered firearms dealer's premises is a suitable place for small-calibre pistols to be stored in any particular case. The key requirement would be that it met the levels of security necessary to ensure that guns could not be stolen or removed illicitly from the premises.

Amendment No. 64, in the name of my hon. Friend the Member for Southend, East (Sir T. Taylor)—who made a most engaging speech—is intended to allow new licensed pistol clubs time to make arrangements to comply with the Bill's provisions. That is unnecessary as paragraph 10(2) of schedule 1 already allows the Secretary of State to define the transitional period. It will be possible to extend the period if it is considered that pistol clubs have not had enough time to obtain a licence.

An important consideration is that, as soon as reasonably possible after the commencement of the Act, we should have removed all handguns from people's homes with the exception of those—such as vets—with special authority to have them. Therefore, .22 handgun owners will be required to store their small-calibre firearms with the police until they can find a club in which to store their guns.

Mr. Dalyell: Is it conceivable that the Treasury officials have failed in their duty to get in touch with the Home Office to ask about cost estimates? If they have not failed in their duty, what on earth did the Home Office officials say?

Mr. Howard: I assure the hon. Gentleman that that is inconceivable. The Treasury has, of course, been fully consulted, and I am happy to lay the hon. Gentleman's anxieties to rest.

Mr. Dalyell: If the Home Secretary will tell me the figure, I shall sleep well tonight.

Mr. Howard: Our best estimate—I am not sure whether it will help the hon. Gentleman to sleep well—is that our

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compensation proposals will lead to a total bill of up to £150 million. We think that the Opposition's estimates are considerable exaggerations. That is my answer to the hon. Gentleman's question.

Finally, I turn to Government amendment No. 85, which provides that buying or acquiring a pistol should be a proper purpose for the police to issue a permit allowing a pistol to be outside licensed club premises. That follows the Government's undertaking, given by my hon. Friend the Minister of State in the Standing Committee, and a corresponding amendment tabled originally by my hon Friend the Member for Hexham (Mr. Atkinson).

Amendments Nos. 84 and 86 are minor consequential amendments to that amendment.

Sir Jerry Wiggin: With the leave of the House, I must admit that I am more than somewhat disappointed by the Government's response to a debate in which every Member who spoke advanced very plausible reasons for investigating further the dismantling of firearms as a security measure. The proposal has come about not as a result of the shooters' wish to see their firearms dismantled, but as a means of trying to improve the practicalities of the situation and to allow the sport—which will be totally decimated by the Bill—to survive in very difficult circumstances.

The more I think about it, the more I like the idea of a small item—it need not be a large item, but it must be the same item, preferably the butt or the frame—being kept in one place and the other item taken home. I do not believe that the Government have advanced a logical argument to sustain their position. I believe that it would be better if this matter were gone over in much greater detail in the other place.

I have no desire to press my amendment today, on condition that the Home Office bears in mind the very strong weight of technical feeling on the subject and the speeches that it will have heard this evening. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 8

PERMITS TO HAVE SMALL-CALIBRE PISTOLS OUTSIDE LICENSED PISTOL CLUBS.

Sir Jerry Wiggin: I beg to move amendment No. 59, in page 4, line 15, after 'exceptional', insert

'or subsection (2A) below applies.'.

Madam Deputy Speaker (Dame Janet Fookes): With this, it will be convenient to discuss also the following amendments: No. 60, in page 4, line 19, at end insert—

'(2A) A person who is certified by the recognised governing body of the sport to be a person who has been invited to be a member of the group from which national competitors at international competitions will be selected may be granted a permit under subsection 1 to which subsection 2 shall not apply; and such permit shall be granted for one year and be renewable while membership of the group continues to be certified'.

Government amendment No. 115.

No. 61, in schedule 2, page 23, line 26, at end insert—

'(6A) In section 53 (rules for implementing this Act), after paragraph (a), there shall be inserted the following paragraph—

"(aa) recognising specified bodies as recognised governing bodies for the purposes of section 8(2A) of the Firearms (Amendment) Act 1997.".'.

Sir Jerry Wiggin: I shall be brief, as the amendment is self-explanatory.

The three amendments would permit the chief officer of police to grant a year's permit to people chosen to be members of the national squad, and who live in his area, to represent the country in international competition. The permit would be granted only while they were members of the squad, and the squad is a closely defined body of people established by the national authority. My right hon. Friend the Member for City of London and Westminster, South (Mr. Brooke), under the guise of the last amendment, made a substantial plea that we try to allow our finest marksmen the opportunity to continue to represent the country internationally. Indeed, the Prime Minister said, in the foreword to "Raising the Game":

"I want to help our best sports men and women make the very best of their talents. I take as much pride as anyone in seeing them lead the world. I do not want to see them having to go abroad to learn how to exploit their talents".

I shall not go into great detail on the matter, except to say that to qualify for the national squad is an extremely arduous process. Most competitors will have been shooting for at least eight years. Some enter the sport as young as 14 and work their way up through the junior ranks to the adult national team. These top-class sports men and women represent the United Kingdom and home nations at Olympic, Commonwealth and world championship level. Places are not always filled, as the standards required are so high, so there are occasions when there are vacancies. Competitors will usually have worked up to the level through the regional squads based on Sports Council regions, consisting of the 10 English regions plus Scotland, Wales and Northern Ireland.

If those individuals can achieve that standard under the conditions that will be imposed on sporting shooters in future, they will be pretty exceptional men and women. Given that they are under the closest scrutiny, that they will be shooting to the highest possible standards and that they will be well known before admission to the squads, the Government might consider making a concession and allowing them to have custody of their firearms, under the special permits issued by the chief officers, for the simple and only reason that they are seeking to maintain Britain's position as one of the foremost competition shooting countries in the world.

Mrs. Helen Liddell (Monklands, East): The hon. Member for Weston-super-Mare (Sir J. Wiggin) must be congratulated on the diligence with which he has pursued his case throughout the Bill's consideration. On a number of occasions he has used various routes to make his point. Indeed, in this group of amendments, we are again debating areas that are broadly similar to those that we discussed at some length in Committee. As we come to the closing stages of the Bill, the hon. Gentleman can certainly go back to those whom he represents and say that he has prosecuted his case very well.

One point that must be borne in mind is that, on every vote in the House, the view of the vast majority of hon. Members has been absolutely clear: they want the tightest

possible restriction on handguns. The Labour party has supported the Government to an extent, and our view, and that of several Conservative Members, was that there should be a total ban on handguns. The amendments contain yet another opportunity for loopholes, and in such serious legislation it does no one any service to create loopholes.

As I have said, the view of the House is clear. As we approach the end of our debates on the legislation no one can be in any doubt that although there may be differences between us on some aspects of the Bill, the vast majority of hon. Members hold the clear view that there must be a tightening of the legislation on handguns. If we go down the route that was suggested by the hon. Member for Weston-super-Mare, we shall have to define the meaning of "exceptional".

I would mislead the House if I said that I was a great sports enthusiast. In times long past I was an undergraduate with my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson), who is an enthusiastic sportsman. Perhaps it was his enthusiasm for sport that made me go in the opposite direction.

In Committee, the hon. Member for Weston-super-Mare argued convincingly about the difficulty of defining the level of sportsmanship and of what constitutes a national competition. That takes us into a difficult area. In addition, if we allow the loophole that would be permitted by the amendment to be opened up, handgun enthusiasts would make a pressing case for increasing the number of national competitions.

The next argument would be that if well wished marksmen and markswomen to be exceptional, they would have to have more training opportunities. The amendment provides a year's remission to such people in terms of applying to remove their pistols from shooting clubs.

These are substantial and disturbing loopholes. Thomas Hamilton was a good marksman, but he did not devote himself to competition. He was such a good marksman that, when he fired his gun 109 times, 38 lethal wounds were inflicted. That was the action that led to us considering this legislation.

I regret that the hon. Member for Southend, East (Sir T. Taylor)is not in his place. He deprecated the stand of my hon. Friend the Member for Hamilton (Mr. Robertson) on a "Scotland only" ban. It is important for the House to recognise the extent to which the people of Dunblane are watching us prosecute the case for the legislation. As a consequence of an earlier vote, some young men and women in Dunblane high school started a hunger strike, and it was only through the intervention of relatives of those who were bereaved that they were persuaded to end it. If they see further loopholes in the legislation, they will take the view that the House is not listening to them and to public opinion in general. We have a duty to represent public opinion.

Notwithstanding the energetic and sometimes rather unpleasant moves by those who have sought to influence views in the House, it is clear that the vast majority of people in this country, and not just in Scotland, favour the adoption of the maximum means of restricting the use of handguns. In a sense, the hon. Member for Weston-super-Mare contradicts the lobby that he seeks to support. On page 121, paragraph 9.68, the Cullen report quotes the British Shooting Sports Council as stating:

"no matter what system of checks and paperwork is maintained in such circumstances, it would be a simple matter indeed for a shooter intent on recovering his guns"—

I ask the hon. Member for Southend, East to listen closely—

"to enter a competition, provide evidence to his club secretary that he had done so, recover possession of the complete gun together with ammunition for it, and perpetrate an outrage".

That was said not by people who agree with my position on the issue but from those who are on his side in the debate. If we were to support these amendments, we would be allowing guns to be outside controlled premises for up to a year.

10.45 pm

Amendment No. 115 addresses an issue that we discussed in Committee, and significant points about it were raised during that debate by the Minister of State. The amendment generally deals with the issues raised in Committee, although there is a real need for the guidance to the police that will accompany the legislation, to ensure that due caution is taken in assessing whether all reasonable action has been taken in ensuring compliance with the legislation.

Therefore, it will come as no surprise that Government amendment No. 115 is attractive to the Opposition. However, amendment Nos. 59 to 61 create a loophole which I think that the public would regard as unnecessary. Ultimately, the legislation's purpose is to ensure public safety. That must come before every other consideration.

Mr. Brooke: I rise again in support of my hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin), in the context of his amendment affecting those who compete at international level. During the Bill's Committee stage on the Floor of the House, on November 18, I spoke about the training that international competitors are required to follow. I followed up on that with a letter to my hon. Friend the Minister of State, to which, as I said in an earlier debate, she has replied with admirable promptness. I appreciate that.

My hon. Friend concluded her letter with the paragraph:

"Inevitably there will be sportsmen and women who will be disadvantaged by these measures. However the Government must make its first priority the protection of the public. We are determined that target shooting may continue but only under the very strictest of conditions."

I understand the principle inherent in the paragraph, which underlines the overall principle of the Bill. However, I hope that my hon. Friend will forgive me if I say that, in the context of the national squad, it is insulting. The hon. Member for Monklands, East (Mrs. Liddell) has just reinforced that belief, in a not notably well-informed speech.

My hon. Friend the Minister of State said in Committee that there might be occasions on which pistol owners require to have their pistols outside a club, but envisaged that those occasions would be rare, and thus exceptional. The would be covered by the Bill. I alluded in my letter to her to a constituent of mine, who has since sent me the details of the required training programme at national and international level. It involves 45 different episodes and events a year away from the home club. I do not know whether that is what my hon. Friend calls "rare" or "exceptional".

The virtue of the amendments tabled by my hon. Friend the Member for Weston-super-Mare is that they meet not only the requirements of that programme comprising

[Mr. Brooke]

45 episodes, with all its attendant third-party carriage, but they meet the kinaesthetic element of training in one's own home, which, as I said on November 18 and earlier in this debate, represents 80 per cent. of the training that I described in detail in my letter to my hon. Friend the Minister.

Mr. Frank Cook: I speak in support of sound logic, and I have been a bit concerned about some of the arguments that have been made in this debate. The raison d'être of this legislation originates in an incident involving a mentally deranged person who had a firearms certificate and membership in several gun clubs—the membership records of which have disappeared, because the police have confiscated them and now refuse to release them, so that they can be examined properly.

On the basis of that deranged behaviour, we are being told that our national sportsmen and sportswomen, whom we formerly hailed as heroes when they returned with gold medals—which were in very short supply in any other sport—cannot be trusted. That is tantamount to saying that Fatima Whitbread should not have been allowed to hold a javelin in case she thrust it into the chest of a policeman on traffic duty. It is preposterous to use one extreme to try to prove an argument at the other end of the spectrum. It is unfair. It is unwarranted. It is unjustifiable. It is inexcusable.

I am sick of hearing about loopholes. We hear loophole, loophole, loophole all the time. Some people estimate that there are 250,000 illegally held weapons in the country, but other authorities tell us that there may be 4 million. That is a large loophole. The police tell me that 2,500 handguns are crossing the channel from the continent. That is another large loophole. I have heard very little about closing those loopholes. We should spend more time thinking about that than trying to stop law-abiding people following a perfectly justifiable and respectable pastime.

Miss Widdecombe: I appreciate the sentiments behind amendments Nos. 59, 60 and 61, but I cannot imagine any justification for treating members of national or international squads differently from other small-calibre pistol owners.

We considered carefully whether a pistol outside a club on permit should be conveyed by its owner or by a third party. We concluded that unless there were exceptional circumstances, transport should be by a third party. We consider it essential that, in all but the most exceptional cases, pistol and owner should be quite separate when they are both in public. There may be occasions on which pistol owners need to have their pistol outside a club, but we envisage that they will be as I have said—exceptional.

I also do not think that permits should be granted for a year at a time. The chief officer needs to decide in each case that he is granting a permit for a proper purpose, as listed in clause 8(3). It is unlikely that any purpose would justify a permit of a year's duration. Granting a blanket permit would not allow him to do that and may mean that individuals had their pistols outside club premises for other reasons.

Government amendment No. 115 has been tabled in response to the amendment tabled in Committee by my hon Friend the Member for Hexham (Mr. Atkinson). It allows a person a defence of having taken all reasonable steps to avoid commission of the offence in clause 8(5) of failing to comply with the conditions on a permit. It will, for example, guard against a third party carrier failing, solely through his own fault, to deliver a pistol in accordance with the permit conditions. The certificate holder would then be able to prove that the fault lay with the carrier rather than with him.

Amendment negatived.

Amendments made: No. 84, in page 4, line 21, leave out

'of a licensed pistol club'

and insert

'at which it is required to be kept'.

No. 85, in page 4, line 22, at beginning insert—

'( ) conveying the pistol to those premises following—

(i) the release of the pistol from a police station at which it has been kept under Schedule 1 to this Act;

(ii) the purchase or acquisition of the pistol; or

(iii) a change in the licensed premises at which the pistol is required to be kept;'.

No. 86, in page 4, leave out lines 24 and 25.

No. 115, in page 5, line 3, at end insert—

'(5A) In proceedings against any person for an offence under subsection (5)(a) above, it shall be a defence for him to prove that he took all reasonable precautions and exercised all due diligence to avoid the commission of the offence.'.—*[Mr. Ottaway.]*

Clause 10

SURRENDER OF PROHIBITED SMALL FIREARMS

Amendment proposed: No. 69, in page 5, line 24, after 'firearms', insert 'or ammunition'.—*[Miss Widdecombe.]*

Madam Deputy Speaker: With this we may take Government amendments Nos. 70 to 72 the following: Amendment. No. 12 in page 5, line 29, at end insert—

'(3) The Secretary of State shall make a scheme for the disposal of firearms surrendered under this Act.

(4) No scheme shall be made by the Secretary of State under this section before he has laid before Parliament a report on the general principles which he proposes should underlie the scheme and each House has come to a resolution in respect of that report.'.

Mr. Henderson: Amendment No. 12 was tabled because of concern that has been expressed by a number of organisations and individuals about what happens to the guns once they have been handed into police stations. We are talking about 160,000 guns. There are obviously a number of different ways in which they could be disposed of. They could be melted down or—presumably—sold. There would be considerable concern if those guns were sold and ended up in the hands of international gun dealers, who then disposed of them in areas of the world either where people were concerned about guns ending up or where there were bans on the export of guns from the United Kingdom for whatever reason.

The amendment requires the Government to stipulate what they intend to do with the guns that will be collected, and it suggests that the Government report to the House at a later stage on the way in which those guns will be disposed of.

Miss Widdecombe: I regret that I cannot support amendment No. 12. I assume that the intention behind it

is to ensure that all weapons surrendered as a result of the Bill are destroyed, but there may be a case, as in previous schemes, to make available to certain publicly funded museums and other bodies a small percentage of the weapons involved. That will include only those firearms of a special scientific or national heritage value, and we are discussing the options with the police.

I assure the House that probably the vast majority—but not all—of the weapons surrendered will be destroyed by the police in accordance with force practice locally. I see no merit in parliamentary involvement in that operational exercise by the police, and ask the House to reject the amendment.

Amendment agreed to.

Amendments made: No. 70, in page 5, line 26, at end insert 'or section 25 below'.

No. 71, in page 5, line 28, after 'firearms', insert 'or ammunition'.

No. 72, in page 5, line 29, after 'firearms' insert 'or ammunition'.—*[Miss Widdecombe.]*

Clause 11

PAYMENTS IN RESPECT OF PROHIBITED SMALL FIREARMS

Amendments made: No. 73, in page 5, line 31, leave out from 'payments' to end of line 41 and insert

'in respect of firearms and ammunition surrendered at designated police stations in accordance with the arrangements made by him under section 10 above.

(2) A scheme under subsection (1) above shall provide only for the making of payments to persons making claims for such payments in respect of firearms or ammunition—

(a) which they had, and were entitled to have in their possession on or immediately before 16th October 1996 by virtue of firearm certificates held by them or by virtue of their being registered firearms dealers; or

(b) which on or before that date they had contracted to acquire and were entitled to have in their possession after that date by virtue of such certificates held by them or by virtue of their being registered firearms dealers,

and their possession of which will become, or has become, unlawful by virtue of section 1(2) above or section 25 below.

(3) A scheme under subsection (1) above may—

(a) restrict eligibility for receipt of payments to claims made in respect of firearms or ammunition surrendered within a period specified in the scheme;

(b) provide for the procedure to be followed (including any time within which claims must be made and the provision of information) in respect of claims under the scheme and for the determination of such claims;

(c) make different provision for different descriptions of firearm or ammunition or for different descriptions of claimant.'.

No. 74, in page 5, line 41, at end insert—

'(4) The Secretary of State shall, in accordance with any scheme which may be made by him, make payments in respect of ancillary equipment of any description specified in the scheme.

(5) For the purposes of subsection (4) above "ancillary equipment" means equipment, other than prohibited ammunition, which—

(a) is designed or adapted for use in connection with firearms prohibited by virtue of section 1(2) above; and

(b) has no practicable use in connection with any firearm which is not a prohibited weapon.

(6) A scheme under subsection (4) above shall provide only for the making of payments to persons making claims for such payments in respect of ancillary equipment—

(a) which they had in their possession on 16th October 1996; or

(b) which they had in their possession after that date, having purchased it by virtue of a contract entered into before that date.

(7) No payment shall be made under a scheme under subsection (4) above in relation to any ammunition unless its possession or, as the case may be, purchase by any person claiming a payment in respect of it was, at all material times, lawful by virtue of a firearm certificate held by him or by virtue of his being a registered firearms dealer.

(8) A scheme under subsection (4) above may require, as a condition of eligibility for receipt of payments under the scheme in respect of any equipment—

(a) the surrender (whether to the police or any other person) of that equipment in accordance with the scheme within a period specified by the scheme; or

(b) the disposal of that equipment by way of sale within a period so specified; or

(c) either such surrender or such disposal of that equipment within a period so specified.

(9) A scheme under this section may—

(a) provide for the procedure to be followed (including any time within which claims must be made and the provision of information) in respect of claims under the scheme and for the determination of such claims;

(b) make different provision for different descriptions of equipment or for different descriptions of claimant.'.—*[Mr. Ottaway.]*

Clause 12

PURPOSE OF PART II

Amendments made: No. 96, in page 6, line 6, leave out 'Part' and insert 'Act'.

No. 97, in page 6, line 8, after '"licensed' insert 'pistol club" '.

No. 112, in page 6 leave out lines 14 to 17.—*[Mr. Ottaway.]*

Clause 14

EXEMPTIONS FROM SECTION 1 OF THE 1968 ACT FOR OFFICERS ETC. OF LICENSED PISTOL CLUBS

Amendment made: No. 113, in page 7, transfer lines 1 to 10 to end of line 6 on page 9.—*[Mr. Ottaway.]*

Clause 15

GRANT OF LICENCES

Amendment made: No. 114, in page 7, line 29, at end insert—

'(6) In this Part "the responsible officer", in relation to a licensed pistol club, means the officer of the club to whom the licence was granted or who has since become the responsible officer by virtue of a variation of the terms of the licence.'.—*[Mr. Ottaway.]*

Clause 18

DURATION OF LICENCE AND RENEWAL

Amendments made: No. 87, in page 8, line 13, leave out 'five' and insert 'six'.

[Miss Widdecombe]

No. 88, in page 8, line 14, leave out 'five' and insert 'six'.—*[Mr. Ottaway.]*

Clause 21

REGISTERS TO BE KEPT BY LICENSED PISTOL CLUBS

Amendments made: No. 98, in page 9, line 18, at end insert

'(ab) a description of the pistol;'.

No. 99, in page 9, leave out lines 26 and 27 and insert

'and any entry relating to the date on which a pistol was first stored at the premises, or its subsequent removal from or return to those premises, shall be made within twenty four hours of that event.'.—*[Miss Widdecombe.]*

Clause 26

EXCEPTION FROM PROHIBITION FOR EXPANDING AMMUNITION ETC. TO BE USED FOR SHOOTING DEER OR CONTROLLING VERMIN

Amendments made: No. 117, in page 11, line 3, leave out from the beginning to end of line 4 and insert—

'(1) Section 5A of the 1968 Act (exemptions from requirement of authority under section 5) shall be amended as follows.

(2) In subsection (1) (collections), after the words "subsection (2)" there shall be inserted the words "and (3A)".

(3) In subsection (3) (collectors), at the beginning there shall be inserted the words "Subject to subsection (3A) below," and after that subsection there shall be inserted the following subsection—

"(3A) Subsections (1) and (3) above do not apply in relation to the possession, purchase, acquisition, sale or transfer of expanding ammunition."

(4) In subsection (4) (shooting of animals)–'.

No. 118, in page 11, line 5, after 'paragraph (a)' insert

'after the word "certificate" there shall be inserted the words "or a visitor's firearm permit under section 17 of the Firearms (Amendment) Act 1988" and'.

No. 119, in page 11, line 9, leave out from 'certificate' to end of line 12 and insert

'or permit is subject to a condition restricting the use of any expanding ammunition to use in connection with the lawful shooting of deer or the shooting of vermin or, in the course of carrying on activities in connection with the management of any estate, other wildlife'.

No. 120, in page 11, line 12, at end insert—

'( ) In subsection (5) (ammunition designed to be capable of being used with a slaughtering instrument), in paragraph (a) after the word "entitled," there shall be inserted the words "by virtue of a firearm certificate or".

( ) After subsection (5) there shall be inserted the following subsection—

"(5A) The authority of the Secretary of State shall not be required by virtue of subsection (1A) of section 5 of this Act for any person to have in his possession, or to purchase or acquire, or to sell or transfer, any expanding ammunition or the missile for such ammunition if—

(a) he is authorised by a firearm certificate or visitor's firearm permit to have in his possession, or to purchase or acquire, any expanding ammunition; and

(b) the certificate or permit is subject to a condition restricting the use of any expanding ammunition to use in connection with the humane killing of animals.'.—*[Miss Widdecombe.]*

Clause 31

APPLICATIONS FOR CERTIFICATES AND REFEREES

Amendment made: No. 116, in page 13, line 14, after 'statement' insert 'in the prescribed form.'.—*[Mr. Ottaway.]*

Clause 32

GRANT OF FIREARM CERTIFICATES

Mr. Salmond: I beg to move amendment No. 18, in page 14, line 6, at end insert—

'Provided that a chief officer of police shall not grant a certificate for a small–calibre pistol where, by doing so, he would thereby increase the number of small–calibre pistols for which certificates continued in force in a police authority area above the number of certificates for small–calibre pistols which were in force in that area on 16th October 1996.'.

The purpose of the amendment is to place a cap on the number of .22 pistol licences that could be issued. The Minister knows of my concern that over time we may see the trading down from higher-calibre weapons to new .22 weapons in compensation. In the 20 or so seconds that remain, can the Minister tell us whether she has given that matter consideration and can think of any other way to stop, in the medium term, trading from higher calibre weapons to new .22 weapons?

Mr. John Carlisle: Amendment No. 18 should be totally rejected by the House because trying to persuade people to purchase certain types of weapons using the compensation, inadequate though it may be—

It being Eleven o'clock, MADAM DEPUTY SPEAKER *proceeded, pursuant to the Order [18 November and this day], to put forthwith the Question already proposed from the Chair.*

Amendment negatived.

MADAM DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at Eleven o'clock.*

Clause 33

REVOCATION OF CERTIFICATES

Amendment made: No. 100, in page 15, line 5, leave out 'refusal' and insert 'partial revocation'.—*[Mr. Ottaway.]*

Clause 34

POWER OF SEARCH WITH WARRANT

Amendment made: No. 101, in page 16, line 29, leave out 'books' and insert 'records'.—*[Mr. Ottaway.]*

Clause 36

APPROVED RIFLE CLUBS

Amendments made: No. 102, in page 18, line 4, leave out 'may'.

No. 103, in page 18, line 5, after '(a)' insert 'may'.

No. 89, in page 18, line 28, after 'section' insert 'and section 15A below'.—*[Mr. Ottaway.]*

Clause 38

INTERPRETATION AND SUPPLEMENTARY PROVISIONS

Amendments made: No. 104, in page 19, line 1, at end insert—

' "licence", "licensed pistol club" and "licensed premises" have the meanings given by section 12 above;'.

No. 82, in page 19, line 17, at end add—

'(6) The provisions of this Act shall be treated as contained in the 1968 Act for the purposes of the Firearms Act 1982 (imitation firearms readily convertible into firearms to which section 1 of that Act applies).'.—*[Mr. Ottaway.]*

Schedule 1

TRANSITIONAL ARRANGEMENTS FOR SMALL-CALIBRE PISTOLS

Amendments made: No. 105, in page 20, line 5, after 'who' insert '(a)'.

No. 75, in page 20, line 6, after first 'pistol', insert 'belonging to him'.

No. 106, in page 20, line 7, at end insert '; and

(b) will, after the appointed day, be required to keep that pistol at licensed premises of a licensed pistol club.'.

No. 76, in page 20, line 16, leave out 'voluntarily'.

No. 77, in page 20, line 17, at end insert 'under paragraph 8A(2) below'.

No. 107, in page 20, line 25, leave out second 'renewal' and insert 'renewed'.

No. 108, in page 21, line 11, leave out 'deliver' and insert 'release'.

No. 109, in page 21, line 21, after 'require' insert 'such'.

No. 110, in page 21, line 23, leave out 'which' and insert 'as'.

No. 78, in page 21, line 33, leave out 'voluntarily'.

No. 79, in page 21, line 43, at end insert—

'*Voluntary surrender of pistols*

8A.—(1) A person to whom this Schedule applies may before the appointed day, surrender a small-calibre pistol belonging to him at any designated police station instead of keeping it at licensed premises of a licensed pistol club or delivering it into police custody.

(2) Where a small-calibre pistol has been delivered into police custody, the person who delivered it may (if it still belongs to him) surrender the pistol by giving notice that he is surrendering it to the chief officer of police for the area in which the designated police station to which he delivered it is situated.

8B. The Secretary of State may make such payments, to such persons, as he may consider appropriate in respect of small-calibre pistols which are surrendered, or are treated as having been surrendered, by virtue of paragraph 8 or 8A above.'.—*[Mr. Ottaway.]*

Schedule 2

CONSEQUENTIAL AND MINOR AMENDMENTS

Amendments made: No. 83, in page 22, line 27, after '23(2) insert ', 32(2)'.

No. 111, in page 23, line 26, at end insert—

'6A. In section 44(1) (appeals from police decisions under Part II), for the words "section 26, 29, 30" there shall be substituted the words "section 28A, 29, 30A, 30B, 30C".

6B. In section 54(1) (application of Parts I and II to the Crown) for the words "26 to 32" there shall be substituted the words "26A to 32".'.—*[Mr. Ottaway.]*

Order for Third Reading read.

11.1 pm

Mr. Howard: The Bill is a complicated one. It deals with a vital public issue, and right hon. and hon. Members have given voice to a number of important concerns. I pay especial tribute to my hon. Friend the Member for Weston-super-Mare (Sir J. Wiggin), who has moved the many amendments in his name with considerable persistence and skill.

I shall not go over again the background to the Bill. It has always been the Government's intention to recognise the priority that has to be given to achieving the protection of the public while allowing a limited amount of competitive pistol shooting to continue, so long as that could be combined with the protection of the public.

We have accepted, as I said earlier, all 23 of Lord Cullen's recommendations, and we have sought to achieve the objectives that he set out in his suggestions for the control of the ownership and possession of pistols in a different way. We have also sought to make reasonable exclusions from the scope of the Bill, when consistent with those objectives, and we have made a number of concessions on the question of compensation.

The exceptions include the exclusion of muzzle-loading firearms from the general prohibition, which will allow their continued use by historical enactment societies and their holding by collectors. There will be no changes to the existing arrangements for antique pistols.

I announced on Second Reading that we would introduce an amendment to deal with historic handguns made before 1939. We have taken the views of the Firearms Consultative Committee and others, but we are not quite ready to table an amendment on that point. We shall do so when the Bill is in another place. We also intend to table amendments in another place to extend the scope of museum licences to ensure that regimental and other museums that are not publicly funded will be able to apply to keep weapons of historical importance.

In response to concerns expressed in Committee and earlier today, we have asked the Firearms Consultative Committee to look afresh at controls on air weapons and on age limits in general. If there is a case for putting forward changes, and if time allows, we shall do so in another place.

The Bill is an important measure to protect and reassure the public by banning the majority of handguns from the home and public places. It imposes rigorous controls over the procurement, ownership, storage, use and disposal of the smaller calibre pistols that may continue to be used for the sport of target shooting.

The dreadful tragedy of Dunblane placed on the Government an inescapable duty to consider what controls there should be on the ownership and possession of guns. We have not shirked that duty. The Bill sets out the way in which the Government believe that the objective of strict control of access to handguns can most effectively be achieved. It will provide the public with the protection they need and deserve, while allowing a limited amount of pistol shooting to continue in secure conditions. I commend it to the House.

11.4 pm

Mr. Jack Straw (Blackburn): We support Third Reading, as we have supported the Bill throughout its passage. During today's debates, many hon. Members on both sides of the House who have spoken in favour of amendments intended to reduce the degree of gun control in the Bill have understandably claimed that most or even all of the speakers in debates on particular amendments, apart from the people on the Front Benches, have supported that liberalisation of control.

One understands why those hon. Members make that point, but I must tell the House, especially my hon. Friend the Member for Stockton, North (Mr. Cook), that it is important to bear in mind the fact that, on Second Reading, the Bill was endorsed by an overwhelming vote. That was well demonstrated when only 35 Members voted in favour of the reasoned amendment, while 384 voted against it.

Mr. Tony Marlow (Northampton, North): The Bill may have gone through on an overwhelming vote, but it also provoked the biggest revolt in the Government party that I can remember in the 17 years during which I have been a Member of Parliament. More than 100 Conservative Members want to have nothing to do with the Bill, and they are right.

Mr. Straw: It is a bit difficult to divine whether there has been a Government revolt, judging by the number of abstentions—*[Interruption.]*

Mr. Frank Cook: On a point of order, Madam Deputy Speaker. I suffer badly from partial hearing loss, and I am anxious to hear every syllable of my hon. Friend's speech. There is much discussion taking place inside the Chamber but beyond the Bar. May I ask you to draw the attention of the House to that fact?

Madam Deputy Speaker: I think that the point has been made, because all those hon. Members have now left the Chamber.

Mr. Cook: And it was all done without a handgun.

Mr. Straw: My hon. Friend obviously has a future ahead of him in clearing rooms.

If the hon. Member for Northampton, North (Mr. Marlow) judges Government revolts by the numbers of Conservative Members who abstain, he should know that the number who abstained on Second Reading of the Crime (Sentences) Bill was rather larger than the number who abstained on Second Reading of the Bill before us. *[Interruption.]* That happens to be a matter of fact. I do not pretend that it is a sign of an extensive revolt in the governing party.

In an intervention during the excellent speech made by my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) in an earlier debate, a Conservative Member—I think, but am not certain, that it was the hon. Member for Ludlow (Mr. Gill)—asked when, before the tragedy in Dunblane, anyone in the House had talked about stricter gun control.

The answer is that, over several years, many hon. Members have raised that issue. My hon. Friends the Members for Holborn and St. Pancras (Mr. Dobson) and for Hammersmith (Mr. Soley) both did so in 1987, before Hungerford. My hon. Friend the Member for Worsley (Mr. Lewis) has done so assiduously and repeatedly over the years, and he introduced a detailed Adjournment debate on the subject in May 1995.

The Conservative Government led by the right hon. Member for Old Bexley and Sidcup (Sir E. Heath) also examined the matter, with the publication in 1972 of a commendable Green Paper on firearms control, which, sadly, was never followed through into legislation.

The answer to the question asked by the hon. Member for Ludlow is very much in the affirmative, but there is a related question that he might have asked, to which there is a profoundly depressing and negative answer. That question is: what notice was taken of those who called for gun control before Dunblane? The dismal answer is that, despite the persuasiveness of their arguments, in practice little notice was taken of those who had the foresight to call for greater gun control. I admit that that applies to both sides of the House.

The victims of Dunblane—indeed, the victims of Hungerford—might have been saved had notice been taken, but it was not. With the benefit of hindsight on both sides of the House, we can now see that this Bill should have been on the statute book years ago. We must all share in the responsibility for the dismal truth that it will have taken the dreadful massacre at Dunblane to get it on to the statute book.

It is said that, as a result of this Bill, we will have among the toughest gun controls laws in the world. Personally, I am very glad of that. The more that I have listened to the arguments of the gun lobby as they have supported the privilege of their members to hold handguns, the more I have been convinced of the necessity to ensure that there is a complete ban on the ownership and possession of handguns in general civilian use. The gun lobby has, in my judgment, done its case no good at all.

The Bill goes a significant way towards achieving our aim of a complete ban on handguns in general civilian use, but it does not, in our view, go far enough. If, as I expect, we win the forthcoming general election, we shall introduce legislation to provide for that complete ban, and we shall invite the House to support it on a free vote.

Mr. John Carlisle (Luton, North): In the very unlikely event of Labour taking power, what will its attitude be to shotguns? I know that the hon. Gentleman's personal opinion, as expressed on the Floor of the House, is that he does not foresee any further restrictions, but there has been pressure from Opposition Back Benchers, as some of the amendments tabled to the Bill have shown. Can he give us an absolute assurance that a Labour Government—should there be one—will not restrict shotguns under any circumstances?

Mr. Straw: I can give the hon. Gentleman almost all the assurances he seeks. We made it clear in the evidence that we gave to Lord Cullen's inquiry that we saw a clear distinction between shotguns and other firearms.

Mr. Budgen: Will the hon. Gentleman give way?

Mr. Straw: I will in a moment, but I would like to answer the hon. Member for Luton, North (Mr. Carlisle)

first, if that is acceptable. The hon. Member for Wolverhampton, South–West (Mr. Budgen) is a man of great politeness, and he will wish to show some consideration to his hon. Friend.

We said in our evidence that there is a case for distinguishing—as the law currently does—between shotguns and other firearms. Shotguns are in widespread use in rural areas by farmers in keeping down vermin, and by those involved in game shooting. We also said that we thought that there should be a tightening of the system for applying for and being issued with a certificate. We have no proposals, and I anticipate none, for introducing general bans on the use of shotguns. I make that absolutely clear.

Mr. Budgen: I am sure that the hon. Gentleman agrees that this measure has come as a result of popular pressure acceded to by both the Government and the Opposition Front Benches. One of the most important and persuasive advocates of that motive for legislation has been my right hon. and learned Friend the Member for Putney (Mr. Mellor). He was asked, "If somebody went mad and killed a lot of people with a shotgun, would you be in favour of a ban on shotguns, provided there was a sufficient public clamour?"

He made it plain that, as far as he was concerned, the cry of the mob was what activated him most of all in the introduction of legislation. If that is the view of one of the most persuasive and eloquent Tory advocates of a general ban, how can we sure that the Labour party will not be similarly persuaded?

Mr. Straw: Because members of the mob are to be found only on the Conservative Benches—that is the simple answer. We exercise our judgment on these matters. *[Interruption.]* I shall ignore the sedentary intervention about the number of mobsters at Stamford Bridge from my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson), as this is a serious debate. We have reached our view, and the right hon. and learned Member for Putney has come to a different view.

I do not believe that shotguns are in the same category as handguns. Shotguns are not manufactured to kill human beings, although I know that they can do so. *[Interruption.]* If the hon. Member for Weston–super–Mare (Sir J. Wiggin) wants to tell me that they are manufactured for that purpose, I will readily give way to him.

Shotguns are used for what I regard as legitimate sports, and we have no proposals to change the current regime on them except in respect of certification procedures. Those changes would be widely accepted by those who legitimately and lawfully use shotguns.

The parents of the 16 children killed at Dunblane have grieved for their sons and daughters every day since 13 March, and they will do so every day for the rest of their lives. Anniversaries are particularly hard to bear, especially when children have died. While most of us will be celebrating Christmas this year, the pain at their loss will be all the more intense for the parents of Dunblane and their relatives and friends.

We have actively co-operated with the Government to get the legislation on the statute book. It was a widely shared hope that it would pass through both Houses and be law by Christmas. That has not, in the event, proved possible, but the fact that the Bill has proceeded through all its stages in the Commons before Christmas may serve as a testament to all the parents of Dunblane and their relatives and friends of our determination to ensure, as far as humanly possible, that such a senseless waste of life never happens again.

11.15 pm

Mr. Budgen: This is a bad Bill, badly made. It has been badly made partly because the Opposition agree to it in principle and partly because the Government have been so unwise as to impose not a justified guillotine, after proper discussion or the suspicion of filibustering, but a scandalous and precautionary guillotine at the very beginning. I call it scandalous because the parents of Dunblane and the whole nation deserve to have legislation that is properly made.

One of the conditions of having legislation properly made is that those who feel strongly about something should listen carefully to those who feel equally strongly, so that they can be persuaded at least to understand that others share their passion, albeit from a different point of view.

The legislation has also been scandalously badly made because of the way in which we have brought together Report and Third Reading. When the already scandalous proposal for a precautionary guillotine was introduced, it was at first proposed that there should be a gap between Report and Third Reading, which would have allowed a period of consultation between those who are affected and those who are making the law.

There is no way in which the gun clubs can say whether they believe, for instance, that the proposals for compensation will be fair to them, and no way in which the lawyers can examine the hastily made amendments and say whether the legislation is sound.

We hear many speeches about the impertinence of the judges, and my right hon. and learned Friend the Home Secretary often jokes about the way in which he is so often in conflict with the judiciary. In three or four years' time, the House of Lords in its judicial capacity will have to examine one of the amendments that you, Madam Deputy Speaker, helped the Government to nod through in the last five minutes before 11 o'clock, and the Home Secretary and a vast number of lawyers, at great expense to the public, will have to weigh up with agonising care the meaning of some phrase that has not even been considered in our proceedings.

Can we wonder that the judges say that Parliament is not doing its job, and that it acts as a vote-catching machine, not a proper legislature? Can we complain when they regard themselves as operating in some way as subsidiary Back Benchers? Can we wonder that they extend the doctrine of judicial review when we behave so badly as we have in the course of these proceedings?

I want to introduce a word that Lord Cullen used in his report, because it seemed to me to be a new word: proportionality. The Home Secretary—and I, rather inadequately—learned our law at about the same time at Cambridge. I remember that the word in those days was "reasonableness", but "proportionality" seems to be the word that is used now, especially by lawyers who know something about European law.

[Mr. Budgen]

It is not a bad word, especially when everyone is always talking about the necessity for public safety. However, public safety is not an absolute good to be pursued at all costs and in all circumstances. The public must accept some risks in their lives, as we all do. We cannot obliterate risk all the time at the greatest cost in terms both of freedom and public expenditure.

In our disgracefully truncated proceedings today, we have arbitrarily extended the recommendations made by Lord Cullen. Before anybody says that this is only the voice of a mixture of muddled libertarianism and aggressive gun club rhetoric—

Mr. Straw: It is.

Mr. Budgen: I hope that it is not.

I accept that firearms were inadequately controlled before the Cullen report. I have a little experience of that because, as an occasional hack provincial barrister, it has been my job over the years to appear on behalf of people who wanted to get firearms certificates. I accept that the procedure was too lax. It was necessarily too lax, because it is drummed into everyone who has anything to do with our system of criminal law that we are all presumed innocent until proved guilty. There is no doubt that, from time to time, rather odd and potentially dangerous people got firearms certificates. I am glad that Lord Cullen suggested a way to make that first barrier more stringent, and it should be adopted.

Lord Cullen also suggested a second and very helpful barrier. He said that people should be obliged to be members of gun clubs. That would result in constant surveillance by gun club members, because they would be anxious to keep their own certificates so that they could continue their lawful—and some would say, patriotic—sport. I think that that was enough.

Then there is the doctrine of proportionality. What are we doing in this Bill?

Mr. William Ross: Does the hon. Gentleman, like me, find it passing strange that Lord Cullen did not examine the granting and refusal of firearms certificates in Northern Ireland, where it is an executive rather than a legal matter?

Mr. Budgen: I do not know that I think it should be only an executive matter.

Mr. Ross: It works.

Mr. Budgen: Let me explain. The hon. Gentleman may think that I am too much of a libertarian, but I think that, when police refuse a citizen a firearms certificate, that citizen should have a right of appeal to the Crown court. However, I think that the criteria by which such certificates are granted should be tightened.

I am sorry that my right hon. and learned Friend the Member for Putney (Mr. Mellor) is not with us, because I have been privileged to discuss the matters publicly with him. He speaks in a manner which I am sure he finds extremely persuasive, because he repeats it so many times. He says that he does not want there to be any gun culture as in America, and that there is no right to bear arms. As far as I know, with the exception of the European Union, we do not have a written constitution, anyway. There is no right to bear arms.

I think that the first barrier I mentioned should be made more difficult to climb. I am glad that Lord Cullen made those suggestions. It was also entirely sensible for him to erect a further barrier—the membership of those clubs. Here we come to the doctrine of proportionality. Of course, I repeat, we are not dealing with the literally millions of handguns and firearms that are held illegally. We are dealing with the problem that arises as a result of the 4 per cent. of crimes in which firearms are used which are held legally.

I should have thought that Lord Cullen's two new barriers would have eroded that 4 per cent. quite a lot. If, for the sake of argument, his two new barriers reduced the 4 per cent. to 2 per cent., is it reasonable to extend the Cullen recommendations to reduce that remaining 2 per cent. at such enormous cost?

What is the cost? First, we are depriving 55,000 people of their lawful activity, an activity that has been regarded in the past as a patriotic one, not unlike the Territorial Army. *[Interruption.]* Oh yes, that is so. I concede that, in the past, odd, deranged and unstable people have engaged in target shooting, as no doubt there have been such people in the Territorial Army. I maintain that the two Cullen barriers deal with that possibility.

We are depriving 55,000 people of their lawful pleasure. We are also bankrupting—yes, bankrupting—a lot of people. I had intended to vote for the wider element of compensation, and I was, and remain, very angry on behalf of those who are to be bankrupted. I did think, however, that my right hon. and learned Friend made a distinguished and, to me, persuasive speech as to why compensation should not be extended.

If we, the legislature, say that the fire regulations that we impose upon an hotel must be made stringent, we should not then compensate the owner when he goes out of business. That is analogous to tonight's argument on compensation. But that means that a large number of people will, in aggregate, bear losses amounting to about £300 million as a result of our attempt to reduce that 2 per cent. of crime that is committed with legally held weapons.

Call it the doctrine of proportionality, call it reasonableness, call it better legislation, call it what one will, this is a grossly arbitrary, unjust and unreasonable Bill. It is has been bashed through the House in a way of which we ought to be very ashamed. It is bad legislation, badly made.

11.28 pm

Mr. Frank Cook: It was my fortune—good or otherwise—to act as Whip on what became the Firearms (Amendment) Act 1988. I see on both sides of the House tonight several of my colleagues in the Committee on that Bill—indeed, the Minister who led is sitting on the Treasury Bench at this moment. I remind the House that the limitation of time was also applied on that occasion and we were left with 67 clauses that had not even been thought about, let alone discussed. The legislation was ill thought out, ill conceived and badly enacted and, as we now know, it was also ineffective. We are in danger of repeating that nonsense tonight.

I have already pointed out to the House, and I am prepared to stand by my statements, that it is easier to buy a gun on the illegal market that it is to buy it from a gun dealer. It costs less to buy a gun on the illegal market than it costs to buy it from a gun dealer. The Bill will not affect that fact.

Mr. John Carlisle: It will make it worse.

Mr. Cook: Indeed, I fancy that it will. The Home Office is now advising that the larger calibre guns should be transported to the continent to be sold to gun dealers there, who are waiting for the prohibition to come into force so that they can buy them at a cheaper price. They can then send the guns back across the channel among the 2,500 that come here every week anyway. There will be more guns available; there will be more of them more available; and there will be more of them more available at less cost. It is nonsense.

My hon. Friend the Member for Blackburn (Mr. Straw) said that, as and when the Labour party is elected to power—I firmly believe that it will be—legislation will be introduced to prohibit all handguns. There was a country that did that some time ago. One of its statesmen said:

"At last a civilised nation has complete firearms restriction. Our streets will be safer, our police more effective and the world will follow our lead into the future."

That was said in 1935 by Adolf Hitler.

The Swiss have a proverb—they say that, if the Government cannot trust the people, the people cannot trust the Government. Hon. Members might be surprised to learn that 6 million legal handguns are held in Switzerland, a country whose population is much smaller than ours, yet there are far fewer murders in that country. That suggests that the problem lies not in gun ownership, but in law enforcement. If law enforcement had been executed properly in respect of Thomas Hamilton and, before that, in respect of Michael Ryan at Hungerford, perhaps those incidents might not have occurred.

What is certain is that we would not have had to listen to Front Benchers saying that those incidents were committed with legally held weapons. In my view, they were not legally held. Those certificates should not have been granted. If due diligence had been exercised by the police, as it should have been, our debate today would have been quite different and the people who have conducted themselves so properly while following a respectable sport would not be the process of being penalised for something that none of them ever did.

11.33 pm

Sir Jerry Wiggin: The hon. Member for Blackburn (Mr. Straw) gave a welcome assurance to the House on the subject of shotguns, but, as I recall, his reason for so doing was that shotguns are not designed for killing people. Nor are .22 handguns, .32 wadcutters or .38 wadcutters. For reasons that I nevertheless understand, the Labour party has decided that all handguns are to be banned—it has been carried away by public opinion, about which we have heard so much during this debate.

During the debates on the Bill, I have been constantly asked about public opinion, not only by politicians, but by the media. My assessment is that it is not public opinion that has carried us into this extraordinary position, but press opinion.

It would be intriguing to learn the weight of Members' mailbags from throughout the country. Earlier, there was an exchange on that subject. Before the recent debate started, my mailbag on banning guns was very small, but the newspapers were raging away, day in, day out, and holding competitions to discover who could call for the most draconian measures—newspapers that subsequently refused to take advertisements from those of us who were on the side of the shooters.

Emotion has been turned on full flow. Anyone who heard the hon. Member for Hamilton (Mr. Robertson) speak earlier will acknowledge that he earned an Oscar for emotion, and it is ridiculous to suggest that he was not using the situation.

My right hon. and learned Friend the Member for Putney (Mr. Mellor) has materially changed his earlier views on the Firearms (Amendment) Act 1988, as he was entitled to do. He is a supporter of football. Since the war, 289 people have been killed at major football matches; we do not hear much about that. By contrast, the so-called shooting lobby, the respectable, law-abiding citizens whom I have had the honour to represent throughout the Bill's passage, have been subject to denigration and vituperation, as though they were evil.

We do not approve of some people. The gentleman who was arrested this morning falls into that category. The so-called Shooters' Rights Association and the Sportsmen's Association are not members of the British Shooting Sports Council. We have sought to stick together as respectable, respected, self-disciplined, proper organisations, and I hope that we have behaved as such.

I thank my right hon. and learned Friend the Home Secretary for his kind comments. I thank very much those in the BSSC who worked hard, under great duress, to prepare the amendments.

My hon. Friend the Member for Southend, East (Sir T. Taylor) said many times that the Bill was a bit of a mess. That is the understatement of the evening—it is a shambles. *The Times* said that the largest revolt by Conservative Back Benchers this Parliament occurred on Second Reading, and I suspect that tonight's vote on compensation will have been even greater.

The Government never learn. The mistakes that were made, were also made in 1987. To rush through a Bill based on perceived public opinion, without careful consultation, leads to the mess that we are in today. The tragedy is that nothing that we have done will prevent another madman finding an illegal weapon and committing a similar or worse crime. I said that in 1988, as did many of my colleagues, during the passage of the 1988 Act.

The simple solution, to say, "We shall reduce legally held firearms," does not bear inspection. Year after year, the number of legally held firearms has decreased and the number of crimes committed with firearms has increased. I share the Government's objective, but the Bill is no way to attain it.

11.37 pm

Mr. Beith: Notwithstanding the criticisms that have been made of the Bill and the way in which it has been proceeded with, it has been improved in its progress through the House, and the effort of several hon. Members has been worth while. The compensation provisions, although still far from satisfactory in some respects, have been improved. We are grateful for that.

[Mr. Beith]

I was especially worried that those who own the smaller guns that would remain legal would find themselves with an unmarketable gun, whose value would be virtually destroyed, and no access to the compensation scheme. The Government have sought to change that provision, and I welcome that change on their part.

My right hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Sir D. Steel) and my hon. Friend the Member for Eastleigh (Mr. Chidgey) argued strongly that there should be some form of independent valuation. The Government conceded today that, when disputes arise, some form of valuation should be available, even if not in the form proposed in our amendment. I very much welcome that.

There has also been some improvement in clarifying the exemptions from the Bill, which Labour Front-Bench spokesmen would call loopholes. Even Labour's ban would have made provision for vets, as well as those involved in slaughtering animals, to hold guns. One man's loophole is another man's legitimate exception for the purposes of his profession or, as some would argue, of his sport. There is a legitimate discussion to be had about what exceptions should be allowed under whatever ban in ultimately enforced.

There have been—quite properly—discussions of antiques, muzzle-loading weapons, re-enactment societies and so on; and some improvements have been secured. In another place, more work will have to be done on those issues.

There have been differences within all three parties over the central issue of handguns. Most of my right hon. and hon. Friends felt that they should support the idea of a virtually total ban, as proposed by the Labour party. Others did not, and we exercised our right to a free vote accordingly, but on three points there should, I feel, be widespread agreement. First, the method of proceeding in this matter has been far from satisfactory. After so dreadful an incident as Dunblane, it was reasonable that the public should expect a fairly quick response from the Government and the legislature. However, that does not really justify the way in which it was done.

I particularly draw attention to what took place on the day that the Cullen report was published. The Government prepared their own position, to announce at the same time as the report was published. A handful of us were able to spend the morning reading the report and another half hour looking at the Government's view. In almost any other democratic country, and in many other circumstances in this country, the route would be: publish the report, have some public discussion of it, then reach a conclusion. The Government simply announced their conclusion, which differed from the report, before anybody else could read it—least of all those whose professions or sporting activities were in this area—and that was certainly not a sensible way to proceed.

The Government were committed before they could hear anyone else's views on what Lord Cullen had said. I do not regard that as a sensible way to proceed; it has led to many of the difficulties that the legislation presents.

The second point on which there ought to be general agreement concerns the value of the provisions in part III, which arise directly from the Cullen recommendations that the licensing system should be tightened up. For instance, anyone seeking to renew a licence should be open to as much scrutiny and prospect of refusal as when first taking out the licence. Lord Cullen regarded these and related provisions as important. I hope that all hon. Members do, too. They lead me to believe that I would be wrong, despite my criticisms of the Bill, to oppose the Bill as a whole. I want those part III provisions brought into force.

There is one more point on which we ought to try to secure general agreement. At times, that has not been apparent, when there have been emotional speeches about how we should respond to the understandable concerns of the Dunblane families and the press. It would be quite wrong to create false expectations about what the legislation can achieve. The most promising part of the Bill is to be found in part III and in the signal that it will give to police forces to be much more effective in implementation than the Central Scotland constabulary were in the case of Hamilton. It is to be hoped that there will be a general tightening up of procedures.

Leading people to believe that, because of a further restriction on the legal holding of guns, the country will be a safer place would falsify the picture and create quite false expectations. Vigilance of all kinds will continue to be required, especially on the part of those enforcing the legislation, and it does legislation and the work of Parliament no good to suggest that we can achieve miracles when we cannot.

11.43 pm

Mr. John Carlisle: I apologise for my absence from the proceedings earlier this afternoon. It was, as reported in *The Daily Telegraph*, because I was shooting at home with five or six colleagues and 15 or 16 beaters. They were not gun-crazed madmen out to destroy everything in their path; they were reasonable, honest people—some of them taking a day's holiday to enjoy a day's beating. They were typical of those who are seriously affected by this Bill. They are ordinary people who are devastated by the effect it will have on their sport. That is why I have totally opposed the progress of the Bill through this place.

I shall make three brief points, each related to a myth. The first, as my hon. Friend the Member for Weston-super-Mare (Sir. J. Wiggin) said, is the myth that the Bill may be passed tonight on the basis that public opinion demands it. That is nonsense, as those of us who have had enormous postbags can demonstrate. The Bill is a concession to the lobby mounted partly by the Labour party and partly by the Snowdrop campaign, purely on the basis of emotion. It is always difficult to argue against emotion, which overtook rational thinking. The Government regrettably abandoned reason and took emotion on board, as did the Labour party, especially at its conference. That myth has now been exploded.

The second myth is that this is the Firearms (Amendment) Bill. It is not; it is the Firearms (Confiscation) Bill. It takes firearms from honest people who, through their own efforts, have pursued a sport that they thoroughly enjoy, a noble sport that, as hon. Members on both sides have said, has brought our country great prestige. The Bill will take away weapons that people use legitimately. Those are ordinary folk who vote for us when we look for their support at general elections.

The third myth is that the Bill will do anything to prevent another Dunblane. It will not prevent another Hamilton. As the hon. Member for Stockton, North

(Mr. Cook) said in an eloquent and sensible speech, the Bill will have no effect other than to increase the number of illegal guns. That will be an important issue, come the general election. Sadly, I will not contest the election, but great men are trying to persuade electors in various directions. I hope that electors will consider their candidates' attitude to the Bill, as well as to other issues.

This is a confiscation Bill which takes away the freedom of the individual. It shames the House and the Government that we should think of introducing it in the form in which it has been presented to us this evening.

11.46

Mr. Salmond: It would be irrelevant whether the hon. Member for Luton, North (Mr. Carlisle) contested the election or not—either way, he certainly would not be here afterwards. One of the great consolations offered by the Bill is the hon. Gentleman's agitation. He was so agitated a few moments ago that he stuck his tongue out at me across the Chamber. That was one of his more elevated contributions to the debate. One of his hon. Friends told me at an earlier stage of the proceedings that he thought that the hon. Gentleman had a hide like a rhinoceros. I think that that was an underestimate.

Mr. Deputy Speaker (Mr. Michael Morris): Order. We are on the Third Reading of the Bill.

Mr. Salmond: I was being mild about the hon. Member for Luton, North, given his behaviour during the entire proceedings, and many people in Scotland will know what I am talking about.

The hon. Member for Wolverhampton, South–West (Mr. Budgen) who, by contrast, has made some intelligent contributions to the debate, said earlier that this was a bad Bill. I do not think that it is a bad Bill, but it is a deficient Bill because at its heart there is a contradiction—an uneasy compromise between the ambitions of the Secretary of State for Scotland who, it is widely supposed, wanted to eliminate handguns, and the Home Secretary, who wanted to protect some elements of handgun use.

That uneasy compromise is shown up in three aspects of the Bill. First, there is a distinction between handguns of .22 calibre and those of higher calibre. That distinction is impossible to defend in terms of intelligence or logic. Secondly, the Bill allows and creates arsenals at handgun clubs, which will continue to store .22 weapons. Those are deadly weapons and the stores will be arsenals for criminals and others. That argument, which was advanced by the gun lobby itself during the Cullen inquiry, has not been effectively answered by the Bill.

I hope that, if the Secretary of State sums up, he will address the third issue. Many of us are concerned about the loophole in the Bill that would allow the number of .22 weapons to grow rather than diminish over time, as people trade down from higher calibre weapons. There are areas of concern and deficiencies in the Bill, but it is an improvement on the current position. As I can say that about little of the Government's legislative programme, if the issue is forced to a Division, my hon. Friends and I shall support it on Third Reading as we did on Second Reading.

Issues such as this generate much emotion, and it would be a very strange person who did not feel emotional about the tragic massacre at Dunblane. However, I do not believe that the arguments for a total handgun ban were put on purely emotional grounds. I think that they were argued on sensible, logical grounds, and that that argument is much superior to the uneasy compromise that the Government have reached. When the proceedings are concluded, all hon. Members should be able to say that they have squared their actions with their consciences. Many hon. Members on both sides of the argument can make that assertion, but all cannot.

The hon. Member for Newcastle upon Tyne, North (Mr. Henderson) said that the issue will go to the election. That is true, but I assure him that some people in Scotland will look at the proceedings in this place and at the lack of action this evening and will think ill of those who were not prepared to pursue their arguments into the Division Lobby. People want to see hon. Members square their actions with their consciences.

I pay tribute to the conduct and the campaign of the Dunblane relatives and to the Snowdrop petition, which was attacked by the hon. Member for Luton, North. Throughout the debate, they have behaved with enormous dignity and advanced their arguments with enormous dignity. Any hon. Member with the sense to listen to those arguments owes them an enormous debt of gratitude.

11.51 pm

Sir Terence Higgins: This is a bad Bill, which has been inadequately debated. We did not need a guillotine, and I think that the House of Commons should have had the opportunity to examine the matter in detail. When the issue was last debated on the Floor of the House, we needed more debating time between each chop of the guillotine. This evening, the Home Secretary said that he did not have time to reply to an important debate on compensation, even though he was cut off by his own guillotine.

It is extraordinary that some hon. Members seem to think that it is possible to legislate, and that they must do so in haste, to prevent maniacs going berserk and committing atrocities. Tonight's 10 o'clock news carried the story of an individual who went berserk with a machete in a children's playground, allegedly because he felt the same way about society as those who committed the atrocities in Hungerford and Dunblane. In such circumstances, the futility of trying to legislate in this manner becomes obvious.

It is equally clear that one must take due account of the interests of those who engage in the sport of shooting. I hope that the other place will, first, consider properly the question of compensation; and, secondly, examine Lord Cullen's proposals carefully. I agree with the right hon. Member for Berwick–upon–Tweed (Mr. Beith) who said that it was wrong for the Government to differ from Lord Cullen's report without giving hon. Members the opportunity to discuss the matter. I hope that the other place will also examine the dismantling proposals.

The Home Secretary says that gun owners can keep spare parts all over the place. However, before someone would be willing to go to such lengths, he would probably buy an illegal weapon—which is much easier to obtain. That is a totally false point. Although the other place is not normally concerned with financial matters, I hope that it will examine the cost of the Government's compensation proposals compared with Lord Cullen's recommendations. If one is to spend £150 million—a sum

[Sir Terence Higgins]

vastly in excess of what appeared in the Bill's explanatory memorandum on Second Reading—spending it on law enforcement is far more likely to avoid the problems that we have faced than the proposals in the Bill. Therefore, I hope very much that their Lordships will consider the Bill in an appropriate way and deal in particular with the three important issues that we have not had time adequately to discuss.

11.55 pm

Mr. Martyn Jones (Clwyd, South–West): I have not spoken this evening until now because I felt that I had been steamrollered, like many other hon. Members, by the emotion of the subject. The people who suffered in Dunblane—the parents—have every right to demand everything that they feel will do something to justify the loss of their children. We have a different responsibility in the House. We have to take a view that is weighed. We have to make judgments.

I believe that the Bill is totally flawed. There was an investigation by a noble Lord, who went into every part of the subject, and one of his recommendations was the dismantling of weapons—the keeping of weapons in separate places. We discussed that earlier this evening, but if we are talking about increasing public safety—we are not talking about the emotional issue of what we can do to help to solve the hurt of the parents of Dunblane—we have to look at how we can make the public safe, and one way to do that is by dismantling weapons and keeping them in separate places.

Lord Cullen made 23 other recommendations that are right to be put into law, but we are turning our faces against his recommendation for dismantling, and on the most spurious grounds that I can possibly imagine. I know a little about the subject and it is possible to dismantle weapons and keep them in different parts quite safely and in a way that would genuinely protect the public.

We had the Firearms (Amendment) Act 1988, which is also flawed. It did not prevent Dunblane. I said at the time that we should make it more difficult for people to appeal against a police decision, and the shootists did not support that, but that is now one of Lord Cullen's 23 recommendations. That alone will make it much safer for the public in future. Had that been done after Hungerford, we would not be discussing tonight how to increase public safety.

We are in grave danger of not increasing public safety if we ignore dismantling. I hope fervently that their Lordships will table such an amendment, that it will be carried and that it will be accepted by the Government, for the sake of public safety.

11.57 pm

Mr. Nicholas Winterton (Macclesfield): Like the hon. Member for Clwyd, South-West (Mr. Jones), I have not contributed to any debate on the Bill so far, but I feel moved to do so because I have been following it closely, both on the Floor of the House and in Committee, through the columns of *Hansard*.

I have received dozens of letters from my constituents—all but one are opposed to the proposed legislation. The right hon. Member for Berwick-upon-Tweed (Mr. Beith) made wise, constructive and considered comments. We heard from the hon. Member for Stockton, North (Mr. Cook). He also made wise, forceful but sensible comments, because he represents the real world of pistol shooting, revolver shooting and gun clubs. I must therefore tell my right hon. and learned Friend that the Bill is misguided. It is ill considered and unfair, and we shall rue the day that the House passed it. I hope that the Bill will be carefully scrutinised in the other place and that their lordships' views on compensation will reflect the loss that more than 50,000 people will sustain.

The House has not been treated well by the Government. I agree with the right hon. Member for Berwick–upon–Tweed. Why did we not have a discussion on the Cullen report and a considered debate following that so that before legislation was drafted the House could have suggested in a considered, sensible and responsible way the best way to proceed? I think that I pick up the words of the hon. Member for Clwyd, South–West when I say that any violent death—

It being 12 midnight, MR. DEPUTY SPEAKER *proceeded, pursuant to the Order [18 November and this day], to put forthwith the Question already proposed from the Chair.*

Bill read the Third time, and passed, with amendments.

Mr. Budgen: On a point of order, Mr. Deputy Speaker. Will you confirm that when you lowered the guillotine on Third Reading, at least six hon. Members who wished to speak were prevented from doing so?

Mr. Deputy Speaker: It is not for the Chair to judge how many hon. Members subsequently wished to speak.

ESTIMATES

Ordered,

That this House agrees with the Report [28th November] of the Liaison Committee.—*[Mr. Coe.]*

DELEGATED LEGISLATION

Mr. Deputy Speaker: With permission, I shall put together the motions relating to delegated legislation.

Motion made, and Question put forthwith, pursuant to Standing Order No. 101(6) (Standing Committees on Delegated Legislation),

OVERSEAS DEVELOPMENT AND CO-OPERATION

That the draft African Development Fund (Seventh Replenishment) Order 1996, which was laid before this House on 11th November, be approved.

That the draft International Development Association (Interim Trust Fund) Order 1996, which was laid before this House on 11th November, be approved.

That the draft Caribbean Development Bank (Further Payments) Order 1996, which was laid before this House on 13th November, be approved.—*[Mr. Coe.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 14A(1)(a) (Consideration of draft deregulation orders),

DEREGULATION

That the draft Deregulation (Rag Flock and Other Filling Materials Act 1951 (Repeal)) Order 1996, which was laid before this House on 4th November, be approved.—*[Mr. Coe.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Mr. Deputy Speaker: With permission, I shall put together the motions relating to European Community documents.

Motion made, and Question put forthwith, pursuant to Standing Order No. 102(9) (European Standing Committees),

WATER FOR HUMAN CONSUMPTION

That this House takes note of European Community Document No. 7208/95, relating to drinking water; and endorses the Government's objective of amending the proposal so that it is more in line with the best scientific and medical advice on the appropriate standards for drinking water and to ensure that the benefits resulting from the proposal are more proportional to the costs it would impose.

FORMER YUGOSLAVIA

That this House takes note of European Community Document No. 7312/96, on aid for reconstruction and rehabilitation in the former Yugoslavia, and endorses the Government's view that it provides a necessary and appropriate base for EU expenditure in the former Yugoslavia, and for the transparency of the EU's actions; and takes note of European Community Document No. 1060296, relating to common principles for future contractual relations with certain countries in south-eastern Europe, and endorses the Government's view that it provides a sensible broad approach for the development of EU relations with the countries concerned—*[Mr. Coe.]*

Question agreed to.

Kent Capital Challenge

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Coe.]*

12.1 am

Mr. Jonathan Aitken (South Thanet): Despite the lateness of the hour, I am grateful for this opportunity to raise a matter of great importance to my constituents. I am also grateful to the Minister, who will reply with his usual courtesy.

The debate marks a small milestone in parliamentary history, because it is the first time that the House has debated the capital challenge funding scheme or any bids submitted under it. The fact that the milestone is being passed is not due to any perspicacity on my part; it is simply that the capital challenge fund is completely new. It was born only seven months ago when my right hon. Friend the Secretary of State for the Environment, in a characteristically imaginative move, announced that, over the next three years, £600 million-worth of supplementary approval finance would be made available to help local authorities to fund what were called their top priority capital projects under this new competitive bidding system.

It was also announced that the winners under the bidding system would be those capital projects that were

"identified as being of the greatest benefit to their community."

That quotation from the Department of the Environment press release which was issued on 15 May is important. I am delighted by the criteria, because they apply perfectly to Kent county council's capital challenge bid, which was submitted in September under the title "Accessing opportunities in Kent". It is to that subject to which I now turn.

The centrepiece of the Kent bid, which is for £34 million-worth of capital challenge funding, is the Ramsgate harbour approach road, which would cost some £30.6 million, of which £25.9 million would come from capital challenge support finance. Ramsgate is the principal town in my constituency, and the main engine of economic growth and activity in the town is its harbour.

Port Ramsgate, which is the outer harbour of the town, is a great success story. It is Britain's second biggest cross-channel port, and handles approximately 3.5 million passengers a year, plus more than 450,000 cars and 250,000 freight lorries. Moreover, the new parent company of Port Ramsgate, Holyman-Sally Ferries Ltd., is expanding fast.

On Monday, the port will see the arrival of the first of two brand new £24 million high-tech catamaran fast ferries. They will be a great boost to the port of Ramsgate, because, next year, they will operate on the Ramsgate-Ostend route, with up to 16 extra sailings a day. The company forecasts that the new service will attract to Port Ramsgate an additional 1.5 million passengers, an additional 300,000 cars and an additional 140,000 freight lorries over and above the very substantial annual traffic figures that I quoted a moment ago.

[Mr. Jonathan Aitken]

Port Ramsgate is growing, expanding and flourishing, and it is a success story in today's competitive cross-channel marketplace. The unfortunate recent fire in the channel tunnel reminds us that that marketplace must be strong, competitive and diversified. But the Port Ramsgate success story is being held back by one constraint: the lack of a proper port access road.

My purpose in this short debate is to explain to the Government, and particularly to the Ministers who are responsible for picking the winners of this year's capital challenge bids, the reason why Ramsgate deserves—indeed, urgently needs—a harbour approach road. I shall summarise those reasons under five headings: the fair play reasons, the transport reasons, the environmental reasons, the economic reasons and the community reasons.

I can be mercifully brief about the fair play reasons, because I set them out in some detail in a speech I made in the House last Friday, in a debate on tourism. I believe that my hon. Friend the Minister has been generous and good enough to read that speech. To summarise my argument as succinctly as possible, however, I shall say only that it is monstrously unfair that Ramsgate should be the only channel port in Britain—or in France or Belgium—not to have an access road separating port traffic from the congested town centre.

Only Ramsgate is discriminated against in that manner, contrary to the pledges given by the Government during the passage of the channel tunnel Acts, that there would be equal rights on the proverbial level playing field for all channel ports. That promise has not yet been delivered.

Eurotunnel—the favourite son—has its spanking new M20, bringing its customers to the terminal entrance, at a cost of tens of millions of pounds to the taxpayer. Dover has its M2 and its Jubilee way, which lead traffic straight into the port without troubling the regular traffic and citizens of Dover. Only last week, in my right hon. and learned Friend's Budget, Dover was granted an extra £40 million to improve the Lydden-Dover section of the M2. Only Ramsgate continues to be left out in the cold. That is not right, it is not fair, and it simply does not make sense in transport terms.

As for the transport reasons, in recent years the Government have recognised in principle the importance of Port Ramsgate by designating the roads to it as part of the trans-European network, and by spending serious sums of taxpayers' money on them. Like my hon. Friend the Member for North Thanet (Mr. Gale), whom I am glad to see in the Chamber—I know that he hopes to catch your eye later in the debate, Mr. Deputy Speaker—I am grateful, as are our constituents, for the £180 million that has been spent so far on dualling the A299 Thanet way from the M2 to Monkton and the A253 from Monkton to the outskirts of Ramsgate. The final sections of the project are now close to completion.

Bewilderingly, however, after spending more than £180 million on the first twenty-one and a half miles of the road, the final one and a half miles of that 23-mile road between Port Ramsgate and the beginning of the M2 motorway have been left as a snarling, growling and dangerous bottleneck. Until that one-and-a-half-mile bottleneck is converted into a proper approach road, the situation will remain a senseless example of the "so near, yet so far" syndrome. It is the equivalent of building Westminster bridge as a four-lane highway, but leaving the last 150 yd of the approach to the Palace of Westminster as an unfinished, single-track cart track.

I now move to the environmental reasons. As you can imagine, Mr. Deputy Speaker, that last mile and a half where we need the harbour approach road is an environmental nightmare. The present juggernaut route goes through the town centre, bisecting a conservation area and passing alongside 250 homes, 107 listed buildings, two schools and 16 hotels, pubs and boarding houses. When I raised the subject in an Adjournment debate last year, I described that part of the port access route as a veritable Dante's "Inferno" of noise, pollution, disruption and danger. Those who live in that part of Ramsgate know that that is not an exaggeration.

I am glad that the Kent capital challenge bid states clearly that one of its main objectives is

"to bring environmental benefits to Ramsgate town"

as well as to

"encourage investment in the town centre and improve conditions for cyclists, pedestrians, businesses and residents as part of the Ramsgate Renaissance initiative".

Mentioning the investment brings me to the economic reasons for the much-needed harbour approach road. Ramsgate is sadly still one of Britain's unemployment black spots, with an unemployment rate of well over 12 per cent., which is not coming down. One light that shines brightly in the somewhat gloomy scene is Port Ramsgate which, according to paragraph 3.21 of the Kent bid document, creates 1,500 jobs—4.5 per cent. of local employment—and generates about £15 million a year for the local economy. That contribution is well recognised and appreciated in Ramsgate.

The lack of a port approach road is holding back local economic growth. The new Kent international business park at Manston, the expanded Haine industrial area and the businesses that are quietly expanding in and around Ramsgate, thanks to the Government's excellent development area status scheme, which has brought much-needed growth to Ramsgate, will all get a boost from a new approach road for the great sea port of Ramsgate. It would be a vote of confidence in the area, not least because, as the Kent bid document says:

"the scheme . . . will have a major impact on increasing local employment opportunities and improving labour market mobility".

Finally, I should like to highlight the community reasons in favour of the Ramsgate harbour access road. I do so with particular emphasis because, as I reminded my hon. Friend the Minister at the start of the debate, his Department's press release at the start of the year, announcing the setting up of the capital challenge scheme, stated that bidders should

"target those capital projects that they have identified as being of greatest benefit to their community".

If that is the basis, the Kent bid deserves to be an outstanding runner in the competition and, I hope, a winner. As I have said, it will benefit the community by reducing unemployment and stimulating the economy, by improving the quality of life in environmental terms and by improving local, national and international transport links.

The litmus test of the popularity of the road and of the bid is that the community really wants and has fought for the Ramsgate harbour access road. We live in an age

when new roads are often unpopular with local communities. The Ramsgate harbour access road bucks the trend. With the exception of a small minority of dissenters, the road is popular in the local community. That popularity has been tested by a thorough exercise in local democracy and consultation. Kent county council is to be praised. The bid document notes:

"Local democracy has played a key part in the development of the scheme. Three alternative schemes were put out to consultation and there was overwhelming support for the present proposals."

That is an accurate comment.

There is some minority opposition, but even the 10 or 12 home owners in the Pegwell village area who stand to have their houses compulsorily purchased seem to be reconciled to the scheme, provided they receive full and fair compensation for the losses, disruption and inconvenience that they will suffer. By contrast, the overwhelming majority of contemporary Ramsgatonians support the Ramsgate harbour access road and will certainly be supporters of the bid.

Our town of Ramsgate needs and deserves this road. I congratulate Kent county council on putting together a clever and well-argued capital challenge bid. If my hon. Friend the Minister and his colleagues see the bid in as favourable a light as I hope I have described it, the face of Ramsgate and its economy will change and the town will have a much better future. I commend the capital bid to my hon. Friend and the House.

12.15 am

Mr. Roger Gale (North Thanet): I congratulate my right hon. Friend the Member for South Thanet (Mr. Aitken) on securing the debate and on the elegant way in which he has made a case in support of Kent's capital challenge bid. I endorse his arguments utterly and whole-heartedly.

My right hon. Friend is absolutely right to draw attention to the economic importance of Port Ramsgate to the whole of Thanet—to his constituents and mine. The Government, in their wisdom, have shown their confidence in the potential for development in east Kent, and Thanet in particular, through the granting of development status to the Isle of Thanet. That was hard won by the last Conservative council, by the then European Member of the European Parliament, Christopher Jackson, by my right hon. Friend and by me. Working with the Government, we secured the development status and the objective 2 status that the area now enjoys.

As my right hon. Friend has said, the Government have committed tens of millions of pounds to the dualling of Thanet way, taking a road that was little more than a cart track and turning it into, in effect, an extension of the M2, almost down to the sea. With Connex taking over the area's trains, we expect and look forward to better rail communications and new trains. Thanet enjoys the benefits of an airport and the port of Ramsgate in my right hon. Friend's constituency.

Although I would not wish to pretend that £30 million or thereabouts is small beer, we are in some danger of destroying the shipping for a hap'orth of tar. The Thanet way now runs down to the Prospect roundabout and the Lord of the Manor junction in my right hon. Friend's constituency has been dealt with, so it really is time to accept the fact that the jigsaw must be finished.

My right hon. Friend is absolutely right to stress the fact that the issue has united the community of Thanet. My constituents entirely support his campaign for the completion of the last piece of the vital road. The issue has united not just the community but the political parties in an exceptional way. Politicians of all parties at every level—local councillors, county councillors, both Members of Parliament and the Member of the European Parliament—are as one in believing that the project is vital to the area and must be completed.

I could not agree more with my right hon. Friend when he stressed the importance of the events of 18 November and after relating to the channel tunnel and the French strikes that so badly affected the channel ports on the French side of the channel. The Ramsgate to Ostend service was a lifeline for the commerce of this country during that period. The fire in the tunnel demonstrated the fragility of that piece of transport infrastructure. Without the ferries, this island would be isolated. I doubt that there could have been a more graphic example of that than the events of 18 November.

Although, as my right hon. Friend has said, millions of pounds have been spent on infrastructure serving the tunnel, one piece of road has been left incomplete. The Kent capital challenge bid is essential to the future of east Kent. My right hon. Friend cited the description from the capital challenge prospectus that bids should be for projects of

"the greatest benefit to the community".

I hope that my hon. Friend the Minister can think of no greater benefit to an entire community and its economy than the Ramsgate harbour approach road proposed in the bid.

12.24 am

The Parliamentary Under-Secretary of State for the Environment (Sir Paul Beresford): I congratulate my right hon. Friend the Member for South Thanet (Mr. Aitken) on using this opportunity to press the case for Kent's capital challenge bid and I was not surprised that he was joined by his neighbour, my hon. Friend the Member for North Thanet (Mr. Gale).

This evening, Thanet has the full team out putting pressure on, as it has on many other causes. It must have had some success, because I have discovered the extent of public funding for Thanet in the past three years.

Thanet has received £12.7 million from regional selective assistance, with a further £80 million levered in. In the first EU objective 2 programme, £7.3 million was allocated to projects. A further £3.7 million is carried forward, along with the prospect of £14 million awaiting approval from the second objective 2 programme. In addition, £9 million was allocated to the regeneration of Thanet under round 1 of the single regeneration budget. The Thanet Regeneration Partnership has submitted a bid for a further £7.6 million from round 3 of the SRB. Thanet also benefits from funding under the EU Interreg Community initiative and it will be eligible for a share of the £15 million allocated to Kent under a further programme of co-operation with Nord-Pas de Calais.

The funding for Thanet is a mark of the pressure that has been applied, and I am feeling the effect of that this evening. As my right hon. Friend the Member for South Thanet knows and mentioned, earlier this year the Government announced the capital challenge scheme to

[Sir Paul Beresford]

explore how best the principles of competition could be brought to bear on the distribution of Government support for local authorities' capital spending. Those principles have already been applied successfully in other areas of public expenditure, the single regeneration budget being one of the obvious examples.

Authorities were invited to bid for their highest capital spending priorities drawn from their overall capital expenditure plan. That invitation is along lines that a Chief Secretary would applaud and we have heard support for it this evening—or rather, this morning. The Government offices for the regions have received more than 300 bids and we estimate that about three quarters of principal authorities have bid for £1.5 billion over three years. That is two and a half times the £600 million available from the fund, but the authorities expect to lever in an additional £2.6 billion of private and public sector funding, which is what the whole system is about.

Kent county council's capital challenge bid, "Accessing Opportunities in Kent", consists of two projects—first, the Ramsgate harbour access road and, secondly, Kent access. The case for those projects has been put clearly by my right hon. and hon. Friends this evening. The pressure applied on the case has outranked that in any other area and, if there was any doubt that my Department would not take notice of the bid, it has been dispelled.

As my right hon. and hon. Friends are aware, it is now a matter of "watch this space". We are certainly aware of the points which they have made and they have, as ever, added interest to the debate. Ministers in the Department of the Environment have been left in no doubt about the strength of the support for the bid but, as my right hon. and hon. Friends will appreciate, they must wait until the announcement of the result of the bidding process later this month.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past Twelve midnight.

House of Commons

Thursday 5 December 1996

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

Young Offenders

1. **Mr. Sheerman:** To ask the Secretary of State for the Home Department what assessment he has made of the level of success in the rehabilitation of young offenders who receive a custodial sentence. [6148]

The Minister of State, Home Office (Mr. David Maclean): In 1995, the Prison Service commissioned research to identify measures of behaviour and attitudinal change that could be used to assess the effectiveness of regimes to reduce reconviction. Those measures identified are now being tested at six establishments, and the results will be available early next year.

Mr. Sheerman: Will the Minister examine the results of that research and react to it positively and intelligently? Many hon. Members who are concerned about youth crime were disturbed by his reaction to the Audit Commission's recent study of that issue. That dismissal of a perceptive and intelligent review of the youth justice system and what it means for the average person in this country—particularly the victims of crime—did no one in the Government any credit.

Mr. Maclean: The hon. Gentleman misses the point entirely. He asked about the measures that we are taking in young offender institutions to ensure that young offenders are rehabilitated upon their release into the community. Of course we shall look carefully and intelligently at the excellent pilot projects taking place. All YOIs hold courses on anger management, cognitive skills, addressing offending behaviour and drugs courses. Much work is going on inside prisons for youngsters who have been sentenced by the courts. I was critical of aspects of the Audit Commission's report—particularly the Opposition's welcome for it—because it suggested alternative activities for youngsters which would mean that they would never get to court in the first place and never benefit from the courses that we are now evaluating.

Mr. Marlow: My right hon. Friend will know that there is widespread feeling in this country that corporal punishment would be more effective than a spell inside for many young people, who often leave prison more expert in the ways of crime than when they entered. What does my right hon. Friend think about that?

Mr. Maclean: I have no proposals to reintroduce corporal punishment to any prisons or corrective establishments—or indeed to the House.

Criminal Activity

2. **Mr. Campbell-Savours:** To ask the Secretary of State for the Home Department what has been the change in the levels of criminal activity in recent years. [6149]

The Secretary of State for the Home Department (Mr. Michael Howard): Recorded crime levels in the 12 months to June 1996 were 10 per cent. lower than three years ago. That is a fall of more than half a million offences—the biggest continuous fall over three years since records were first kept in 1876. Crime is still far too high and there is much more to be done, but I congratulate the police on their considerable recent success.

Mr. Campbell-Savours: I thank the Home Secretary for those figures. I was handed a remarkable statistic this morning, which I ask him to confirm. Is it true that only one in 50 recorded crimes leads to a conviction? If so, does it not suggest a total breakdown of law and order in the United Kingdom?

Mr. Howard: If the hon. Gentleman is really interested in such matters, he should congratulate the police in Cumbria, who have a 40 per cent. record of clearing up crime. If he is really interested in improving those statistics, he will join us in reforms—such as changing the right to silence—which were opposed root and branch by the Opposition. Research on the effect of those changes shows that the number of suspects refusing to answer questions has almost halved. Will the hon. Gentleman support us in those changes?

Mr. Brazier: Will my right hon. and learned Friend confirm that the latest British crime survey—which is wholly independent of Government figures—showed the first drop in burglaries since figures were compiled? Does he further agree that we can assist the police in converting successful clear-ups into successful convictions by giving them greater powers? Will he confirm that changes to the right to silence and the granting of other powers through the national data bank have greatly enhanced the chances of the police converting crimes into convictions?

Mr. Howard: I entirely agree with my hon. Friend. He is absolutely right. We must ensure that everyone is totally aware of the extent to which the Opposition have voted against, blocked and obstructed those increases in powers. When we changed the right to silence, the right hon. Member for Sedgefield (Mr. Blair), now Leader of the Opposition, described the change as "an injustice" when he opposed it and led his party into the Division Lobby against it time after time. That is the truth of the Opposition's attitude to the effective way of improving the powers of the police to deal with crime.

Mr. Hardy: After supervising the largest increase in crime in recorded history in the United Kingdom, is it not

to be expected that a modest increase will have taken place, even though the vast majority of people in the country will not believe it? Does the Secretary of State not accept that the scale of crime that affects communities like mine is such that more than half the news content of local newspapers week after week is devoted to crime, which to a large extent is caused by the economic and social policies of the Government?

Mr. Howard: The last observation of the hon. Gentleman speaks volumes about the Opposition's attitude to crime. Crime, according to them, is caused not by criminals—those who break the law—but by economic and social conditions, which he attributes to the Government, overlooking the fact that, since the Conservatives have been in office, the average standard of living in this country, the average take-home pay of the average family, has increased by 40 per cent.

Mr. Congdon: Does my right hon. and learned Friend agree that, to reinforce the welcome downward trend in burglary, it is important to show burglars that crime does not pay? Does he agree therefore that it is important to ensure that burglars—particularly repeat burglars—are given custodial sentences, and of a sufficient length? Does he further agree that the public will very much welcome the proposals in his Crime (Sentences) Bill?

Mr. Howard: I entirely agree with the point that my hon. Friend makes. It is, of course, why we propose and provide for in the Crime (Sentences) Bill minimum, mandatory sentences for anyone convicted of a third burglary. The truth of the matter is that far too many career burglars regard a short spell in prison as nothing more than an occupational hazard. We have to change the terms of trade against career burglars. We have to ensure that they know what to expect if they continue their career in crime. That is what the provisions in the Crime (Sentences) Bill will achieve.

Prisons (Drug Abuse)

3. **Mr. Flynn:** To ask the Secretary of State for the Home Department what new proposals he has to reduce illegal drug use in prison. [6150]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Tom Sackville): We are rapidly increasing the number of drug treatment programmes in prisons. We have introduced mandatory drug testing in every prison and are continuing to develop a battery of other measures to control the supply of drugs into prisons.

Mr. Flynn: Will the Minister, uniquely, listen to the question that I am about to ask and give me an answer based on the question, not on something that he prepared earlier?

Many of the commendable programmes that the Government are using to reduce the use of illegal drugs in prison depend on moving prisoners from the use of illegal drugs to the use of medicinal drugs. The Minister knows the damage caused by medicinal drugs. Ten times as many people are addicted to medicinal drugs than to illegal drugs, and more people die from methadone use than from heroin use. His Department refuses to give any figures on the use of medicinal drugs in prison. Is it not possible that people are being moved from an illegal non-addictive drug to a legal, addictive medicinal drug?

Will the Minister undertake to inquire into the use of medicinal drugs in prison and report to the House?

Mr. Sackville: There are 59 different drug programmes in prisons. They vary from those that use methadone right through to total abstinence programmes, such as the Rehabilitation of Addicted Prisoners Trust—RAPt—programmes, in Coldingley, Downview, Pentonville and Wandsworth, which use no medicinal drugs following detoxification. We are piloting various drug treatment programmes. The hon. Gentleman may have a preference for those that do not use substitutes, but we have to use all the treatments that exist in getting people off drugs, because there is no single answer to that problem.

Mr. Rathbone: Does my hon. Friend accept that, whatever admirable efforts are made to reduce the use of drugs in prisons, it is equally important to provide support services for prisoners who have given up drugs during their time in prison and have returned to the normal world outside? Will he encourage such steps?

Mr. Sackville: I agree with my hon. Friend. Programmes such as Phoenix house provide halfway houses, treatment and support for people coming out of prison. It is no use people succeeding in a drug-free wing, if they then go back to their communities and take drugs. My hon. Friend's point is well taken.

Mr. George Howarth: Will the Minister acknowledge that a mandatory drug test can detect cannabis after up to 28 days, whereas heroin and cocaine are held in the bloodstream for two to four days? There is a perverse incentive for people to take the latter drugs. Can he confirm that, between March and September, the number of positive tests for opiates increased by 27 per cent., which amounts to 3,500 people? Does he agree that we need more initiatives in the Prison Service, such as the one at Downview, to deal with these serious problems?

Mr. Sackville: I have been told that we should be conducting hair tests rather than urine tests for that reason. The best medical advice is that it is 10 days for cannabis and five days for opiates, but our figures do not show a switch from cannabis to opiates.

Knives (Stop-and-search Powers)

4. **Sir Michael Shersby:** To ask the Secretary of State for the Home Department what is his policy towards further extending the powers of the police to stop and search for knives without time or geographical restrictions; and if he will make a statement. [6151]

Mr. Howard: A police officer may stop and search anyone if he has reasonable grounds for suspecting that he will find stolen or prohibited articles, such as a knife. We intend to amend the code of practice under the Police and Criminal Evidence Act 1984 to make it clear that reasonable suspicion includes intelligence that shows that members of a group or gang habitually carry knives. We have also proposed that police powers should be extended,

so that they can stop and search anyone in a particular area if they reasonably believe that people are carrying knives in that area. Those powers would have to be authorised by an officer of at least inspector rank for a maximum period of 48 hours.

Sir Michael Shersby: Is my right hon. and learned Friend aware that a change to 48 hours and to authorisation by an officer of the rank of inspector in a area where violence is suspected will be welcome, and will make a substantial contribution towards dealing with the difficult problem of knives in the community?

Mr. Howard: I am grateful to my hon. Friend. I am aware that police associations have welcomed the proposals as a significantly useful reinforcement to their powers, which will enable them the more effectively to protect the public.

Mr. Llwyd: That proposal is all very well—I am sure that it will be a useful addition—but what do the Government intend to do about the availability of knives to the public? What is the latest Government thinking on the private Member's Bill to be presented to the House a week on Friday? Will the Home Secretary please tell the House and the general public what is being done about the availability of such knives?

Mr. Howard: We have suggested to the promoter of that private Member's Bill an excellent package to deal with the problem. I hope that he will adopt those proposals and include them in his Bill. If he does so, he will have our full support.

Sir Irvine Patnick: Will my right hon. and learned Friend deal with the problems associated with Stanley knives? It is not only the length and type of knife that matters. Stanley knives can inflict dangerous injuries. How will stop-and-search powers deal with them? If I were at a dance with a Stanley knife in my pocket, I could be a suspect, but what about people walking in the street?

Mr. Howard: In the circumstances that I identified in my answer to my hon. Friend the Member for Uxbridge (Sir M. Shersby), the police would have extra powers to search. We have substantially increased the penalties for people who carry knives in public without lawful excuse. We recently embarked on an extensive publicity campaign to ensure that everyone knows that those powers exist, and that if they continue to carry knives in public without a lawful excuse, they run the risk of spending a substantial period in prison. We urge people not to carry knives in public without lawful excuse, so as not to run that risk.

Crime Prevention

5. **Mr. Gunnell:** To ask the Secretary of State for the Home Department if he will make a statement on the recommendations of the Audit Commission on the prevention of crime contained in its report "Misspent Youth". [6152]

Mr. Maclean: The Government are determined to do all that they can to prevent children turning to crime. However, they do not accept the Audit Commission's recommendation that local authorities be given an enhanced role in dealing with juvenile criminals. Punishment must be a matter for the police, the probation service and the courts.

Mr. Gunnell: Does the Minister agree with the Audit Commission's core findings that our youth justice system is inefficient, not working properly and in urgent need of reform? If he is aware of the initiatives that West and South Yorkshire police have taken with regard to young people and crime, will he ensure that such preventive measures are co-ordinated, expanded and resourced, as the Audit Commission recommends? Or are the commission's recommendations too close to Labour party policy for him to accept good advice when he gets it, as would seem to be the case?

Mr. Maclean: I am not surprised that the Labour party grasped at the suggestion that social workers, rather than the courts, be put in charge of justice. I can accept a large number of the Audit Commission's analyses of the problem. What was rather disappointing, naive and unconvincing was its solution, which was to hive people away from the courts and do more cautioning. We are keen on cautioning for first-time offenders because that has about an 80 per cent. success rate. It is naive, however, to believe that a large pool of first-time offenders are wrongly going to court and could be hived off and cautioned instead. That is nonsense and, because the Audit Commission got that wrong, it rather undermines its credibility in the matter.

Dr. Twinn: Does my right hon. Friend agree that a serious aspect of youth crime is that many of the crimes committed by repeat offenders take place while they are waiting for their cases to go to court? More of those young people should be remanded in secure places, where they could perhaps start treatment for crack and other addictions, rather than waiting for months and repeating their crimes while in the care of local authorities.

Mr. Maclean: My hon. Friend is right, but the Opposition voted against our proposals to lock up habitual young offenders when they voted against our proposals for secure training centres. It is not merely that the Opposition vote against measures that would mean people being locked up; they even vote against community punishments. When we increased community sentences to 240 hours, the Opposition voted to cut them to 120. When we introduced curfew orders for the first time, they opposed that. The Opposition are pretending that they are worried about youth crime, but they have voted and argued against all that we have been trying to do to crack down on young offenders.

Mr. Straw: Why does the Minister not accept that, of all his and the Government's many failures on law and order, nowhere have they failed more than on youth crime? Is it not astonishing that, in the past 10 years, while the number of crimes committed by youngsters has shot up, the number dealt with by the police and courts has dropped alarmingly, delays have worsened, costs increased and the number of secure accommodation places decreased? Instead of all this bluster, why does the Minister not accept that the Audit Commission report confirms the urgent need for Labour's pledge to halve the

time that it takes to bring persistent young offenders to court—the Minister laughs at that pledge and the country can see him laughing, complicit in the delays, which have got worse in the past 10 years—and for our proposals to ensure that prompt and effective action is taken to punish, divert and deter young offenders? Or is the Minister going to continue to do nothing, so that too many youngsters stay out of control, blighting their lives and causing misery for thousands of members of the public?

Mr. Maclean: That was a good example of bluster if I ever heard one in this House. The reason why I was laughing and am still chuckling is that we have heard that that much-touted Labour pledge will halve the time that it takes to get kids to court, but the Opposition have not spelt out a single detail of how they will do it. They have not spelt out how they will make the defence move more quickly or how they will expedite the files. They have not spelt out a single detail on those matters.

Through our pre-trial issues steering group, we have taken practical action to expedite files and to get people, including juveniles, to trial faster. The Magistrates Association has recently announced that it will bring to trial early youngsters who are up on multiple charges, and it will bring them to trial for the first offence.

If the hon. Gentleman has been so very worried about juvenile crime, I can conclude only that he has been away from the House for far too long. He voted against all the measures that we have taken to deal with juvenile crime. He voted against community sentences and curfew orders, and he even voted against making parents attend court in all circumstances. Labour even voted to cut the time required to be spent at an attendance centre, from 36 to 24 hours. So much for being concerned about juvenile criminals.

Crime (Guns)

6. **Mr. Merchant:** To ask the Secretary of State for the Home Department how many criminals who took a gun to a crime have been given a life sentence since 1989. [6153]

Mr. Howard: Some 123 persons were given a life sentence for homicide offences initially recorded in the years 1989-95, in which the method of killing was shooting. Information for other offences is not available separately.

Mr. Merchant: I am grateful to my right hon. and learned Friend for that reply. Does he agree that taking a gun to a crime is a very serious matter, and that, therefore, every effort must be made to crack down on that type of crime? Does he agree that the tough measures included in his Crime (Sentences) Bill will help stamp out second offences?

Mr. Howard: I entirely agree with my hon. Friend, and I am grateful for his support. Automatic life sentences for those who commit a second serious violent offence will bring home to people the importance of not committing such offences. More importantly, they will protect the public by ensuring that no one who does commit such an offence is released unless and until an assessment has been made of whether they still pose a risk to the public. If they do not pose a risk, they will be released, but if they still pose a risk, they will not be released—even if that means that they will spend the rest of their lives in prison.

7. **Mr. John Marshall:** To ask the Secretary of State for the Home Department how many criminals who have used a gun to threaten with intent have received a life sentence in each of the past six years. [6154]

Mr. Howard: It is an offence under the firearms Acts, subject to a maximum sentence of life imprisonment, to be in possession of a firearm with intent to commit an indictable offence. In the six years from 1990-95, 717 people were convicted of that offence in England and Wales, and 420 of them were imprisoned, with an average sentence of 36 months. None was sentenced to life imprisonment.

Mr. Marshall: Will my right hon. and learned Friend accept my thanks for that answer, which explains the need for his Crime (Sentences) Bill? His Bill will ensure that persistent and dangerous offenders are properly punished, and that the law-abiding majority are properly protected. Should not his Bill be welcomed by all those who claim to be tough on crime?

Mr. Howard: I am grateful to my hon. Friend, and I entirely agree with him. We still await the details of the Labour party's response to those proposals in the crime Bill, although we know that it will oppose many aspects of my proposals. We shall leave no stone unturned as we remind the public of the proposals that we intend to put in place, which are being constantly blocked by the Labour party.

European Court of Human Rights

8. **Sir Ivan Lawrence:** To ask the Secretary of State for the Home Department what proposals he has for limiting the role of the European Court of Human Rights in overruling decisions of the British courts and the Westminster Parliament. [6155]

Mr. Howard: The Government have made proposals to improve the working of the European Court of Human Rights and the European Commission of Human Rights. Those proposals are designed to improve court procedures to provide a high standard among judges appointed to the court, and to ensure that proper weight is given—through the doctrine of the margin of appreciation—to the national character, traditions, religious beliefs and moral values of the countries that are signatories to the convention.

Sir Ivan Lawrence: Is my right hon. and learned Friend aware that the British people are getting fed up with being told what to do by that interfering foreign court, which does not appear to know or care about British culture and tradition? Will he reconsider the Government's refusal to incorporate the European convention on human rights into British law, and cheer the British people by extending the power of British courts over British business, rather than extending that of the European Court?

Mr. Howard: My hon. and learned Friend will not be surprised to hear that I have considerable sympathy with

the first part of his question. I believe that the best way forward is to reform the court in the way in which we are seeking to do, rather than incorporate the convention into our domestic law, which would require our courts to make political judgments about a wide range of matters that are at present determined by our elected and democratically accountable Parliament. Such judgments are the proper function of Parliament, not the courts.

Mr. Dalyell: The Home Secretary said just now that he had sympathy with the hon. and learned Member for Burton (Sir I. Lawrence), who described the European Court of Human Rights as an "interfering foreign court". Is that really the Government's view?

Mr. Howard: If the hon. Gentleman does not appreciate the immense frustration that that court's recent decisions have given rise to up and down the country, he is severely misjudging the mood of the people.

Mr. Garnier: Will my right hon. and learned Friend confirm that the European Court of Human Rights has nothing whatever to do with the European Union or the European Court of Justice? Will he also confirm that if we were—unwisely—to incorporate the convention on human rights into British law, it would greatly inhibit the freedom of the press? Does he not think that if we were to introduce any laws on, for example, the invasion of privacy, they should be dealt with by the House and not introduced by some other method?

Mr. Howard: As I said in answer to my hon. and learned Friend the Member for Burton (Sir I. Lawrence), I certainly agree that such matters should be decided in this democratically accountable House and the other place, and not in the European Court of Human Rights. I can certainly confirm that the answer to the first question asked by my hon. and learned Friend the Member for Harborough (Mr. Garnier) is that, indeed, the European Court of Human Rights has nothing to do with the European Union.

Mr. Beith: If the Home Secretary thinks that the European Court of Human Rights is an interfering foreign court, why are British judges still sent to take part in it? Does he realise that, if the court is made less effective, he will be denying human rights not only to British citizens but to citizens of all signatory countries in the Council of Europe, who are currently protected by it? Does he recognise that incorporation would assist in ensuring that the judgments based on the European convention fitted this country's traditions and character?

Mr. Howard: I do not think that the reforms advocated by the Government would in any way make the court less effective. If anything, they might make it more effective—but within proper parameters. A number of recent decisions of that court—not least the one it reached on the killing in Gibraltar—have caused widespread offence in this country. If the right hon. Gentleman and his party do not recognise that fact, they too are guilty of a severe misjudgment of the mood of the people.

Mr. Jacques Arnold: Should we not bear it in mind that the European convention on human rights was set up at a time when individuals in eastern Europe were being shipped off to the gulags under their communist Governments? Should we not also bear it in mind that the convention was set up due to fears that countries such as France and Italy would fall under communist rule and that therefore a means of safeguarding individuals was necessary? Given the collapse of communism and that threat to human rights, is not the convention and its court superfluous and should it not be scrapped?

Mr. Howard: My hon. Friend is right about the background of circumstances against which the convention and the court were set up. Those who set the court up would be pretty astonished at some of the judgments that it has made in recent years. I do not, however, entirely follow my hon. Friend along the road to the conclusion that he has identified because I think that it is possible for us to reform the court. We have put on the table specific proposals to achieve that objective, which I very much hope will be accepted.

Mr. Henderson: I welcome the conversion of the hon. and learned Member for Burton (Sir I. Lawrence) to the policy view that the European convention on human rights should be incorporated into British law. He, like the Labour party, understands that the main problem is not that European courts are overruling British courts but that British citizens have inadequate access to any court to establish human rights.

It takes too long to go to Europe and costs too much. On this Thursday—

Madam Speaker: Order. I have not yet heard a question from the hon. Gentleman.

Mr. Henderson: Here comes a question.

Madam Speaker: Now.

Mr. Henderson: Now. In the week before United Nations Human Rights Day next Tuesday, should not patriotic parties support Labour's policy that human rights should come home?

Mr. Howard: That would lead to the disadvantages that I identified in answer to my hon. and learned Friend the Member for Burton, who, long before the Labour party, came to the opinion that the convention should be incorporated. The assertions in the lengthy introduction to the hon. Gentleman's question about the access of citizens of this country to our courts were preposterous. Our courts afford full protection for human rights.

Prisoners (Sentences)

9. **Mr. Sumberg:** To ask the Secretary of State for the Home Department what plans he has to ensure that convicted prisoners serve their full sentence. [6156]

Mr. Maclean: I believe that there should be greater honesty in sentencing. Accordingly, the Crime (Sentences) Bill contains provisions that will ensure that the sentence actually served matches more closely the sentence imposed by the court.

Mr. Sumberg: May I congratulate my right hon. Friend on those excellent proposals, which will ensure

that those who commit crimes serve a full sentence? Do not those proposals prove that the Government have responded to widespread public concern on the issue, in contrast to Labour Members, who talk tough in soundbites, but for ever abstain on or vote against measures that will put criminals behind bars?

Mr. Maclean: My hon. Friend is right. The core elements of the Bill will bring in mandatory minimum sentences for persistent burglars and for those who deal in the worst drugs, which are killing and destroying our children, and life sentences for hardened killers and rapists. The Labour party decided to abstain. It is scared to vote for the proposals, but it dare not vote against them. Labour Members sit there, not having an opinion.

Mr. Winnick: Is it not important that prisoners should be convicted in the first place? Is the Minister aware that my constituent, Raghbir Singh, was held in prison for 20 months without a charge being made against him? He was released on Monday afternoon, after I had repeatedly raised the matter, only because of the decision of the European Court of Human Rights—an institution that Tory Members have today criticised. If it were not for that decision last Friday, my constituent would, quite possibly, have remained in prison for months or years to come without charge.

Mr. Maclean: I do not accept that the detention of those regarded as a threat to our national security should be determined by a foreign court.

Mr. John Greenway: Does my right hon. Friend agree that, to have honesty in sentencing, we must reform the present arrangements on how time served on remand is taken into account when calculating a prisoner's sentence? Does my right hon. Friend agree that the recent decision on concurrent sentences defies logic? Will he confirm that the Crime (Sentences) Bill will be used to put that right?

Mr. Maclean: It is a source of concern that a course of action that has been confirmed by four court judgments since 1967 should be overturned by another court judgment. However, I confirm that the relevant measures in the Crime (Sentences) Bill have been passed in Committee, so we shall now have suitable powers to make the amending regulations.

Crimes (Convictions)

10. **Mr. Pope:** To ask the Secretary of State for the Home Department what estimate his Department has made of the percentage of crimes which ended in a conviction in (a) 1993 and (b) 1995. [6157]

Mr. Maclean: About 6 per cent., but the percentage for more serious offences was very much higher. Many of those convicted will have been responsible for other crimes.

Mr. Pope: According to the British crime survey, the number of offences went up by 400,000 and the number of convictions went down by 13,000. Does it not take a special kind of incompetence to reduce convictions at a time of soaring crime?

Mr. Maclean: No, but it takes a certain kind of hypocrisy for a party to complain about those things and then vote against all the measures that we have put forward to deal with them.

Sir Patrick Cormack: How many of the crimes involved the use of legally owned handguns?

Mr. Maclean: Offhand, I cannot give my hon. Friend that figure, but I shall happily do so and, if necessary, lay the answer before the House. I speculate that the figure is very small indeed.

Mr. Michael: Can we now have some honesty on crime figures from the Minister? Last month, the Home Secretary said that 6 per cent. of crimes ended up in punishment by a court. That would be bad enough; but, since then, the Government have had to admit to the House that only 2 per cent. of crimes ended in a conviction in 1993, and suddenly it is too expensive to work out the figures for last year. Will the Minister now accept the truth? The Government's British crime survey shows that crime is up, although fewer crimes are reported. The right hon. Gentleman's parliamentary replies show that convictions are down. No longer does one in 50 crimes end in punishment; now—as confirmed to me by the House of Commons Library analysis today—only one in 54 crimes ends in punishment by a court. Will the Minister face up to his responsibility for that harsh reality?

Mr. Maclean: More bluster to hide the voting record. The conviction rate depends on two crucial things. The first is the rules of law under which the courts have to operate; every time we have tried to change the balance more in favour of the victim, such as by removing the right to silence, the Opposition vote against it.

The conviction rate also depends on the police catching criminals. When the Labour party left office, we were 8,500 officers under strength. We have had to recruit those 8,500 officers and 7,000 more. I can tell the House that we now have 2,000 more constables than we did at the time of the general election. We are recruiting more police officers, because that is one of the best ways to improve our conviction rate in future.

Mr. Day: Will my right hon. Friend refuse to listen to the siren voices of Opposition Members and the judiciary who, between them, have let down the people of this country by ensuring that criminals who commit major crimes that threaten people's everyday lives do not spend sufficient time in prison and are not, in the public's eyes, punished? Although rehabilitation is important, the public know that rapists cannot rape, muggers cannot mug and robbers cannot rob when they are in gaol.

Mr. Maclean: My hon. Friend is right. Siren voices can be rather attractive, but the Opposition's voices are not siren but rather shifty. They are shifty, because they are saying one thing now but do another when they go through the Lobbies. The Labour party voted against the Criminal Justice Act 1991, the Criminal Justice Act 1988,

reforming the right of silence, imposing longer community sentences and imposing curfew orders. With that criminal record to its name, the Labour party has no credibility today in claiming that it is tough on crime or tough on the causes of crime.

Football Matches (Policing)

11. **Mr. Tony Banks:** To ask the Secretary of State for the Home Department if he will assess the adequacy of the policing of football matches. [6158]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Timothy Kirkhope): Policing of football matches is an operational matter for chief officers, but I am satisfied that it is done professionally and efficiently—the whole world saw the evidence of that during Euro 96.

Mr. Banks: I hope that, this evening, the Minister will have a chance to watch the drama on Carlton Television about the Hillsborough disaster, because many football supporters are angry about what they see as the failure of policing at Hillsborough and the lies and cover-ups that followed. The Minister should be prepared to talk with the football clubs and the police to allow the clubs to have more of an input into the policing decisions in grounds. The police rely far too often on historical background for policing levels rather than on new technology, the new seating and the new arrangements in clubs. Will not the Minister allow the clubs to have greater involvement, because sometimes policing charges for football clubs are more than the gate receipts?

Mr. Kirkhope: It is for the football clubs to discuss with the chief officers in their areas the nature and extent of policing both inside and outside the grounds. I am satisfied that there have been considerable developments since the Hillsborough disaster in 1989. Great progress has been made, and one has only to go to an excellent match—as I did on Sunday, when an excellent team beat the hon. Member's team 2-0—to see that the standards in grounds are now enormously high.

Electronic Tagging

12. **Mr. David Evans:** To ask the Secretary of State for the Home Department what assessment he has made of the impact of electronic tagging. [6159]

Mr. Sackville: More than 230 offenders have now been sentenced and tagged under curfew orders. The trials show that the curfews are increasingly valued by the courts as a flexible and effective punishment.

Mr. Evans: I thank the Minister for his reply. As the shambles opposite have got the number 22 on their minds, will my hon. Friend tell me whether on no fewer than 22 occasions they voted against every piece of legislation that we tried to introduce to put criminals inside, where they belong? Can he tell me whether tagging works in Barbados or on safari, because that is where that lot send the pint-sized Rambos to get their corrective training? Does tagging work in Barbados? That is what I want to know.

Mr. Sackville: My hon. Friend can be assured that electronic tagging is a tough punishment, and goes down extremely badly with criminals, which is why the courts are imposing it for the upper end of the offences for which it is intended. I suspect that we shall hear many voices among the Opposition moaning that it is bad luck on the criminal.

PRIME MINISTER

EU Unemployment

Q1. **Sir Teddy Taylor:** To ask the Prime Minister if he will raise at the next meeting of the European Council the level of unemployment in the EU. [6178]

The Prime Minister (Mr. John Major): Yes, I expect to do so as part of the discussion on the intergovernmental conference.

Sir Teddy Taylor: As unemployment in the rest of the European Union has risen by 5 million in five years, which means 3,000 individual human tragedies every day, and as Britain alone has falling unemployment, partly because of our exclusion from the exchange rate mechanism, does the Prime Minister appreciate why a growing percentage of people in Britain consider the European Union a rather inadequate organisation? In the light of those alarming figures, is he willing to consider the possibility of letting the people of Britain have a say in their future? Can he at least guarantee that, in any referendum on the European currency, the decision will be taken before sterling is linked in any way to the euro?

The Prime Minister: As my hon. Friend says, unemployment is falling consistently across the United Kingdom, and is either rising or static in the rest of the European Union.

On my Friend's main point, we have made a firm commitment to hold a referendum if the next Conservative Government recommend that Britain should join a single European currency in the next Parliament. I confirm to my hon. Friend that, if such a referendum were held, it would of course be held before sterling was linked in any way with any putative European currency. As my right hon. and learned Friend the Chancellor and I have often made clear, we do not intend to rejoin the so-called ERM mark 2, and would not wish to institute any policy of shadowing the euro.

Engagements

Q2. **Mr. Beith:** To ask the Prime Minister if he will list his official engagements for Thursday 5 December. [6179]

The Prime Minister: This morning, I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Beith: Is the Prime Minister seriously pressing ahead with Budget measures that would deprive between 7,000 and 10,000 ex-service people of their entitlement to war pensions, and cost thousands more their entitlement to benefit paid for deafness resulting from war service? It is only a few weeks since we saw disabled war pensioners

determined to march, limp or be pushed in wheelchairs past the Cenotaph. Surely the Prime Minister has not forgotten them now.

The Prime Minister: Of course not. I fear that the right hon. Gentleman has been misled by reports in *The Guardian* and by the conflation of two separate and distinct matters. The first involves proposals to simplify about 19 complex measures. No pensioner will lose money as a result of that. The second concerns new independent medical advice on pensions paid for loss of hearing. The purpose of that independent advice is to determine what disabilities have been caused, so that people can be compensated accordingly. Those changes were—*[Interruption.]* That independent medical advice is the normal way of dealing with these matters. It has invariably been accepted. It usually puts up entitlements—that has always been the case in the past. I know of no circumstance when it has not been accepted. It was discussed this morning with the Central Advisory Committee on War Pensions, which will now consider the details.

Sir Rhodes Boyson: Is my right hon. Friend aware that there is great rejoicing today in the knowledge that A-level standards will be retained and strengthened? Does he agree that that is one of many reforms introduced by the Government for the benefit of British education?

The Prime Minister: My right hon. Friend speaks for many people, including many millions of parents. Standards are at the heart of the Government's policies on education and will remain so. Our national qualifications must remain at the highest standard, and A-levels are central to that.

Mr. Blair: May I return the Prime Minister to the subject of war pensions? Future pensioners will lose as a result of the changes. Those changes to war pensions were described in the Government press release on Budget day as proposals

"to simplify policy and procedures",

whereas they actually mean £50 million-worth of cuts. Does the Prime Minister accept that that was inaccurate and misleading, and will he apologise to the British people for that deception?

The Prime Minister: I am afraid that the right hon. Gentleman is just plain wrong. If the House will permit me to repeat what I said to the right hon. Member for Berwick-upon-Tweed (Mr. Beith), I shall take the Labour leader through it gently, so that he understands. Two issues have been run together in a simplistic and misleading way by *The Guardian*. If the right hon. Gentleman relies on *The Guardian* for his information, that explains why he is so often inaccurate in his questions.

The first issue involves proposals to simplify complex measures. No pensioner will lose money as a result of that. The second is the way in which we have always dealt with independent medical advice concerning pensions. *[Interruption.]* Hon. Members shout. After some months, we have just accepted independent advice on emphysema, having been pressed to do so by the Opposition. We did so willingly. That is what we always do with independent medical advice and what we have done on this occasion. The purpose of the independent advice that we have always sought is to determine what disablements have been caused, so that people can be compensated accordingly. That is happening on this occasion—nothing different, no change. We are following the normal practice for dealing with these matters.

Mr. Blair: Let me deal with each part in turn, so that the Prime Minister can answer each part. The first involves hearing disability. The Prime Minister says that the changes were made on independent medical advice. If the reason for the changes was independent medical advice, why were all his Social Security Ministers opposed to them, which they were, and why did not the Budget press release mention the fact that the changes reduced expenditure by £35 million?

The second part involves the other changes that the Prime Minister mentioned. He says that they are merely a simplification. Are they on the basis of medical advice? Is that why widows' rent allowances are to be abolished for new cases? The Prime Minister shakes his head. Is that happening or not? Not issuing reminders to return claim forms—is that happening or not? Ceasing to issue copies of decisions to third parties—is that happening or not? Is the instruction "Do not direct appellant to Royal British Legion as their representative" correct or not? Instead of patronising comments about how we do not understand, will the Prime Minister deal, first, with the matter of medical advice and his Social Security Ministers and, secondly, with each of the points that I have made?

The Prime Minister: As I told the right hon. Gentleman a moment ago, he has completely misunderstood what has happened. He has not seen the full range of correspondence, and as usual—despite his piety about a leak a week or so ago—he relies on leaked correspondence. If he had seen the correspondence, he would not have misunderstood the matter in the way he just has.

I repeat: the right hon. Gentleman has got it wrong, and I hope that he will not pursue it. We are trying to simply the procedures, as that is the right thing to do in the interests of the taxpayer, as well as of the applicants and the recipients of benefits. If the right hon. Gentleman does not want to simplify procedures across government, no wonder he envisages expenditure rising under a Labour Government.

Mr. Blair: If the right hon. Gentleman is unable to answer the specific points that were put to him, he will stand condemned out of his own mouth. I must ask him why—[HON. MEMBERS: "Question"]. This is a question—"why" is normally the start of a question. Why, if it is all just administrative procedures, does one Minister talk about a storm that is about to break about the Government's head?

The Prime Minister *indicated dissent.*

Mr. Blair: The Prime Minister shakes his head. A Minister said that. Why do the Government talk of "sweeteners"? They talk of these things because they know that they have been caught doing something shabby and mean-minded. If he cannot be trusted with British war pensioners, why should he be trusted at all?

The Prime Minister: As is typical, the right hon. Gentleman has quoted out of context and wrongly, and he has drawn the wrong conclusion from what he has said. One day, he might find out what he is talking about before he starts to talk about it.

Mr. Charles Wardle: My right hon. Friend knows that, when he vetoes the Commission's new proposals on borders—as Conservative Members know he will—the European Parliament has said that it will renew its action in the European Court. My right hon. Friend's own advisers say that the court will rule our borders unlawful, as the treaty now stands. Will he therefore explain to the House the contradiction, in that he says that our borders are not negotiable but his Ministers say that we will not break European law?

The Prime Minister: We have made it clear to our European partners on innumerable occasions that we will not accept any form of treaty change that alters the sanctity of British borders. Treaty change will need to be by unanimity, and we will not give our consent to it. There should be no doubt among any of our European partners that we are not prepared to accept any change whatsoever to the present system of safeguarding Britain's borders and, hence, our immigration controls.

Q3. **Mr. McAvoy:** To ask the Prime Minister if he will list his official engagements for Thursday 5 December. [6180]

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. McAvoy: Is the Prime Minister aware that his absent Chancellor of the Exchequer has been briefing journalists on the Prime Minister's failed attempt to change Government policy on Europe? Does he agree with the Chancellor, who has described the Prime Minister's failed attempt as a boomerang wrapped in high explosive which has blown up in the Prime Minister's face?

The Prime Minister: The hon. Gentleman may know that I have a statement in my hand that denies the report to which he refers.

Mr. Dover: Following the excellent Budget speech by the Chancellor last week, my right hon. Friend will have heard stupid statements from the Labour party about a lower basic rate of tax than 20p and lifting the ceiling for the 40 per cent. tax rate. Will not these unfounded pledges or promises—call them what you will—only give rise to higher taxation—

Madam Speaker: Order. I remind the hon. Gentleman that the Prime Minister answers questions, not about the Opposition but on behalf of the Government. Perhaps the Prime Minister might turn the question around and attempt to answer it.

The Prime Minister: It is certainly—*[Interruption.]* It is nice to welcome back the deputy leader of the Labour party. I thought that he was in Scotland answering focus groups.

It is certainly the case that, in order to contain public expenditure and hold down taxation, many extremely difficult decisions have to be taken. We have taken those decisions and I acknowledge the difficulty of doing so.

Mr. Faulds: Out of order.

Madam Speaker: Order. The Prime Minister.

The Prime Minister: Thank you, Madam Speaker.

I think that the whole country understands the unlikelihood of any alternative Government taking such decisions.

Q4. **Mr. Skinner:** To ask the Prime Minister if he will list his official engagements for Thursday 5 December. [6181]

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. Skinner: Can the Prime Minister tell us where he has hidden those economic jewels that he referred to in a speech last week? I went to the Treasury chest to find them and I found a big IOU that said that the country owed a £380 billion national debt which had doubled since the Prime Minister took office. There was another IOU showing a £19.5 billion public sector borrowing requirement shortfall.

Then I met a bloke on the street with his head down. I said, "Are you looking for these economic jewels too?" He said, "No, I'm looking for work." In my opinion, the Government sold off the economic jewels along with all the silver that they sold off the other years.

The Prime Minister: I hope that, when the hon. Gentleman was in the Treasury basement the other day, he did not leave a match behind him.

As for our economic jewels, I invite the hon. Gentleman to find any other country with unemployment falling like ours, tax rates and growth at our level, growing exports, a narrowing trade gap and economic prospects as good as ours. He cannot do it, because there is not one. The chap he found looking for work would be joined by many others looking for work if the policies that the hon. Gentleman advocates were ever put into effect.

Business of the House

3.32 pm

Mrs. Ann Taylor (Dewsbury): May I ask the Leader of the House for details of future business?

The Lord President of the Council and Leader of the House of Commons (Mr. Tony Newton): The business for next week will be as follows:

MONDAY 9 DECEMBER—Second Reading of the Northern Ireland Arms Decommissioning Bill.

TUESDAY 10 DECEMBER—Estimates Day [1st allotted day—1st Part]. There will be a debate on access to Government information. Details will be given in the *Official Report.*

Consideration of Lords amendments to the Channel Tunnel Rail Link Bill.

At 10 pm the House will be asked to agree the winter supplementary estimates and the vote on account.

Proceedings on the Consolidated Fund Bill.

WEDNESDAY 11 DECEMBER—The morning debate will be slightly different from the norm. Until 12.30 pm, debate on the first report from the Social Security Committee on unfunded pension liabilities in the European Union followed by a debate on the fourth report from the Environment Committee on World Trade and the Environment. Followed by debates on the motion for the Adjournment of the House.

In the afternoon, a debate on the European Union on a motion for the Adjournment of the House, which will be brought to a conclusion on Thursday 12 December. Details of the relevant documents will be given in the *Official Report.*

FRIDAY 13 DECEMBER—Private Members' Bills.

For the following week, I am at present in a position to give information only for the first day.

MONDAY 16 DECEMBER—Progress on the Protection from Harassment Bill.

The House will also wish to know that on Wednesday 11 December there will be a debate on Community railway policy in European Standing Committee A, and a debate on development of the social dialogue in European Standing Committee B.

The House will also wish to know that it will be proposed that on Tuesday 17 December there will a debate on the information society in European Standing Committee B.

Details of the relevant documents will be given in the *Official Report.*

[Wednesday 11 and Thursday 12 December:

Debate on the European Union—Relevant European Community Documents:

(1) The White Paper on Developments in the European Union, January to June 1996 (Cm 3469).

(2) Presidency General Outline for draft revision of Treaties.

(3) The Commission's Work Programme for 1997: New Legislative Proposals (SEC(96)1819).

(4) The Commission's Work Programme for 1997: Political Priorities (COM(96)507).

(5) European Community Document No. 10867/96 on the introduction of the euro.

(6) European Community Document No. 10893/96 on reinforced convergence procedures and a new exchange rate mechanism.

(7) European Community Document No. 10892/96 on a stability pact for ensuring budgetary discipline in stage 3 of EMU.

(8) Second and Third Reports from the Select Committee on European Legislation, HC 36-ii and 36-iii (1996-97).

(9) Sixth Report from the Select Committee on European Legislation, European Documents on Economic and Monetary Union: The Scrutiny Process, HC 36-vi (1996-97).

(10) Eighth Report from the Treasury Committee, The Prognosis for Stage 3 of Economic and Monetary Union, HC 283, Volumes I and II (1995-96).

(11) Minutes of Evidence taken by the Select Committee on European Legislation on 3 December (HC 136-i).

(12) Minutes of Evidence taken by the Foreign Affairs Committee on 5 December.

The Minutes of Evidence to be taken by the Foreign Affairs Committee on 9 December may also be relevant.

Tuesday 10 December:

Estimates Day [1st Allotted Day—1st Part]. Vote on Account, Class XVIII, Vote 1 Cabinet Office: Office of Public Service in so far as it relates to Access to Government Information. Relevant Reports: The Second Report from the Select Committee on the Parliamentary Commissioner for Administration, Session 1995-96, (HC 84), Open Government, and the Government's Reply published in the Committee's First Special Report, Session 1996-97, (HC 75).

Wednesday 11 December:

European Standing Committee A—Relevant European Community Documents: (a) 10003/95, Community Railway Policy; (b) 9654/96, The Community's Railways. Relevant European Legislation Committee Reports: (a) HC 51-i (1995-96); (b) HC 51-xxix (1995-96).

European Standing Committee B—Relevant European Community Document: 10305/96, Development of the Social Dialogue. Relevant European Legislation Committee Report: HC 36-ii (1996-97).

Tuesday 17 December:

European Standing Committee B—Relevant European Community Document: 9795/96, The Information Society: Priorities and Implications. Relevant European Legislation Committee Report: HC 36-i (1996-97).]

Mrs. Taylor: I thank the Leader of the House. The whole House will welcome the fact that the Government have responded to its demands for a full-day debate on economic and monetary union, which is to take place on Wednesday, in addition to the more general Euro-debate on Thursday. We have no objection to that debate being on the Adjournment. However, will the Leader of the House tell us what is to happen to the documents relevant to that debate which have still not been voted on? Surely it would be appropriate to vote on them at the conclusion of the debate on Wednesday evening.

We welcome progress on the Protection from Harassment Bill, which is to have all its stages as quickly as possible on the Floor of the House starting on Monday 16 December, and the fact that the Government have taken up our offer of co-operation. As the Bill goes further than the original proposals of my hon. Friend the Member for Rossendale and Darwen (Ms Anderson), which the Government blocked earlier this year, will the right hon. Gentleman ensure that the additional provisions in the Bill are the subject of proper consultation so that the legislation will be workable? To that end, will the Leader of the House reflect that we might need more than one day to consider the Bill properly? That should not materially affect its progress.

Can the Leader of the House say whether, as has become usual practice, we will have the annual fisheries debate in the next few sitting weeks because that involves many important issues that concern both Government and Opposition Members?

Finally, there is today's appalling news about aspects of the Budget statement that were not made clear to the House during the Chancellor's Budget speech or when the Secretary of State for Social Security opened his debate last Thursday: the changes to the benefits of disabled ex-service men and war widows. The Prime Minister made the situation worse a few moments ago by not being able to answer some very basic questions, and today the hon. Member for Davyhulme (Mr. Churchill) has said of one Minister:

"Someone who has so little regard for our war heroes should not be in the Government".

Surely shabby and misleading ministerial actions that provoke such comments warrant a debate in the House.

Mr. Newton: On the debate before the Dublin European Council, I am grateful to the hon. Lady for acquiescing in the idea of a debate on the Adjournment. She asked about the completion of scrutiny. As my right hon. and learned Friend the Chancellor still has detailed issues to raise with other Finance Ministers, including points made by hon. Members in the House, we do not intend to seek to complete scrutiny at present. Legislation is not likely to be finally adopted until after the Amsterdam summit next June. Detailed negotiations on the legal text of the stability pact have not even started. Our intention is to return to the House with the revised text next year once it is clearer how the eventual proposals will look. If the proposals are acceptable to the United Kingdom—which, in due course, we believe that they should be—we will then seek scrutiny clearance. In the meantime, at Dublin and on other appropriate occasions, where necessary, we will table a parliamentary reserve. I repeat the assurances that have been given that the Government will not participate in political agreements until scrutiny is cleared.

I note what the hon. Lady said on the Protection from Harassment Bill. One of the reasons why I have not been able to give details for the days following Monday is that discussions are going on through the usual channels. I certainly acknowledge that the point she has raised deserves consideration, and I hope that we will be able to reach an agreement on it.

I can confirm that we intend to have the fisheries debate before the recess.

My right hon. Friend the Prime Minister made the position on war pensions perfectly clear. The changes that were the principal focus of *The Guardian* story today rest on medical advice, precisely in the same way as the Industrial Injuries Advisory Council's proposals, which we have been repeatedly pressed to accept for many months, rest on medical advice. I do not think that it can be reasonable for the Opposition to argue that medical advice should be ignored in some cases and accepted in others.

Mr. Bob Dunn (Dartford): May we have an urgent debate soon in Government time on constitutional developments, given that many of us on the Conservative Benches wish to demonstrate our opposition to proportional representation, the abolition of the House of Lords, the break-up of the United Kingdom and the imposition of regional government on England? Those policies, if enacted, would be a constitutional nightmare for the people of this country.

Mr. Newton: I can readily agree with my hon. Friend that such a debate certainly has much merit, but I am afraid that I cannot undertake to provide time for it before Christmas, unless my hon. Friend wishes to be here at Christmas.

Mr. Simon Hughes (Southwark and Bermondsey): Will the Leader of the House give an assurance that he has not confused the widespread support in the House for the passage into law of the Protection from Harassment Bill with the idea that all stages should be taken without any proper opportunity being provided between those stages for people to consider what has been agreed at each stage? There is a danger that, as has happened with previous legislation, that Bill will appear speedily on the statute book and will be a muddle.

Given the exchanges at Prime Minister's Question Time, may we have a debate before Thursday next week, either during the debate on the Consolidated Fund Bill or the debate on the estimates, on a wide range of pensioner issues, although they should specifically include war pensioners, who are the subject of the concern expressed in today's press reports? That debate could also refer to the fact that many councils, such as Barnsley, do not disregard war pensions from council tax and housing benefit. The Government and the Opposition are making sure that war pensioners are treated differently up and down the country.

Mr. Newton: I am afraid that I cannot undertake to provide time for a debate of the kind that the hon. Gentleman has sought. There is provision for a debate on one aspect of pensions—unfunded pension liabilities—although I accept that that is a fairly narrow issue. I should remind the hon. Gentleman that we recently had a full day allocated to social security during the debate on the Budget.

As for Barnsley, a degree of local discretion in such matters has been exercised for a long time, and no doubt the hon. Gentleman's remarks will have been noted in Barnsley.

Mr. William Cash (Stafford): Will my right hon. Friend acknowledge that the announcement he has just made about the debate that we were expecting and hoping for on the regulations, the stability pact and so forth shows that the Government have now accepted that the opinions of the House as a whole, which come from all parts of

[Mr. William Cash]

the political spectrum, have prevailed? The Government have now accepted the fact that they must always take note of what the Select Committee says with regard to debates being taken on the Floor of the House. Will he absolutely guarantee that what happened two weeks ago will never happen again?

Mr. Newton: My hon. Friend, for reasons that I understand, rather stretches his interpretation of what I have said. I have not changed the proposals for the debate. We made it clear long ago that we would provide time for a debate before the Dublin Council. We have now extended that debate to two days, particularly to allow greater time for discussion of EMU. On the other points, my right hon. and learned Friend the Chancellor made it clear in two sets of exchanges that we have had during the past fortnight that he understood some of the points and concerns that were raised with him. Those are the ones that he has been pressing and is continuing to discuss with our European partners.

Mr. Alfred Morris (Manchester, Wythenshawe): I intervene as honorary parliamentary adviser to the Royal British Legion. Is it not totally unpardonable for the Secretary of State for Social Security to have written to the Chief Secretary about how to divide the ex-service community? When shall we have a statement from him? Will the ministerial correspondence be published in full? And why make a plea to Japanese business men to help the former prisoners of war of their country, when the Secretary of State's letter so blatantly dishonours our war-disabled people?

Mr. Newton: I do not for one moment accept the right hon. Gentleman's rhetoric. I shall bring his point to the attention of my right hon. Friend the Secretary of State for Social Security, but he will know that, as my right hon. Friend the Prime Minister said, my right hon. Friend the Minister of State in another place has this morning met and discussed those matters with the Central Advisory Committee on War Pensions, in the proper and understood way.

Mr. Harry Greenway (Ealing, North): May we have a debate next week on animal welfare, so that the view held by many hon. Members on both sides of the House that animals should be recognised as sentient beings in European legislation may be put across the Floor of the House; and so that we can investigate the possibility of lottery money being used to assist animal welfare organisations in the valuable work that so many of them do?

Mr. Newton: I pay tribute to my hon. Friend's persistent and proper interest in animal welfare matters. Even so, I cannot promise time for a debate. The best opportunity in the next couple of weeks that I can think of would be the morning of Wednesday 18 December, when I will be here for three hours, during which time hon. Members can talk about any subject.

Mr. Peter Shore (Bethnal Green and Stepney): The Leader of the House has conceded a debate on European monetary union and the stability pact next week, but he has denied us a vote. Whatever consideration the Government have given to that—I note with regret that Opposition Front Benchers have not pressed for a vote—surely the Leader of the House realises that he has obligations to Back Benchers and that there are Back Benchers on both sides of the House who feel that sufficient progress has been made on the stability pact and on European monetary union for the House now to make clear how far we are prepared to go. We can indicate those limits to the Government only if there is an amendable motion.

Mr. Newton: I cannot add to what I said, which—perhaps understandably—I thought was extremely reasonable. The possibilities in that field are still under discussion and are not likely to be finally adopted for many months and detailed negotiation on the legal texts in respect of the stability pact has not even started.

Sir Jim Spicer (West Dorset): May I ask for my right hon. Friend's help? The right hon. Member for Manchester, Wythenshawe (Mr. Morris) and I are both advisers to the Royal British Legion. I understood that the Central Advisory Committee on War Pensions had approved of the changes, either yesterday afternoon or today. In view of what has been said today, it is now my intention to go—with, I hope, the right hon. Member for Wythenshawe—to meet the committee. Will my right hon. Friend the Leader of the House ensure that, together with the chairman of the committee and a representative of the Royal British Legion, we can then meet the appropriate Social Security Minister?

Mr. Newton: I am sure that my right hon. Friend the Secretary of State for Social Security will look carefully at my hon. Friend's point. I can only confirm that those changes have been discussed this morning, in the usual and proper way, with the Central Advisory Committee on War Pensions.

Mr. Don Dixon (Jarrow): May I draw the Leader of the House's attention to early-day motion 302, tabled by my hon. Friend the Member for Liverpool, Garston (Mr. Loyden)?

[*That this House is seriously concerned by the continuing decline of the Merchant Navy; recalls the important role played by the merchant fleet for over a century including two world wars; and calls upon Her Majesty's Government to address as a matter of urgency the effects the decline of the Merchant Navy has on the ship building industry, the port transport industry, the British seafarers and the economy as a whole.*]

Bearing in mind the fact that we might be one of the only maritime nations in the world that does not have a maritime policy, will the right hon. Gentleman give us a debate on that subject in Government time on the Floor of the House?

Mr. Newton: I acknowledge the importance of the subject, but I cannot make an immediate promise along the lines that the right hon. Gentleman seeks. We have put in place a range of measures, including simplified procedures, liberalised officers' nationality requirements and many others, including tax incentives to replace aging tonnage. We believe that those measures are making a positive contribution to the industry's position.

Lady Olga Maitland (Sutton and Cheam): Will my right hon. Friend give urgent consideration to a debate on

the reform of the House of Lords proposed by the Labour party? Is he aware of the very deep concern felt by my constituents and further afield that there is an arrogant disregard for the constitution of our country, especially when the Labour party plans to flood the House of Lords with 700 life peers? Those important constitutional matters should be debated by all, and rejected.

Mr. Newton: I have already told my hon. Friend the Member for Dartford (Mr. Dunn) that I regard a debate to examine those aspects of the Opposition's policies as an attractive proposition, and I will bear my hon. Friend's further representations in mind.

Mr. Eddie Loyden (Liverpool, Garston): The Leader of the House may be aware that I was at Hillsborough on the fateful day of the tragedy. Will he arrange to hold a debate in the House as soon as possible? Many people, including the families of the Hillsborough victims, have not had a fair deal in the courts. I invite the Leader of the House to view tonight the film on that subject, or ask the Attorney-General to do so, so that they may better understand what happened that day.

Mr. Newton: I cannot make an immediate promise to watch the programme tonight, but I shall try to ensure that I view it subsequently, or at least gain a clear idea of what it says. I am sure that that will be true also of my right hon. and learned Friends the Home Secretary and the Attorney-General.

Mr. John Marshall (Hendon, South): May we have an early debate on the situation in Cyprus, so that we can emphasise the need for Cyprus's application to join the European Union to be determined as a matter of urgency, regardless of whether there has been a political solution—welcome and necessary as that political solution would be?

Mr. Newton: I take note of my hon. Friend's suggestion and will bring it to the attention of my right hon. and learned Friend the Foreign and Commonwealth Secretary.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Does the Leader of the House consider that the debate on the Channel Tunnel Rail Link Bill next week would be an ideal opportunity for the Secretary of State for Transport to make a statement about the safety case for reopening the channel tunnel? The right hon. Gentleman could come to the House and publish all the evidence on which the opening has been based, to reassure the general public that the service is now safe, and that the reopening is a responsible act which people will welcome.

Mr. Newton: My right hon. Friend said that he would respond appropriately when the reports of the various inquiries that have been set up are available to him. Meanwhile, I understand that the intergovernmental commission, taking into account the advice of the independent Channel Tunnel Safety Authority, has raised no objection to the resumption of commercial passenger services through the tunnel, and undertook last Sunday an exercise that was one of several conditions that had to be fulfilled to the safety authority's satisfaction before the authority was prepared to make a favourable recommendation.

Mr. Ian Bruce (South Dorset): May we have an early debate on the Commission for Racial Equality? Hon. Members know that many millions of pounds are voted for that organisation. It appears to be a fairly large waste of money, not least because, in recent days, an hon. Member made a racial attack on Finnish people because they were white and had blue eyes, and no action has yet been taken against that person, who, obviously, was trying to incite Afro-Caribbean people to hatred of those people.

Mr. Newton: I am sure that my hon. Friend's remarks, like those to which he refers, will be studied with great care by that organisation.

Mr. Alex Salmond (Banff and Buchan): Speaking in my role as the only political leader who understands Scotland—*[Laughter.]*—according to Labour party research—may I ask the Leader of the House for an immediate debate into some vital research documents that have been made public? Is the Leader of the House aware that people in Scotland seem to believe that the Leader of the Opposition is smarmy, untrustworthy and a Tory, but believe that the Prime Minister is ineffective, wimpish and a Tory? Does not that represent a crisis of Unionist leadership, which the House must address before Christmas?

Mr. Newton: The perceptions reported in the research seem somewhat mixed. One is bound to question them in view of the hon. Gentleman's initial point about attitudes to him.

Mr. Jacques Arnold (Gravesham): May I support the calls for a debate on the reform of the House of Lords? We have heard how the Opposition would destroy the second House of the United Kingdom Parliament, but they have not been clear about a replacement. On the one hand, they propose to promote 700 of Blair's boys and girls to the other House—which strikes me as sleaze on a grand scale—and, on the other hand, they propose elections to a second House which would compete with the democratic authority of this place.

Mr. Newton: Clearly demand for such a debate is growing by the minute, and I take careful note of it.

Mrs. Anne Campbell (Cambridge): Is the Leader of the House aware that a recent answer to a parliamentary question revealed that the Government have decided not to proceed with the sale of the Royal Greenwich observatories in my constituency? With the fate of so many other public sector research establishments hanging in the balance, will the Leader of the House call upon the President of the Board of Trade to make an early decision about those sales and make a statement to the House so that he may be questioned about the chaos that has resulted from the prior options review?

Mr. Newton: It will not surprise the hon. Lady to learn that I do not accept her terminology. The Government's purpose is to find the best way forward for those

[Mr. Newton]

organisations and to secure the best possible futures for them. I am sure that my right hon. Friend will examine her remarks with interest.

Mr. Tam Dalyell (Linlithgow): Did the Leader of the House hear the earlier question from the hon. and learned Member for Burton (Sir. I. Lawrence) and the ensuing rather shameful exchange when the Home Secretary endorsed the intemperate language of the hon. and learned Gentleman, who referred to the European Court of Human Rights as interfering, meddling foreigners? It is one thing for a Government Back Bencher to say that, but quite another for the Home Secretary to endorse his comments. I think that we should be very clear about the Government's attitude. Could there be some form of statement or explanation of the Government's real attitude towards the European Court of Human Rights?

Mr. Newton: The straightforward answer to the hon. Gentleman's question is that I was present for only the last two or three minutes of Home Office questions, so I am not in a position to comment directly. I am surprised at the hon. Gentleman's interpretation of the exchange, but, as I am not in a position to comment, I shall draw his remarks to the attention of my right hon. and learned Friend.

Mr. William O'Brien (Normanton): In view of the widespread outbreaks of different strains of meningitis around the country, and the fact that some medical health officers are warning people of more possible outbreaks and some hospitals are opening closed wards to prepare for any such developments this winter, will the Leader of the House agree to a debate on that subject next week? It is an urgent matter about which many people have expressed anxiety. Will the Secretary of State for Health make a statement to the House allowing hon. Members to express their concerns? We need some policy guidance on how the Government plan to combat any further outbreaks of meningitis.

Mr. Newton: When outbreaks occur, guidelines are published and the outbreak teams follow them. I am quite sure that, if anything fresh emerges following the statement earlier this week by my right hon. Friend the Secretary of State for Wales about the outbreak in Cardiff, appropriate guidance will be considered. I shall bring the hon. Gentleman's concerns to the attention of my right hon. Friend the Secretary of State for Health.

Rev. Martin Smyth (Belfast, South): I welcome the fact that next Monday we are to debate the Northern Ireland Arms Decommissioning Bill, but the Leader of the House and right hon. and hon. Members will be aware that, throughout the past 28 years, service men and others have been severely injured and women have been widowed. Therefore, I press the Leader of the House for a statement so that we can examine what has been reported in the press, for many of us missed the earlier exchanges. My attention was drawn to the problems as a result of the case of Charles McConaghy, a former constituent, who was blinded and deafened, as well as receiving other injuries, in an IRA explosion. Under the new terms, he is losing about £50 a week in compensation. Can we have a debate on that, because what have been called sweeteners seem to be saccharin—a substitute for the real thing?

Mr. Newton: The hon. Gentleman fairly acknowledged that he had not heard the earlier exchanges. I am not in a position to comment on a particular case, but as we are talking about medical advice that would affect future decisions, the hon. Gentleman might do well to examine with care what has already been said.

Mr. Robert Maclennan (Caithness and Sutherland): May I lend the support of my right hon. and hon. Friends to the call that has been made three times in these exchanges from the right hon. Gentlemen's own Benches for a debate on the future of the House of Lords? That would enable us to consider in particular the view expressed yesterday by the Leader of the House of Lords that hereditary peers are more representative of the common man than are hon. Members elected to this House.

Mr. Newton: I note that support for such a debate has now spread from one side of the House to the other, which means that I must take even more notice.

Mr. Paul Flynn (Newport, West): When may we debate the question that the whole country is asking today: have the Government gone mad? All of us receive letters weekly from embittered ex-service men and women who feel that they have been cheated by the Government. They believe that they have sacrificed their health for their country, yet they are to be cheated again of £50 million. When will we debate that?

Mr. Newton: I have now commented, as has my right hon. Friend the Prime Minister, several times on this. I hope that the hon. Gentleman will reflect on whether he would find it acceptable, if medical advice produced an extended entitlement to benefits, for the Government to reject that medical advice. We really must consider whether we are going to rest on medical advice or not.

Mr. Nigel Spearing (Newham, South): Since the Leader of the House has declined the suggestion of a debate and vote forthwith next Wednesday on the important stability pact regulations, will he consider, when further documents have been laid and further discussions have taken place, tabling the motion after such a debate?

As full official texts of the treaty that will be discussed in Dublin next weekend will not be available, will the Leader of the House ensure that at least a summary of what is proposed is before the House next Thursday?

Mr. Newton: On the hon. Gentleman's first point, I have made the position clear in what I said at the outset. We will return to the House with a revised text next year once it is clearer how the eventual proposals will look. If the proposals are acceptable to the United Kingdom—we think that they should be in due course—we will seek scrutiny clearance. That is the answer to the hon. Gentleman's question.

On the second point, as my hon. Friend the Minister of State told the Scrutiny Committee earlier this year, we shall make the draft treaty document available to the

House as soon as is practicable, that is, within 24 hours of our having it. The House will have the opportunity to debate that fully as part of the two-day debate next week.

Mr. David Clelland (Tyne Bridge): Will the Leader of the House arrange for a debate on today's statement by a senior health service manager from Newcastle, who said that national health service competition is not working and that it is being

"pushed to deal in commodities and not patient care"?

Mr. Newton: The hon. Gentleman might acknowledge the support that there is around the country, for example for GP fundholding. He might choose to describe it in that way, but the fact is that most people are finding that it is producing a better service.

Mr. Barry Jones (Alyn and Deeside): Is not the Government's position on the working hours directive disgraceful? When will the Leader of the House organise a debate in Government time on the Floor of the House? The directive is appropriate to industrial society at the end of this century.

Mr. Newton: I often agree with the hon. Gentleman, but not on this occasion. His description of the Government's attitude to the directive is unreasonable. The Government are seeking to ensure that as many of his constituents as possible are employed, not unemployed.

Mr. Harry Barnes (North–East Derbyshire): Why must we wait until June next year, after the general election, before we can seek scrutiny clearance on the three important European Union documents? They were considered to be so important that they were pushed into European Standing Committee B, and if they had been carried there, they would have been taken forthwith on the Floor of the House. Why have the Government changed their position so dramatically?

Mr. Newton: I can make an additional point. At the time when the documents were sent for scrutiny in Committee, we expected interim political agreements at ECOFIN on 2 December, with subsequent endorsement from the Council in Dublin. In the event, negotiations proceeded more slowly, and agreement was not reached at ECOFIN on 2 December. The position with which we were dealing has now changed.

Mr. Tony Banks (Newham, North–West): Has the Leader of the House studied the report of the Office of the National Lottery on the sale of scratch cards to under-age persons? I have come to the conclusion that scratch cards are a curse. They were not properly discussed when the legislation to set up the lottery went through the House. The second weekly draw is coming along. We were promised that the lottery would be monitored, and that we would have a chance to debate the issue. Many matters need to be discussed. May we have a debate on the workings of the national lottery, and particularly on its impact on charities?

Mr. Newton: It will not surprise the hon. Gentleman to know that I cannot promise a debate. I draw his attention to the fact that my right hon. Friend the Secretary of State for National Heritage is due to answer questions before Christmas—on Monday 16 December.

Mr. Mike Hall (Warrington, South): I refer the Leader of the House to the earlier questions about war pensions. My father, Thomas Hall, served in the Fleet Air Arm from 1942 to 1945, and suffered perforated eardrums when his ship was bombed. In later life, he had a hearing loss of between 10 per cent. and 20 per cent., but because of the Government's changes to the regulations he was not entitled to a weekly war pension. His hearing deteriorated, and he was later assessed as having a hearing loss of more than 20 per cent. He could not claim his war pension until October 1997. Sadly, my father died a week last Saturday, so he will not be able to claim that pension.

The Government are now changing the threshold from 20 per cent. to 40 per cent. That has nothing to do with doctors' advice: they are cheating pensioners of their entitlement. We deserve a debate on this issue soon.

Mr. Newton: As I cannot add to what I have said, I shall confine my response to expressing my sympathy to the hon. Gentleman for the family circumstances to which he referred.

Mr. Cynog Dafis (Ceredigion and Pembroke, North): I am grateful to you, Madam Speaker, for more reasons than one!

I remind the Leader of the House that 1997 is an important year for global environmental policy and sustainable development. The Commission for Sustainable Development will meet in New York in April, and Earth summit II will be held at the General Assembly of the United Nations in June. Would it be appropriate for us to have a full debate in Government time on the Government's position on the important issues that will be discussed next year? We should have a statement from the Prime Minister on the Government's approach to the key themes, including an undertaking that he or his successor will attend the session at the United Nations in June.

Mr. Newton: It might be appropriate to have such a debate. That is an important subject. No one is in serious doubt that my right hon. Friend the Secretary of State for the Environment, with the full backing of my right hon. Friend the Prime Minister, has played an important and leading role in such matters throughout the international negotiations.

BILL PRESENTED

PROTECTION FROM HARASSMENT

Mr. Howard, supported by the Prime Minister, Secretary Sir Patrick Mayhew, Mr. Secretary Portillo, Mr. Secretary Forsyth, Mr. Secretary Hague and Mr. David Maclean, presented a Bill to make provision for protecting persons from harassment and similar conduct: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 49].

DELEGATED LEGISLATION

Madam Speaker: With permission, I shall put together the motions relating to delegated legislation,

Motion made, and Question put forthwith, pursuant to Standing Order No. 101(6) (Standing Committees on Delegated Legislation),

AGRICULTURE

That the Home-Grown Cereals Authority Levy (Variation) Scheme (Approval) Order 1996 (S.I., 1996, No. 2843), dated 12th November 1996, a copy of which was laid before this House on 13th November, be approved.

INTERNATIONAL IMMUNITIES AND PRIVILEGES

That the draft European Police Office (Legal Capacities) Order 1996, which was laid before this House on 13th November, be approved.

INDUSTRIAL DEVELOPMENT

That the draft Scottish Enterprise (Aggregate Amount Outstanding) Order 1996, which was laid before this House on 11th November, be approved.—*[Mr. Knapman.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 102(9) (European Standing Committees),

WASTE MANAGEMENT

That this House takes note of European Community Document No. 9651/96 relating to waste management strategy; and endorses the Government's objective of broadly supporting the review so that future waste management strategy balances the need for a high level of environmental protection with the need for an appropriate level of regulation to ensure the functioning of the internal market.—*[Mr. Knapman.]*

Question agreed to.

Harbours, Docks, Piers and Ferries

[Relevant documents: Memoranda relating to this Order contained in the Fifth Report from the Joint Committee on Statutory Instruments of Session 1996–97, HC 29-v.]

4.9 pm

The Secretary of State for Transport (Sir George Young): I beg to move,

That the draft Port of Tyne Authority (Transfer of Undertaking) Order 1996, which was laid before this House on 6th November, be approved.

The order will enable me to effect the transfer of the assets, rights, liabilities and duties of the Port of Tyne Authority to a company, which will be offered for sale. All property, rights and liabilities of the authority and all functions conferred or imposed on the authority by any local statutory provision will be transferred to the successor company already set up by the authority when the order comes into force. The most important such obligation is that of continuing to run a port on the Tyne.

I shall start by briefly setting the order in the context of the Government's policy on ports. Our objective for the ports industry has been that it should be capable, innovative and self-sufficient. The Government have done that by removing subsidies, by deregulation—abolishing the dock labour scheme—and by privatisation. They have sought to improve performance by promoting competition.

As a result, the efficiency of operations has been improved, efficiency gains have been made in the use of manpower, labour relations have improved, and substantial investments have been made. Our policies have succeeded and the benefits have not stopped at the ports. They have been to the advantage of all who depend on them and, to some extent, that means everyone in the country and many abroad.

The Ports Act 1991 is part of that story. It was introduced as an enabling measure, to provide a simpler and quicker mechanism than the private Bill procedure for trust ports to privatise themselves and take advantage of private sector input and practice, such as the investment of private capital. We introduced the measure because that is what a number of ports wanted to do. They were right to do so.

Six ports have used the voluntary privatisation procedure in the Ports Act—Tees and Hartlepool, Forth, Clyde, Medway and Tilbury in 1992 and, following their success, Dundee in 1995. New sources of finance have been tapped to provide new and improved facilities. Other advantages have followed and those ports have all prospered as a result.

Let us consider briefly the progress that has been made. Between 1992 and 1995, Tees and Hartlepool achieved an increase in turnover of more than 20 per cent., and an increase in pre-tax surplus over the same period approaching 100 per cent. The chief executive says:

"I think since privatisation there has been a fairly significant change in the culture of the port. I think there is an awareness that we are providing a privatised business that has to succeed. About 40 per cent. of employees have shares—we were greatly surprised by the number of people who wanted to take shares in the business".

Mr. Andrew Smith (Oxford, East): On the Secretary of State's claims for the privatised ports, is it not the case that the port of Tyne's pre-tax surplus increased by 172 per cent. between 1992 and 1994, which is better than that of three of the privatised ports to which he referred?

Sir George Young: The tonnage carried in that period decreased, however. That was not an expansion period for that port. Clyde's turnover and tonnage—it is not just the turnover—increased by 33 per cent. and its pre-tax profits by 58 per cent. between 1992 and 1995. In their 1995 annual report, the directors reported:

"Another satisfactory year . . . acquisition of new waterfront facility will provide increased opportunities for expansion and diversification".

Lloyd's List in May this year said:

"In 1992 Clydeport considered closing its Greenock operation due to lack of business . . . now the group is more concerned it will run out of capacity at Greenock and has therefore bought a neighbouring site".

If we look at Forth, we find the same impressive story. In the 1995 annual report and accounts, the chairman notes:

"Turnover has increased by 32 per cent. to reach £47.3m . . . Profit before tax was up £15.3m (up from £13.9m in 1994)".

The position of Forth has been helped by the acquisition of Tilbury and Dundee. *Lloyd's List* recently noted:

"At one time damned by an image of crumbling infrastructure and fractious labour relations, Tilbury has re-emerged over the past few years to mount an increasing challenge to its more recently developed competitors at Felixstowe and the Isle of Grain. Tilbury's recent history has been recounted a thousand times—abolition of the Dock Labour Scheme, followed by a management-led privatisation and ultimately the sale to Forth Ports Group. Those dramatic changes have served to revolutionise the culture and business attitudes at the port, now being driven by Forth Ports' desire to generate realistic returns on investment".

That has, of course, been the general experience of privatisation, and it is what we should expect for the privatisation of Tyne. The evidence all points in one direction: port privatisation substantially improves port performance.

Privatisation does not reduce the responsibilities of port authorities. All their obligations under general law continue, and the Ports Act provides that all functions conferred or imposed on an authority by any statutory provision are transferred to any successor company. The Act also specifically applies the Transfer of Undertakings (Protection of Employment) Regulations 1981, which provide statutory protection for employees from takeovers to transfers under the Ports Act. Additionally, there is provision for a clawback levy to be applied on a sliding scale to all land disposals during the first 10 years following privatisation. So the taxpayer would benefit from sale of surplus land.

The users of the port will continue to benefit—as do all users of UK ports—from the Harbours Act 1964, which gives me a statutory right of appeal against unreasonable port dues. The right is important, because the public right of access to ports depends upon the payment of those dues. The right is in reserve, but it is rarely used. There is no doubt—because of commercial pressures generated by the promotion of competition in the ports industry, as I have already mentioned—that commercial pressure keeps down fees. The right has never been exercised for any of the privatised trust ports since they were privatised.

Mr. Don Dixon (Jarrow): If privatisation is so good, why are the Government not privatising the port of Dover?

Sir George Young: The port of Dover has given an undertaking voluntarily to privatise itself in 1997.

With that background on the Government's ports policy and the Ports Act, I come to the privatisation of the Port of Tyne Authority. Our intention in seeking the compulsory privatisation of the Port of Tyne Authority is to create an opportunity for the port to share the benefits gained by the entrepreneurial and innovative approach more generally found in the private sector.

The Port of Tyne Authority has not ruled out privatisation. Indeed, in the authority's response of September 1995 to the consultation on compulsory privatisation, it states that it welcomes the provisions of the Ports Act that enable voluntary privatisation, and even accepts that compulsory privatisation may be needed in certain circumstances. However, it does not consider that its port would benefit. With all respect, however, and in no spirit of criticism, I have to say that it cannot be disinterested, and that it is only natural for the authority, and indeed for others connected with the port, to perceive proposed privatisation as a threat or criticism. It is not.

Privatisation is based on the general experience, in this country and others, that it brings a change of culture that benefits and improves overall performance. Taking the port fully into the private sector will not undermine what has already been achieved. Rather, it will open up more opportunities for innovation and entrepreneurial development, to the benefit of port users and the wider Tyneside community. Privatisation can be expected to lead to a more dynamic approach to investment, exploiting more fully the authority's financial capacity, to the benefit of the region. So we believe that the port's future development will be best handled in the private sector.

I should like to deal with some of the concerns that have been expressed in the consultation exercise. Some concern has been expressed about timing, arising mainly from uncertainties because of decline in the coal trade. It is not surprising that there have been both positive and negative developments in the port's business in recent years—that is the nature of the ports business. Waiting for a steady state would mean that no port could ever be privatised. Potential purchasers and their advisers should have no substantial difficulty in assessing and allowing for any uncertainties in the future business of Tyne. The port has indeed shown that it can adapt to changing trade patterns.

The powers of compulsion in section 10 of the Ports Act enable me compulsorily to privatise any trust port with a turnover exceeding £5 million, at 1991 prices, following consideration of responses to a succession of consultation exercises, and with the consent of Parliament.

My right hon. Friend the previous Secretary of State consulted the Port of Tyne Authority, in June 1995, to ascertain its views on privatisation, and it was asked to respond within three months. As I explained, we were not convinced by the authority's arguments against

[Sir George Young]

privatisation, and I wrote to the chairman on 15 November last year to direct the authority to form a company and prepare a transfer scheme, to enable the authority to transfer all its property, rights, liabilities and functions to that company. A model transfer scheme was provided to the port authority for consideration, and the actions were to be completed by the end of February this year. The Port of Tyne Authority complied with that timetable and advertised its scheme in March, inviting anyone who wished to do so to send representations to me.

The scheme submitted by the Port of Tyne Authority, although based on a model provided by my Department, included a number of additional provisions that would have been likely to constrain the operation and development of the port, which I shall come to in a moment. In my view, it would not have been possible to make the scheme accord with advice previously given. I therefore considered making my own scheme, as provided for in section 12 of the Act, and consulted the Port of Tyne Authority and considered its views before advertising the proposed scheme and inviting representations.

Following consideration of the representations, I was and am still minded to proceed. My proposed scheme forms the schedule to the order before the House. It follows closely the transfer schemes used in previous privatisations, including that in Ipswich, which was approved by Parliament earlier this year. I considered the additional provisions proposed in the Port of Tyne Authority's scheme to be unacceptable and unnecessary. Their removal was the main focus of representations made to me on my proposed scheme.

The provisions raised an important and difficult issue. A transfer scheme concerns the transfer of property, rights, liabilities and statutory functions of the port authority to a successor company. It is not appropriate for such a scheme to contain provisions that are not directly connected with the transfer but intended to impose new, on-going commitments on the successor company. There is even a question whether such on-going provisions would be intra vires.

Such doubts and the difficulty and inappropriateness of each of the proposals led me to propose my scheme. As I said, it follows very closely the schemes used for all the voluntary privatisations and the scheme being followed for Ipswich, which was discussed in Committee earlier this year.

The authority's proposals covered aspects of pension and employee rights. There is, of course, general protective legislation in those matters, which will apply to the successor company, and there is no case for or way of imposing further legal obligations on that company. I of course understand that such matters are of concern and I shall be prepared to consider with the authority what might be included in the sale objectives, to allow prospective purchasers' intentions to be considered in the evaluation of bids.

There was no justification for the authority's proposed consultative committee, with its extraordinary range of powers, which would have shackled any new management in a totally unacceptable way. The successor company will be just as capable as the port authority of continuing good relations with local interests. Indeed, it will be in its commercial interest so to do, as evidenced by the conduct of port businesses already in the private sector.

The proposed consultative committee was to have held a special share, provided for in the company documents for Port of Tyne plc—the company set up by the port authority in accordance with directions earlier this year. Subject to parliamentary approval of the order, we shall direct that the relevant article—article 30—be deleted from the company's articles of association, that other consequential amendments be made, and that a few minor amendments to bring the company documents into line with Companies Acts regulations also be made.

The authority also questioned whether a new owner would have sufficient funds to invest. The Government's position is that anyone making a bid will do so on the basis that they will be able to operate the port profitably thereafter. No one would make a bid that put them in a position where they were not then able to operate the port profitably.

The authority also maintained that the port's wide legal powers meant that the benefits of privatisation would not be significant. Although in some privatisations, the wider powers available to a company have certainly improved the ability of ports to operate, the benefits of privatisation are not confined to that one factor. Privatisation in the ports and other industries has shown that benefits flow from the conversion to a full commercial operation based on shareholder equity and interest. The authority's scheme also included a general provision relating to on-going maintenance of the port, how profits should be used and local management of the port, but there is no case for such a provision.

Subject to parliamentary approval of the draft order, the sale of the port will be undertaken by the Port of Tyne Authority and its advisers. Ministers intend to discuss the process and the timetable with the chairman immediately. I want to discuss the desirability of encouraging a management-employee buy-out offer—a MEBO—with substantial employee share ownership.

We believe that it is appropriate to proceed with the privatisation. I therefore commend the order to the House.

4.24 pm

Mr. Andrew Smith (Oxford, East): The Secretary of State's speech and the imposition of the order mark a sad day in the history of British ports. For the first time, the Government are forcing through the privatisation—indeed, the expropriation—of a trust port against the will of the port and in the face of the views of 98 per cent. of those who commented in the consultation process, including many businesses.

We are witnessing Tory privatisation for the sake of it. That was clear from the fact that the Secretary of State spent half his speech talking about privatisation before he got round to mentioning the port of Tyne.

Unlike the Conservatives, Labour is not obsessed with public or private ownership, but is concerned with what can work best for the users of the port, for those who work there and for those in the surrounding area who rely on the prosperity that the port creates. We believe that ports can flourish in the public or private sector.

It is abundantly obvious that the port of Tyne is succeeding in developing its business, in investing and in sustaining the confidence of its customers. It should not be forced to undergo the uncertainty and cost of privatisation simply to satisfy Conservative dogma.

The Port of Tyne Authority is already meeting the objectives that the Government say that they want privatisation to achieve. The Secretary of State said that he wanted the port to be innovative and self-sufficient. It has been innovative and self-sufficient—it has the widest possible powers of any port to enter into joint ventures to develop its business; it has significantly increased its attractiveness to companies; and it has already successfully taken steps to secure the regeneration of virtually all its developable surplus land, as the Secretary of State has said. Its financial position is such that it has had no need to obtain share capital, nor has it had any difficulty in borrowing from the financial markets. Last year, the port paid off the last remaining part of its debt. This year, it announced an £8 million investment plan as part of its programme to tackle the decline in its traditional trade of coal. All that was managed without recourse to borrowing.

I can understand a Government who have doubled—no less—the national debt in the past six years being jealous of that achievement, but that gives no grounds for this vindictive and damaging order. The port's operating record also does not justify the privatisation: it operates to more overseas ports than any other in the United Kingdom; last year, it was used by more than 360,000 passengers and almost 60,000 cars; and the number of passengers is expected to increase by 50 per cent. next year. It has diversified its trade and won new business. It was chosen by Nissan as its car terminal despite competition from the privatised Tees and Hartlepool Authority. The port of Tyne won because of the competitive pricing structure made possible by its financial position and Nissan's confidence in the long-term stability of the authority's management.

New agreements have been concluded, including one with Warrant Distribution Ltd., involving the construction of a further 16,000 sq m of transit shed accommodation. Exploiting market opportunities in the container business, the authority developed a new berth and storage compound in 1991. Those facilities are now used by Mitsui OSK Lines to provide just-in-time services to Nissan and other key manufacturers in the region. The port now handles 22,000 containers a year—traffic that has been developed in just four years.

The port has developed diversification, made more investment, generated more business and made higher profits. That is a record that should be rewarded, not penalised. Yet the port is being penalised and has already been damaged by the threat of forced privatisation. The port believes that that uncertainty led to DFDS terminating its freight service from the Tyne. Hundreds of thousands of pounds have already been consumed on external consultants, accountants and lawyers in the privatisation process. The port fears that privatisation would be likely to see a rise in port charges, cuts in capital expenditure and uncertainty and upheaval that would prejudice the authority's efforts to find new trade to replace the declining coal traffic.

The authority takes the example of the privatised Tees and Hartlepool port, which has seen a post-privatisation cut in capital investment of almost 60 per cent. since 1992. No wonder that the authority board members—the majority of whom were appointed by the Secretary of State for Transport—recognise the dangers of forced privatisation and unanimously oppose it. Surely it is entirely reasonable, and in the public interest, for the port to resist the pressure that it fears to cut investment or to strip and sell off its assets. At present, all the profit from the port is available for reinvestment in infrastructure, port services and local regeneration.

It cannot be wrong, given the port's record, for the authority to choose to continue to have the opportunity to build on its investment and not be driven instead by possibly short-term shareholder pressure, especially given the uncertainties that it faces in its traditional coal business. After all, the Government agreed with that view when they withdrew their plan to privatise the port of Dover after local and national representations. It seems as if the only crime that the users and employees of the port of Tyne have committed is not to be situated in a Conservative marginal seat such as Dover.

Of course, on that plan, the Secretary of State for Transport stated that uncertainties about the impact of the channel tunnel on that port's prospects meant that it would not be appropriate to privatise it until the position became clearer. If that was the Government's case on Dover, there is a comparable one on the Tyne. The decline in coal traffic has had a significant impact on the immediate financial prospects of the port and has created a volatility that will make it similarly difficult to value the undertaking for sale purposes. That is a sound argument and, as the port has pointed out, it is unreasonable for the Secretary of State to attempt to proceed at this stage with compulsory privatisation proposals.

It is particularly unreasonable for the Secretary of State to proceed without incorporating any of the provisions that the authority drew up in its scheme under the Ports Act 1991, to which the right hon. Gentleman referred. Those provisions would have protected port users from excessive increases in dues in the first five years of privatisation. They would have required any new owner to maintain the port to at least the same high standards as before privatisation and would have prevented port profits from being siphoned off for non-port purposes. They would have safeguarded terms and conditions for employees and protected pension rights. They would also have given port users, local authorities and other interested bodies a voice in the privatised port through the consultative committee, with a golden share to ensure that no action could be taken that was in any way detrimental to the port.

In rejecting, as the Secretary of State has, not just some but all of those protections for employees, users and the region, he is giving a signal that he would be happy to see increases in dues, falling standards, and terms and conditions, pensions and the interests of the region undermined. All those important factors are as nothing compared with his obdurate determination to impose privatisation on his dogmatic terms. Where is the freedom of choice that he and his party used to like to boast a belief in?

The proposed privatisation is the first time that any Secretary of State for Transport has imposed the transfer.

Sir George Young: That is the second time that the hon. Gentleman has called the order the first. It is not. Proposals for Ipswich were taken in Committee earlier this year, with much less objection from the Opposition. This is the second one.

Mr. Smith: The Government submitted a scheme—I see that the Secretary of State is nodding. It is a true sign of a tired and incompetent Government that they are resorting to extreme measures and forcing through their dogma in that way. Indeed, so incompetent were they that they could not even get their own procedures right for advertising the scheme that they put forward, and they had to go round the course again.

If the Secretary of State and the Government will not accept the arguments that I have set out, or the views of the port and its employees, the local authorities or the people of the region, perhaps he will listen to what private business has said about the privatisation.

The chief executive of Mitsui OSK Lines said:

"My colleagues in Japan and Europe all feel strongly that the process and effect of Privatisation of the Port of Tyne will, at the very least"—

[Interruption] The Secretary of State ought at least to listen to what the European chief executive of Mitsui has to say on behalf of his company. He says that privatisation will

"at the very least, result in instability and uncertainty, which will damage confidence in the region, to the detriment of present and future inward investment. We therefore request that you make every effort to retain the present status quo as a Trust Port."

That plea is directed at a Government who are always boasting of their concern for inward investment. Here is an important inward investor saying that privatisation will damage its business, yet the Government do not respond.

RJB Mining is the company that the Government entrusted with the running of the national coal industry, yet its representatives said:

"The implications and potential risks of privatisation are something of an unknown quantity, whereas I am confident that the maintenance of the status quo would enable us to build on our existing understanding to secure continued business through the port. Our preference, therefore, would be to see no change to the current arrangements".

I could list many more examples of representations made on the port, pleading for it to retain its current status. Opinion among port users, employees, local authorities and others in the region is overwhelmingly against compulsory privatisation of the port. Of 330 representations made to the Secretary of State about his scheme, only four were in favour. And who did those four come from? Prospective bidders—and three of those were so confident of the persuasive power of their views that they declined to have them published.

Instead of Tory privatisation dogma, let us listen to local people and to business, and recognise that forced privatisation would be bad for business, bad for shipping and bad for Newcastle, just like the Government who are driving it through. Let us vote for the freedom of choice for the port of Tyne to remain a trust port, and reject the order.

4.37 pm

Mr. Neville Trotter (Tynemouth): Tyneside's strong maritime history goes back to the days of the Romans, although in practice its prosperity is based on the coal trade.

One hundred years ago, more than 3 million tonnes of coal was exported from the Tyne. It was the foundation of the industrial prosperity of the whole river and Tyneside area. In 1923, 22 million tonnes of coal was shipped from the river, and we now have the most modern coal facility in the country, with a capacity of 5 million tonnes a year.

Unfortunately, the market for coal has disappeared. Last year, only 2 million tonnes was exported from the port, and the representatives of the port have admitted that it is prudent to assume that the trade will soon cease altogether. That is an important factor in considering the plans for the future of the port. It must be able to adapt further to changed circumstances. Although the port made a big profit last year, it cannot rely on that continuing if it simply remains as it is.

In 1970, 4 million tonnes of other traffic went through the port; now, it is down to half that figure. In the port's heyday, the number of ships entering the river was 40 a day, or 14,000 a year; by 1970, it was down to 12 ships a day; now, it is down to only four or five ships a day. The Tees has 10 times the amount of business that the Tyne has. When I looked at the official statistics for the port industry, I saw that the Tyne was not in the list of top ports. It is the only major river in the country not listed as a major port. We should bear in mind the realities of the situation.

There is a positive side. We have heard about Nissan coming to the Tyne. That was a big achievement for the port. Nissan exports 80 per cent. of its production to 36 countries, including Japan. It is the biggest car exporter in the country and exports 5,000 cars a week from the Tyne.

We have a booming ship repair industry, which is revitalised and highly competitive. We have a successful offshore industry, with Amec and Swan Hunter employing many people again, and other firms such as A and P Appledore, McNulty and Tyne Tees.

The river has been cleaned up. One of the most remarkable achievements in recent times has been the success of the Tyne and Wear development corporation, in particular, in redeveloping the river frontage. Some years ago, the Tyne had become miles of dereliction—an eyesore. Now, it is revitalised, modernised and attractive to new business.

Fears have been expressed about the sale of port land for development, but we have heard from both sides in the debate that that has already happened. Land has already been disposed of by the Tyne and Wear development corporation, which successfully carried out the redevelopment.

We have heard fears expressed on behalf of employees, but as my right hon. Friend the Secretary of State pointed out, they will be protected by legislation. In his opening speech, my right hon. Friend also referred to the benefit of share ownership. That is important. Employees can participate through share ownership in the new company. That would be encouraged, as my right hon. Friend said in his presentation to the port. In many of the ports that have been privatised, more than half the shares ended up being owned by people who worked in the port. That is a positive development.

There are fears that the new company will have the wrong financial motivation. It must be in the interests of the owners that success should follow from the transfer of ownership. They want the port to succeed—that is why

they are acquiring it. They will achieve that by satisfying their existing customers and attracting new ones. The new company will remain a statutory harbour authority. For reasons that I do not understand, it is feared that port facilities will be closed. The company will have the same duties and responsibilities under the Ports Act 1991 as the present port authority has. It will not be able to dispose of operational land without the approval of Parliament. There will have to be an opportunity for objections to be raised to such a proposal and, if there were objections, there would have to be a public inquiry.

There are fears that charges will be increased. If I read the figures correctly, on a turnover of £14 million, the port made a profit of £5 million. If I were one of the port users, I might already bear that fact in mind. The 1991 Act states that charges must be reasonable. If there were any misguided attempt to increase the charges—I do not see why there should be—there is a right of appeal to the Secretary of State. That right of appeal has never been used in any of the previous port privatisations.

Some ports seemed to be efficient before they were privatised, but they are more efficient now, after privatisation. Port privatisation has been an undoubted success and experience from one end of the country to the other does not bear out the fears that have been expressed. Privatisation has brought increased business, profit and capital investment.

I see no reason to doubt that the Tyne will be another success story. We have a long and proud history on the Tyne, and I look to a positive future. We have a well-situated port for traffic to north-east Europe and we have further opportunities through the offshore industries.

Mr. A. J. Beith (Berwick-upon-Tweed): I declare an interest as an occasional user and licence payer on the river. Why is the hon. Gentleman so ready to ignore the views of all the established users, including Nissan and Color Line? The burden of representations was not just overwhelmingly, but totally, against the scheme proposed by the Secretary of State.

Mr. Trotter: I shall not detain the House by reading out the long letter from the chamber of commerce, which was a sensible summary of the views of 3,000 firms that trade in the north-east. It was a rational expression of the matters that must be addressed by the Secretary of State. I was about to deal with the matter in my concluding remarks.

When the Secretary of State judges the bids, he does not have to accept the highest offer. I remind the House that the bids will be assessed in the first instance by the port authority, which will make a recommendation to the Secretary of State. There have been examples where the highest offer has not been accepted for the reasons discussed in the debate. In the case of Tees and Hartlepool, if price had been the only criterion, the highest bid would have been accepted, but the board considered that the high price was not sufficient to overcome its preference. In the interests of the port's independence and long-term stability and the benefit of the community, another offer was accepted.

The Secretary of State hardly needs to be told that, when the time comes to consider the bids, we should not necessarily accept the highest offer.

Mr. Jim Cousins (Newcastle upon Tyne, Central): Will the hon. Gentleman also invite the Secretary of State to guarantee that the cash reserves of the port, which are substantial, should be reserved for the development of the port and its uses?

Mr. Trotter: The future funding of the port must be one of the major factors affecting the consideration of the bids. I am sure that the Secretary of State will bear that factor in mind. Investment should be guaranteed. That should be one of the requirements on those who offer bids.

I want an active and vibrant river for the future. I hope that a successful bid will emerge, and I do not believe that the fears that have been expressed will materialise.

4.46 pm

Mr. Don Dixon (Jarrow): I congratulate my hon. Friend the Member for Oxford, East (Mr. Smith), who advanced a good case against the nonsensical scheme that has been proposed by the Secretary of State for Transport.

Having lived on the banks of the River Tyne for 67 years, and having worked all my working life in the shipyards on the River Tyne until I retired from gainful employment in 1979 and came to this place, I speak with a certain amount of knowledge about the area.

Needless to say, I oppose the privatisation scheme. I never thought when I entered the House in 1979 that I would rise to defend a quango, but that is what I am doing today. Unlike most of the trust ports, all the non-executive directors of the Port of Tyne Authority are appointed by the Secretary of State, so it is a quango.

I have raised the issue of the port of Tyne on two occasions. The first was 16 years ago, when I was concerned about the reclamation of the Jarrow Slake. The Secretary of State knows how to step over homeless people sleeping rough when he is on his way to the opera, but he probably does not know a great deal about the Jarrow Slake. It was an area of mud ponds between the River Tyne and the road that runs from South Shields to the Tyne tunnel. They were used as curing ponds for large baulks of timber. I recall that, as a small child, I played on those baulks of timber.

I raised the matter in 1980, because the reclamation of the Jarrow Slake was taking so long. The Minister who replied to the Adjournment debate then is now the Chancellor of the Exchequer. In fairness to him, I should say that he came up and visited the area after the Adjournment debate. During the debate, I was extremely critical of the port of Tyne, having been involved in negotiations with that body when I was a member of South Tyneside council.

The Jarrow Slake has now been reclaimed. My hon. Friend the Member for Oxford, East referred to it. The Tyne car terminal is now situated on that land, from where Nissan recently exported its 300,000th car. It used to be mudflats. It was reclaimed and developed using the reserves of the port of Tyne. It is now one of the best car exporting facilities in the United Kingdom. I must give the Port of Tyne Authority credit for that.

The second time I raised the issue was on 22 May this year, during one of the Adjournment debates prior to the Whitsun recess. I pointed out that the Tyne Improvement Commission was set up in 1850, and that it did a tremendous job in excavating 50 million tonnes of soil to make the Tyne a port and to allow it to deal with large ships. The commission ran until 1968, when the present Port of Tyne Authority was set up.

[Mr. Don Dixon]

Under the direction of the Port of Tyne Authority, the port today is one of the most efficient and flexible in Europe—which is why the Secretary of State wants to flog it off. If the port was not a success, the Government would not get a buyer. In the past 12 years, the authority has invested more than £45 million in berths and equipment and played a major role, with the development agencies, in trying to attract investment and new industries to our region. The authority has large capital reserves and no outstanding debts. I can imagine why the four potential buyers are keen to get their hands on the assets of the Port of Tyne Authority.

The port's newly appointed managing director, David Clifford, has said:

"The Port of Tyne has carefully prepared itself for the needs of the 21st century, and now looks for increased support from port users, for cargoes starting and finishing their journeys in the region."

Like everyone else in the area, I am opposed to the privatisation. My hon. Friend the Member for Oxford, East referred to a number of local groups, and I wish to go through the list of representations made to the Secretary of State. What is the good of the Secretary of State having consultation if, after everyone he has consulted has stated that they are opposed to it, he decides to privatise?

Some 173 employees of the PTA wrote to the Secretary of State, and all 173 opposed the privatisation scheme. Eight trade unions wrote in, and all eight opposed the scheme. Seventy-three members of the general public wrote in, and 62 opposed the scheme. The Secretary of State must have some relatives in the area, because 11 people did not oppose the scheme. All five local authorities in the area opposed the privatisation. Some 21 port users were opposed to the privatisation, as were local peers and Members of Parliament. My hon. Friend the Member for Tyne Bridge (Mr. Clelland) is the secretary of the northern group of Labour Members, and he wrote in on behalf of the group. I also wrote in, but my letter is not included in the list of representations. Another 17 organisations wrote in; all were opposed.

I wish to elaborate on what my hon. Friend the Member for Oxford, East said. Among those who wrote in to oppose the scheme was the Tyne Port Users Association, which has a membership of 37 companies with over 8,000 employees. It wrote:

"We are a non-political affiliated organisation and are extremely concerned about the proposed Government's privatisation scheme".

Warrant Distribution Ltd. is a relative newcomer to the port of Tyne; it established there only in 1993. It said:

"We see no justification in commercial terms for privatising the port at this time, and can only imagine that the Secretary of State's decision is based purely on political dogma."

Shepherd's Scrap Metals—a well-known firm on the Tyne—wrote:

"We have followed the progress of the privatisation with increasing alarm and are dismayed that the Secretary of State has not taken into consideration the views of users of the port".

The Institute of Chartered Shipbrokers said:

"We totally oppose the new proposals outlined by the Secretary of State. It is our opinion that no useful purpose can be gained by privatising the Port of Tyne."

Even the South Shields Conservative association has said that the Minister should have regard to port users. The South Shields Conservative association is not the most progressive organisation in the country, and I mean progressive with a small "p"; at one time its members would stand in local elections only as "Progressive" candidates. A couple of years ago, they became brave and stood as Conservatives. The result has been that, out of 60 seats in the local authority, they have none. But even that organisation is concerned about the privatisation.

Any reasonable person would take note of that opposition, and no one—other than the four potential buyers—is in favour of the privatisation. Every other organisation, every individual, every trade union and every local authority is opposed to the scheme. The proposals are pure political dogma, and are being brought in at the fag end of a Parliament by a Government who have lost all respect throughout the country. They know for a fact that this is the last possible privatisation.

Originally, the Government wanted three trust ports to be privatised—Dover, Ipswich and the Tyne. The Minister referred to them. We know that the Ipswich privatisation went into Committee, where we opposed it and voted against it. Despite the efforts of my hon. Friend the Member for Ipswich (Mr. Cann), that privatisation went through. The privatisation of the port of Dover was stopped after the intervention of Her Royal Highness the Queen Mother and Vera Lynn, who were concerned that a French harbour company might buy the port of Dover. It would be no good singing about the white cliffs of Dover if they were owned by France. That is why the Government dropped that privatisation. In addition, the hon. Member for Dover (Mr. Shaw) will not be here after the election as he has a marginal seat and no one can save him. Even dropping the privatisation of the port of Dover will not save him.

This proposal has been opposed by everyone in the area, and I hope that it will be opposed by enough hon. Members to kill it tonight.

4.55 pm

Mr. Peter Atkinson (Hexham): I welcome the proposal, which is an important piece in the jigsaw of the regeneration of the River Tyne. Standing here at nearly 5 pm on a Thursday, in what can be described as a thinly attended House, I am reminded of earlier days when we discussed similar matters. The hon. Member for Oxford, East (Mr. Smith) tried to make a brave fist of it, but I seem to have heard the phrases "price increases", "falling standards" and "pure political dogma" before in reference to privatisations. Labour Members used those phrases about British Telecom, British Airways, British Rail, British Steel and British Coal. Every time the Government proposed a privatisation, Opposition Members have stood up to complain.

We know perfectly well, as do consumers, that privatisation is a success. It is not that the companies that have been privatised were failing—many were, but not all—but they have made significant improvements in the way they are run, and I see no reason why the Port of Tyne Authority cannot do the same. The authority has its critics—we are aware of that. Some say that it has allowed its infrastructure to run down over the years; others have said that it has not been diligent enough in dredging the river. Still others believe that it has allowed too big a cash mountain of assets to build up—it was £19 million at one stage, although I believe it is now lower than that.

The criticisms are unfair. The Port of Tyne Authority has had to deal with a difficult period in the development of the river, following the remorseless decline of

traditional industries such as coal shipping, steel and shipbuilding. For the first time, the Tyne now has some prospects of real growth in the new sunrise industries. My hon. Friend the Member for Tynemouth (Mr. Trotter) mentioned the offshore industry, which will make particular demands on the port. Some companies involved in the offshore business might be interested in the port itself because they would like it to be better designed for their kind of growing business, and it is in such businesses that the Tyne will have a great future.

I will not repeat what my hon. Friend the Member for Tynemouth said; he set out the case extremely well. I believe that a change of culture will be of considerable benefit to the port. Hon. Members who do not know about the north-east of England—there are not many in the Chamber—should be aware of the tremendous renaissance that has taken place on the river, and everyone should be proud of that. I am proud of the way in which the city of Newcastle and its quayside have developed and of the new developments down the Tyne. They are there because of the operations of organisations such as the Tyne and Wear development corporation and the grants given by the Government.

Above all, the Tyne is recovering because of the Government's economic policies. The Government were brave enough to take tough and painful decisions about the coal industry and about the Swan Hunter shipyard when it ran into trouble. Opposition Members called for greater subsidies for the coal and shipbuilding industries, but the Government's tough decisions have allowed new industries to grow on those sites. Without that, there would not have been a renaissance on the Swan Hunter yard site where, rather than a sunset industry there is a sunrise industry. That is what we must build on, and it is why we want the port in private hands, with new ideas and innovation.

4.59 pm

Mr. Chris Davies (Littleborough and Saddleworth): Liberal Democrats want efficient, innovative and successful businesses throughout the country. We oppose the privatisation, because the Port of Tyne Authority is just such an organisation. We have heard how the trustees of the authority are appointed, so it might come as a bit of a surprise that Liberal Democrats should give such backing and praise to an organisation that owes its origins so much to the Secretary of State—but we do.

It is worth hearing what the Secretary of State's appointees have to say to him about the proposal. They have written to him submitting

"that there is overwhelming evidence that privatisation of the Port of Tyne, rather than enhancing the commercial prospects of the Port"

as he suggests,

"would damage customer confidence, jeopardise the Port's prospects at a sensitive time of transition and lead to a loss of trade and investment, with serious implications for the North-East region."

As the hon. Member for Oxford, East (Mr. Smith) rightly said, this is privatisation for privatisation's sake. I listened carefully to the Secretary of State. I had looked forward to hearing convincing arguments that would persuade me that there was some flaw in what I had been told by the Port of Tyne Authority and by those who support its case, and that it was in fact a moribund organisation, the removal and replacement of which by a body purely in the private sector would be to the benefit of the north-east as a whole, but I found no such arguments in what he said.

The Secretary of State referred only to the general experience that privatisation is beneficial. He suggested that all the evidence was one way, but he produced not evidence but a series of assertions that are challenged not only in the House and by millions of people throughout the country but by many of our strongest economic rivals, who run their infrastructure rather differently from the way in which the Conservatives have run ours over the past 18 years.

The Port of Tyne Authority does not even have to work within the straitjacket of financial restrictions such as those imposed by the Government on the Post Office or on Manchester airport; it is able to invest, and it does. In proportion to its income, the port has invested twice as much as the Medway and Forth ports and three times as much as Tilbury and Clyde, and it has plans to invest a further £15 million in infrastructure improvement over the next five years. It is not sitting on the surplus land but handing it over for development by other organisations.

If the Secretary of State can point to any evidence, I suspect that it will be purely one-sided. His point about declining tonnage demonstrated that we were being given selected figures. He said that the port of Tyne had witnessed a decline in tonnage in recent years, and compared that with the situation on the Clyde. He did not, however, mention that the crucial reason for that is that coal production in the north-east is still declining, whereas in Scotland it has been virtually finished off already.

The Secretary of State did not cite one port user who wants the privatisation to take place. We have heard of some of those who do not want it to take place, and I want to draw attention to some other representations that have been made. For example, the chief executive of Mitsui O S K. Lines—not exactly a small company, but one of the organisations that has made Japan great and had a tremendous impact throughout the world—wrote:

"My colleagues in Japan and Europe all feel strongly that the process and effect of Privatisation of the Port of Tyne will, at the very least, result in instability and uncertainty, which will damage confidence in the region, to the detriment of present and future inward investment."

That is from a Japanese company that has invested heavily in the north-east.

A letter from Color Line, which operates from the international ferry terminal, shipping more than 100,000 passengers a year to Norway, said:

"We regard the Port of Tyne Authority in its present form as giving us very good support, assistance and service . . . We fear that any major changes in the ownership structure . . . could have a severe effect on our future operation."

A letter from Banks, which is involved in opencast mining and is not likely to be entirely sympathetic to the views of Opposition Members, said:

"the Tyne Coal Terminal . . . we consider to be a most efficient and cost effective operation with which we are very pleased . . . As far as we are concerned the Status Quo is more than satisfactory".

A letter from Stanton Grove, the paper handling company, said:

"The commercial awareness and enterprise of your staff was instrumental in the selection of the Tyne. We cannot see any advantage in privatisation".

That is the verdict of the port users.

[Mr. Chris Davies]

Will the Minister tell us which port users are calling for the privatisation to take place? My understanding is that of 333 representations made to the Secretary of State, only four were strongly in favour of the privatisation—and those were from potential bidders.

I do not represent a constituency in the north-east and my area in the north-west is not directly affected by the privatisation, but I am concerned about the implications, as the compulsory privatisation of a major transport undertaking may prove a precursor to an attempt to privatise Manchester airport.

The Port of Tyne Authority is owned by a trust that is dedicated to meeting the needs of those who use the facility and reinvests the money that it makes for that purpose. In that sense, it is similar to Manchester airport which, despite being handicapped by Government restrictions, is ploughing back its profits in investment. If the airport were privatised, I fear that the new owners would milk it for short-term profits rather than invest in the future.

The examples of the Port of Tyne Authority and Manchester airport demonstrate that the quality of a company is affected not only by ownership, but by whether the management has a clear sense of direction, is innovative and runs the operation on sound business lines. That is the case with Manchester airport, the Post Office and the Port of Tyne Authority. I strongly believe that the Secretary of State and his colleagues should keep their hands off them.

5.8 pm

Mr. David Clelland (Tyne Bridge): This is a privatisation too far. I was tempted to say a bridge too far, because the river's bridges are as famous and as potent a symbol of the north as the Tyne itself. Indeed, my constituency is named after the most recognisable of the six main transport crossings between Gateshead and Newcastle.

One consequence of the Government's interference in the locality and the dash-for-cash mentality behind it is that the swing bridge may be permanently disabled and prevented from opening to allow vessels upstream. We are not talking about tall ships—even the local ferry boat cannot pass under the swing bridge unless it is open. Any hope of reviving business or pleasure traffic movements upstream of the bridge will be lost. With the proposed industrial developments along the river banks upstream of the swing bridge, who knows how valuable a transport corridor may be lost as road traffic congestion worsens.

One of the Tyne's many famous sons, Jimmy Nail, recently wrote a song about the Tyne called "Big River". He sings of the river's industrial past and its decline, but also about the spirit of the people and the conviction that the river will again become a centre of activity for the community along its banks. That is already becoming apparent, as the work and plans of the local authorities and development corporation come to fruition.

One line in Jimmy Nail's song goes:

"I was just a kid but it was mine—the coaly Tyne."

Tynesiders look on it as their river. They consider the work of the Port of Tyne Authority as work done on their behalf. That is apparently a naive view in the eyes of the Government, because they propose that the authority and its publicly held assets should be sold to the highest bidder. Even the Government, in drafting the legislation that governs this process, at least paid lip service to the idea that the views of local people and organisations might be worth considering. They wrote into the legislation a requirement that views should be sought during a consultation period.

In the consultation process on the Port of Tyne Authority document and the Secretary of State's proposals, no fewer than 465 representations were made to the Secretary of State. Only four organisations favoured privatisation; all four were potential bidders for the port. Two of them have no previous history of interest in transport, let alone in ports, but a considerable interest in land and property.

My hon. Friends have given examples of representations made by businesses on the Tyne. The Tyne Port Users Association says:

"May we reiterate that it is the view of the majority of our members that the port must remain under its current status and continue to be established as a regional asset.

We can see no advantages to force on the users of this port, a situation that is purely politically driven without any practical safeguards or protection as to its future."

Warrant Distribution Ltd. says:

"We see no justification in commercial terms for privatising the Port at this time, and can only imagine that the Secretary of State's decision is based purely on political dogma."

Apart from the responses from companies such as that, hon. Members from the region—at least Labour Members—asked to meet the Secretary of State to put our objections to him face to face. He did not find time to meet us, but we were given the privilege of meeting a Minister who sits in the House of Lords. We found it profoundly objectionable that the Members of Parliament who attended that meeting, who are natives of Tyneside and the north, should be told by an unelected, hereditary peer that he knew better than the Tyne's elected representatives what was good for the area. Our objections are shared by the overwhelming majority of people on Tyneside.

I ask Conservative Members—I know that there are not a lot of them—what is the value of a consultation if so huge a majority is completely ignored? The situation contrasts sharply with the Government's change of mind about Dover, which is not to be given the benefits that the hon. Member for Tynemouth (Mr. Trotter) outlined. Only two objections were made to the Dover scheme: one from the Queen Mother and one from Vera Lynn. They were considered more important than the 460 individuals, organisations and elected representatives on Tyneside who opposed this privatisation.

The reasons why Tyneside objects so powerfully to privatisation are not emotional, but practical. Even by their own criteria, the Government have no case for this privatisation. All the major stated policy objectives have already been met. My hon. Friend the Member for Oxford, East (Mr. Smith) went through them and I shall not repeat them. Privatisation threatens trade on the river, capital development and the security of the livelihoods of hundreds of workers. Most of all, it is not wanted by the people. I hope that there are still at least some Conservative Members who believe that the views of local people are important enough to be taken into account.

5.13 pm

Mr. Stephen Byers (Wallsend): It was informative and interesting to hear the Secretary of State speak in favour of the order. The bulk of his contribution had nothing to do with the forced privatisation of the Port of Tyne Authority. It was a Cook's tour of other ports in England and Scotland and an argument for the dogma that drives the Conservative party: the need to privatise everything. He would not address the specific proposals before the House, because he knows that there is no sensible or logical argument for compulsory privatisation of the authority. At risk is the success story of the authority over the past 10 years. It is being sacrificed on the political altar of privatisation.

As my right hon. Friend the Member for Jarrow (Mr. Dixon) said, 15 or 20 years ago many hon. Members would not have been prepared to support the continuation of the Port of Tyne Authority. It was inward-looking, would not work in partnership with the local authorities or local industry and was slow at developing strategic parcels of land on the banks of the River Tyne. I remember some 17 years ago, as deputy leader of North Tyneside council, being responsible for making representations to the authority and arguing that it should make progress on developing the river. It was not supportive of those representations. However, the Port of Tyne Authority of 1996 is a different beast from the authority of the early 1980s. It is a body that reflects the needs and aspirations of the local community, that makes a profit and that has played a key part in assisting the region to overcome the difficulties that have been imposed on it by the Government's economic and social policies.

The Secretary of State failed to address several of the key issues that were raised in the representations of local people and communities and the authority. He failed to address properly employment protection or pensions. He failed to address the way in which profits could be stripped out of the port and used for different purposes, diverting money that is made by the port and is currently ploughed back to make it an even greater success story. That money may be used for whatever purpose the successor body determines; it is being taken away from the Tyne, which desperately needs regeneration and investment. It largely needs them because of the failure of the Conservative Government's policies.

The Government are doing what they always do with privatisations. Two principles motivate their privatisation policy: first, to pay off their friends who donate to Tory party funds; secondly, the triumph of political dogma over reason. The compulsory privatisation of the Port of Tyne Authority shows them in combination as the driving motives behind the order. If the Government win tonight and force compulsory privatisation of the Port of Tyne Authority, they will stand condemned not only by those who represent the Tyne but by our communities and by the northern region in general.

5.18 pm

Ms Glenda Jackson (Hampstead and Highgate): I pay tribute to my right hon. Friend the Member for Jarrow (Mr. Dixon) and to my hon. Friends the Members for Tyne Bridge (Mr. Clelland) and for Wallsend (Mr. Byers), who have so passionately defended their constituencies.

When the Ports Bill was introduced in the House in 1991, my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) said:

"There are always grounds for change in the ports industry; the argument is about the nature of that change and the purpose of it."—[*Official Report*, 28 January 1991; Vol. 184, c. 683.]

That acid test holds true today. Will this enforced privatisation be a change for the better or, as the management, work force and customers claim, a change for the worse?

The Government claim that enforced privatisation brings three benefits. It reduces overmanning and increases productivity; increases competitiveness and investment in the ports and their infrastructure; and enables ports to extend the scope of their commercial activities, and make better use of surplus land and other assets available to them.

The aim is to achieve better productivity, more investment and a greater expansion of a port's commercial activities. Under the Government's criteria, they are hallmarks of a successful port facility. How does the port of Tyne square up to those tests?

Let us consider the first test of overmanning and productivity. In 1988, the number of workers employed by the port of Tyne exceeded 500; today, that figure is just over 200. In 1988, the payroll costs of the port stood at £7 million annually; but, over the past six years, those costs have fallen by more than 20 per cent. No one in the Labour party takes any pleasure from those figures. Only a fool would rejoice in job losses of that scale, but we appreciate the competitive nature of the ports industry and the requirement of the port of Tyne management to keep their cost base to a minimum. They have done that. They have drastically reduced labour costs and significantly increased productivity without the heavy hand of enforced privatisation. The efficiencies that the Government define as indicative of a successful port have already been achieved by the port of Tyne.

The Government's second benchmark is the achievement of greater competition and investment. How has the port of Tyne, starved of the perceived benefits of privatisation, performed in that regard? As the Secretary of State said, in the first two years following privatisation, the five privatised trust ports increased their pre-tax surplus by an average of 97 per cent. The right hon. Gentleman attempted to dismiss the point made by my hon. Friend the Member for Oxford, East (Mr. Smith) that, over the same period, the port of Tyne had increased its pre-tax surplus by 172 per cent. The port has also embarked upon a capital investment programme worth more than £20 million. Does that programme expose the port as an enterprise failing to develop its full potential? Of course not. It exposes it as an enterprise that is growing and thriving, and the last thing that any such enterprise requires is interference from the Government.

The port of Tyne has already met two of the Government's criteria for a successful port facility. The third one is that a port should stimulate the development of land surplus to its requirements. In 1990, more than 100 hectares of the port's land around the Albert Edward dock was vacant. Today, just 23 hectares of it remain vacant, but they are reserved for operational and port-related use. The number of tenanted areas has

[Ms Glenda Jackson]

increased by 72 per cent. over the same period. The remaining port land no longer required for port purposes is being developed as the Royal Quays project. That project will include the development of residential housing, a large public park and a vast expansion of leisure and shopping facilities. That project should be well known to the Secretary of State, because, when he was a Housing Minister, he had the honour of launching work on it.

The port of Tyne has achieved the efficiency gains sought by the Government. It has earned profits and sustained an investment programme greater than those of the privatised trust ports. It has a development and diversification programme that enjoys the personal stamp of approval of the Secretary of State. Why, then, do the Government insist on placing all that at risk by forcing through the unwanted privatisation? Will enforced privatisation represent a good deal for the taxpayer?

In 1992, the port of Medway was sold for £29 million, of which £13 million was returned to the taxpayer. Eighteen months later, it was resold for £103 million, representing a loss to the taxpayer of £90 million on the total sale, or £50 million based on the Government's levy formulae. In addition, of the £169 million owed to the Government after the sale of all five trust ports, just £54 million had been recovered by March 1992. In March 1993, by the time the Government caught up with the remaining £114 million that they were owed, the loss of interest amounted to a further loss to the taxpayer of £4.5 million. We can safely discount benefit to the taxpayer as a reason for proceeding with the privatisation of the port of Tyne.

When the Ports Bill was introduced, the then Secretary of State, the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind), placed great importance on the consultation process. He said:

"it would not automatically follow that other ports falling within the category would be privatised. That would depend on the response of the port and of other local interests."—[*Official Report*, 28 January 1991; Vol. 184, c. 675.]

Why is the current Secretary of State not showing the same regard for the port and its users? According to his Department's list of representations, 307 were received, of which 292 were opposed to privatisation along the lines currently proposed. The Port of Tyne Authority has received a further 330 representations, of which 315 were opposed to the Government's privatisation.

Several hon. Members have referred to the letter from Mr. K. Mori, the senior managing director of Mitsui OSK Lines, in which he referred to his concerns. He values his contacts with the port of Tyne so much that his company has named one of its new container vessels Tyne.

Are the Government truly prepared to put the understanding, trust and levels of inward investment referred to in Mr. Mori's letter at risk because of their ideological dogma? Despite the arguments put by the hon. Member for Hexham (Mr. Atkinson), that is what the privatisation is all about. It is not about making the port of Tyne more efficient, more profitable or more commercially diverse. It is not about providing a good deal for the taxpayer. It has nothing do with reflecting the needs of the port's management, work force or customers.

The privatisation proposal is simply the Government's desperate attempt to shore up their bankrupt principle that privatisation is not just the best option, but the only one. The Government do not care how many jobs are lost, how much investment is put at risk and how many successful enterprises will be forced to the wall in the process.

When hon. Members come to vote on the motion, they must ask themselves whether they truly want to place the success of the port of Tyne at risk for nothing more than ideological dogma.

5.25 pm

The Parliamentary Under-Secretary of State for Transport (Mr. John Bowis): First, I should like to thank everyone who has taken part in the debate, in particular the Opposition spokeswoman, the hon. Member for Hampstead and Highgate (Ms Jackson). The last time we met across the Dispatch Box, I was concerned about the time taken up in the debate. Today, I congratulate her on doing a "Patrick Moore", given the speed with which she delivered her speech. We can now get on with the rest of the debate, having had that whirr of tirade and ideological flourish from the hon. Lady.

This has been a useful and revealing debate. We have seen ideology flow back through the window of the parliamentary Labour party as well as heard genuine concern expressed by hon. Members on both sides of the House. My right hon. Friend the Secretary of State went out of his way to answer those concerns, and I shall try to do the same.

I should like to respond to the points made by the hon. Member for Tyne Bridge (Mr. Clelland)—I was tempted to call him the hon. Member for swing bridge. I believe that he is confused on the swing bridge proposal. The proposal to remove the duty to maintain and repair the machinery of the open moving platform on the swing bridge came from the Port of Tyne Authority. He can rest assured that it is not part of our proposal, and will not be a consequence of the privatisation.

I always listen to the right hon. Member for Jarrow (Mr. Dixon) with great respect and interest. He raised a number of points based on his knowledge of the area, and expressed particular concern about the assets of the port. There is no evidence of asset stripping at the ports.

Ms Glenda Jackson: Come on.

Mr. Bowis: Perhaps the hon. Lady would like to provide any evidence she has of such asset stripping. Evidence suggests the contrary: in each case, the new regime has led to the development and improvement of facilities. My right hon. Friend was able to quote from newspapers and reports that highlight that fact. I repeat: any gain on land disposed of during the first 10 years after privatisation, whether by way of sale or long lease, will be subject to a clawback levy, which will be payable on a sliding scale. It will be set at 25 per cent. for the first five years, 20 per cent. for the sixth and seventh years and 10 per cent. for the eighth to 10th years.

The right hon. Member for Jarrow also asked what was the point of representation. The point is that the Government listen. I am sure that the right hon. Gentleman listened carefully to what my right hon. Friend said, so he will be aware of the evidence that my right hon. Friend took on board views expressed in those representations. He made specific pledges in terms of the employment and pension interests of the work force at the port. In that regard, he has offered to listen to representations on those matters. He also acknowledged that he did not accept certain other representations and gave the reasons why they were not relevant—either they were unnecessary, because of previous legislation, or they would have damaged the future health of the port.

The hon. Member for Oxford, East (Mr. Smith) made three main points. He, too, talked about consultation and, like other hon. Members, balanced the numbers of representations received. I have to tell him that the overall number of letters and representations was small, and I hope he will not be too disappointed to learn that 129 came in a standard form that had clearly been prepared and supplied by the authority itself. He may want to know how I can be so sure of that—it was because so many of them came in a Port of Tyne Authority envelope. There was evidence of the authority's view and we looked carefully at that view and at the others that were expressed.

The hon. Gentleman expressed concern about the uncertainty, to which my response is, "Fine—so let's get on with it." The sooner the order has been passed and we can move to the next step, consulting everyone as we go, the sooner we can end that uncertainty.

The hon. Gentleman said that this privatisation was being done for the sake of privatisation, but that is not true. It is being done for the sake of the port of Tyne, because we believe that it can be managed even better in the private sector.

I pay tribute to my hon. Friend the Member for Tynemouth (Mr. Trotter) for his rigorous analysis. He looked with a questioning eye at the whole proposal and came down in its favour. He pointed out that the port of Tyne is no longer in the list of top ports and showed that, although Nissan and other inward investment projects have shown the potential in the area, it needs a new boost.

My hon. Friend confirmed that employees are well protected by legislation and made an especially important point about employee share ownership. That is one of the great benefits of the proposal, because without shares there can be no employee share ownership. He rightly highlighted that as a benefit to those working in the port. He also mentioned the disposal of operational land. That cannot, of course, be disposed of without the approval of the planning authority.

My hon. Friend referred to fair charges and the right of appeal to the Secretary of State, and pointed out that that right has not been exercised in respect of those ports that have been privatised so far. That is an encouraging message and my hon. Friend's analysis was fair.

My hon. Friend the Member for Hexham (Mr. Atkinson) said, rightly, that we have heard it all before—we hear Opposition Members' shock horror and their ideological frisson and then everything turns out well. In a few years' time, they will turn around and say that they were never really against the plan—a few years after that, they will try to claim parentage as well.

All hon. Members on both sides of the House share a wish to see the port of Tyne flourish. We believe that that is most likely to occur if the port is in the private sector. That is no criticism of the port of Tyne's past or its recent record—it is simply a fact. The port can do better, it will do better and, with this order, we will make it happen sooner.

Question put:—

The House divided: Ayes 234, Noes 222.

Division No. 27] **[5.33 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Alexander, Richard
Alison, Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Kenneth *(Mole V)*
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Biffen, John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Burt, Alistair
Butler, Peter
Butterfill, John
Carlisle, Sir Kenneth *(Linc'n)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Paul
Chapman, Sir Sydney
Clappison, James
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cope, Sir John
Cormack, Sir Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davies, Quentin *(Stamf'd)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dykes, Hugh
Evans, David *(Welwyn Hatf'ld)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forth, Eric
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garnier, Edward
Gill, Christopher
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Gummer, John
Hague, William
Hamilton, Sir Archibald
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence

Hogg, Douglas *(Grantham)*
Horam, John
Hordern, Sir Peter
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Jackson, Robert *(Wantage)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Key, Robert
King, Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Sir Mark
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Madel, Sir David
Major, John
Malone, Gerald
Mans, Keith
Marlow, Tony
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Merchant, Piers
Mitchell, Andrew *(Gedling)*
Moate, Sir Roger
Montgomery, Sir Fergus
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Patnick, Sir Irvine
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David
Portillo, Michael
Rathbone, Tim
Renton, Tim
Richards, Rod
Riddick, Graham
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Dame Angela
Sackville, Tom
Sainsbury, Sir Timothy
Shaw, David *(Dover)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Heref'd)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Sir Teddy
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Townend, John *(Bridlington)*
Townsend, Cyril D *(Bexl'yh'th)*
Trend, Michael
Trotter, Neville
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, William
Walden, George
Walker, Bill *(N Tayside)*
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Whitney, Ray
Whittingdale, John
Wiggin, Sir Jerry
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'd)*
Wolfson, Mark
Yeo, Tim
Young, Sir George

Tellers for the Ayes:
Mr. Timothy Wood and
Mr. Sebastian Coe.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Ms Hilary
Ashton, Joseph
Austin-Walker, John
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beith, A J
Bell, Stuart
Benn, Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blunkett, David
Boateng, Paul
Bradley, Keith
Bray, Dr Jeremy
Brown, Nicholas *(Newcastle E)*
Burden, Richard
Byers, Stephen
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(Fife NE)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, D N
Canavan, Dennis
Cann, Jamie
Carlile, Alex *(Montgomery)*
Clapham, Michael
Clark, Dr David *(S Shields)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try SE)*
Dafis, Cynog
Dalyell, Tam
Davies, Bryan *(Oldham C)*
Davies, Chris *(Littleborough)*
Davies, Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Denham, John
Dixon, Don
Dobson, Frank
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Faulds, Andrew
Field, Frank *(Birkenhead)*
Flynn, Paul
Foster, Derek
Fraser, John
Fyfe, Mrs Maria
Gapes, Mike
Garrett, John
Gerrard, Neil
Gilbert, Dr John
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gordon, Ms Mildred
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Hardy, Peter
Harman, Ms Harriet
Harvey, Nick
Hattersley, Roy
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Miss Kate
Hoon, Geoffrey
Howarth, Alan *(Strat'd-on-A)*
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Ab'd'n N)*
Hughes, Roy *(Newport E)*
Hughes, Simon *(Southwark)*
Hutton, John
Ilsley, Eric
Jackson, Ms Glenda *(Hampst'd)*
Jackson, Mrs Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian D *(SE Staffs)*
Jones, Barry *(Alyn & D'side)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr L *(B'ham Selly Oak)*
Jones, Martyn *(Clwyd SW)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Kaufman, Gerald
Keen, Alan
Kennedy, Charles *(Ross C & S)*
Kennedy, Mrs Jane *(Broadgreen)*
Khabra, Piara S
Kilfoyle, Peter
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretf'd)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
Maclennan, Robert
McNamara, Kevin
MacShane, Denis
McWilliam, John
Madden, Max
Maddock, Mrs Diana
Mahon, Mrs Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J *(Springburn)*
Martlew, Eric
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Shef'ld Heeley)*
Milburn, Alan
Miller, Andrew
Morgan, Rhodri
Morley, Elliot
Morris, Alfred *(Wy'nshawe)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Paul
O'Brien, Mike *(N Warks)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, Bill
Orme, Stanley
Pickthall, Colin
Pike, Peter L
Powell, Sir Raymond *(Ogmore)*
Prentice, Gordon *(Pendle)*

Prescott, John
Primarolo, Ms Dawn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Raynsford, Nick
Rendel, David
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Ross, William *(E Lond'y)*
Rowlands, Ted
Ruddock, Ms Joan
Sedgemore, Brian
Sheerman, Barry
Shore, Peter
Short, Ms Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Chris *(Islington S)*
Smith, Llew *(Blaenau Gwent)*
Smyth, Rev Martin *(Belfast S)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Spellar, John
Steel, Sir David
Steinberg, Gerry
Stevenson, George
Stott, Roger
Sutcliffe, Gerry
Taylor, Mrs Ann *(Dewsbury)*
Thompson, Jack *(Wansbeck)*
Thurnham, Peter
Timms, Stephen
Tipping, Paddy
Touhig, Don
Turner, Dennis
Tyler, Paul
Walker, Sir Harold
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Wicks, Malcolm
Williams, Alan *(Swansea W)*
Williams, Alan W *(Carmarthen)*
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wright, Dr Tony
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Greg Pope and
Mrs. Bridget Prentice.

Question accordingly agreed to.

Resolved,

That the draft Port of Tyne Authority (Transfer of Undertaking) Order 1996, which was laid before this House on 6th November, be approved.

Social Security

5.45 pm

Mr. Henry McLeish (Fife, Central): I beg to move,

That the Social Security (Disability Living Allowance and Claims and Payments) Amendment Regulations 1996 (S.I., 1996, No. 1436), dated 4th June 1996, a copy of which was laid before this House on 7th June in the last Session of Parliament, be revoked.

I oppose the regulations, and I hope that the whole House will support us in voting against them.

Unfortunately, this is another example of the Government trying to pass regulations after they have been implemented in the country. Equally important, it smacks of four characteristics of the Government.

First, the Government have a cavalier attitude to Parliament. They make and lay orders, but proceed to implement them without any Member—

Mr. Robert G. Hughes (Harrow, West): Will the hon. Gentleman give way on that point?

Mr. McLeish: Not at this stage.

Mr. Hughes: Will the hon. Gentleman give way?

Mr. McLeish: Not at this stage.

Mr. Hughes *rose—*

Hon. Members: Sit down.

Mr. McLeish: On that cavalier attitude—

Mr. Hughes: On a point of order, Mr. Deputy Speaker. Is it in order for the hon. Gentleman to mislead the House about what went on between the parties when, as everyone knows, Labour asked for the debate to be delayed? That is why the change was introduced before the debate took place.

Mr. Deputy Speaker (Mr. Michael Morris): Order. Luckily, the Chair does not know any of these things.

Mr. McLeish: Thank you, Mr. Deputy Speaker. I can understand Conservative Members' excitement.

The Government's cavalier attitude to the House means that orders are made and laid and six months later we have a debate on the regulations. That is a disgrace and a scandal.

The second characteristic is the Government's lack of courtesy towards, and lack of consideration of, voluntary organisations. Through the Social Security Advisory Committee those organisations are asked to make representations, but when they do, the Government ignore the volume of representations that have been made.

Thirdly, the Government show contempt for the Social Security Advisory Committee. It is charged with seriously considering some of the most important regulations that pass through the House. The committee does its job well, but in the case of the regulations before us—not for the first time—the Government have refused to acknowledge its wisdom and judgment.

[Mr. McLeish]

Finally, we have the ultimate contempt—contempt for the people at the sharp end of the changes that have been made, who are some of the most vulnerable individuals in this country.

In my opinion, those are the characteristics of a Government who have been here too long and who now see only a process ahead instead of individuals who will be affected by the regulations.

It is important to place on the record the views that were expressed by many of the voluntary organisations. Of necessity, the debate will be brief, but that is due only to the procedures of the House. This is a vital matter. Under the former rules, disability living allowance was generally not affected by a hospital stay. On 31 July 1996, regulations came into force to the effect that the mobility component of the allowance generally ceases after a person has spent four weeks as an in-patient—12 weeks in the case of a child. Of course, those regulations are being debated on 5 December 1996.

We are discussing the mobility component of the disability living allowance. I want to distinguish that from the other part—the care component.

It is worth noting the process which led to today's debate. In January this year the Secretary of State sought the views of the Social Security Advisory Committee regarding the draft regulations. On 15 January, the SSAC invited representations from voluntary organisations, and 189 organisations and individuals responded. That information was imparted to the Secretary of State on 12 March, the orders were made on 7 June and they came into force on 13 July.

It is remarkable that the overwhelming majority of respondents did not like the Government's proposals and advanced a reasoned case on their behalf. It appears that the care in the community Scottish working group comprising Age Concern and many different councils—from the Scottish Council for Spastics to single parents and the Scottish National Federation for the Welfare of the Blind—was not consulted. I ask the Minister to explain today why a part of the United Kingdom much beloved by the Conservatives was simply ignored in the consultation process.

Dr. Norman A. Godman (Greenock and Port Glasgow): For some strange reason, the Department of Social Security also excluded the Mental Welfare Commission for Scotland from the consultation process. Its director, Dr. Dyer, has pointed out to every Scots Member of Parliament that, by way of the Crosby report mechanisms, that money is spent constructively and imaginatively in the overwhelming majority of hospitals in Scotland caring for those with mental health problems.

Mr. McLeish: My hon. Friend, who takes an active interest in these matters, makes an excellent point. I hope that the Minister will respond to it, as it reinforces our belief that the measures are ill conceived, have been rushed through and will not assist those organisations which represent the vulnerable. Organisations such as Mencap and MIND—the National Association for Mental Health—are at the front line in defending the interests of vulnerable people. I could mention more such organisations, but time does not permit.

Sadly, the Government have failed to justify the regulations—and probably the nation is not surprised by their attitude. However, I hope that the Minister will try to justify their introduction today. I remind him of the comments of the Secretary of State for Social Security in his 1995 statement on the uprating of benefits. He said:

> "It cannot be right to pay people who are unable to use the benefit for the purpose intended and who are already having most of their needs met by the taxpayer."

That proposition has been completely and utterly demolished by every organisation that responded to the consultation.

The Secretary of State then moved to the real reason for the measures, when he said:

> "We believe the move is justified in ensuring that taxpayers' money goes to those best placed to benefit from it."

That same kind of targeting has led to a 40 per cent. lack of take-up of benefit—1 million British pensioners who are entitled to income support do not receive it. That is the sort of targeting that the Secretary of State is happy to pursue. The SSAC decided that it could not recommend proceeding with the proposals—that in itself is a damning indictment—and urged the Government to consider several points if they decided to go ahead. However, the Government accepted only one—that a linking rule should be introduced in determining the 12-month period for transitional protection.

Why are the regulations so objectionable? First, false assumptions have been made about the lack of mobility needs of long-stay patients and the meeting of those needs by the national health service. The fact-finding exercise carried out by the DSS was fundamentally flawed as it did not consult patients or those directly responsible for their day-to-day care. Secondly, long-stay patients in particular are often in hospitals in isolated areas and the mobility component can be used to enable them to make and receive visits. That is even more important when young children are involved.

Thirdly, there is evidence that in many cases the mobility component is used imaginatively and constructively to enhance the quality of life of long-stay patients. Unspent balances are evidence of poor organisation and provision rather than a lack of mobility need.

Fourthly, patients in NHS homes and hospitals will be worse off than those in homes provided by other bodies, even though care provision and needs may be similar. The proposals run counter to the efforts to transfer care from a hospital to a community base. That is an important consideration if we want community care to work.

The transitional protection does not include people who have been in hospital for less than a year and who will lose benefit at four weeks. Furthermore, the exclusion of those in special hospitals, secure units and those detained in low-security hospitals effectively puts them in the same position as convicted prisoners rather than patients. That is inexcusable—but it is a reflection of the Government's mindset.

The nation has spoken through its voluntary organisations to reject the proposal. The Social Security Advisory Committee has listened to their views and come to the same conclusion. I believe that the Opposition parties oppose the regulations, so why do the Conservatives continue to advocate the changes? Is the Minister aware that they are bad regulations? Is he aware

that the lives of vulnerable people will be made worse by a decision taken behind closed doors which rejected other comments?

Even at this late stage—six months after implementing the regulations—the Government must think again. Their record is littered with disability living allowance-type measures. No thought has been given to the implications. At the end of the day, it is not Members of Parliament or Ministers who will have to pick up the pieces, pay the costs or suffer the problems. *[Interruption.]* The hon. Member for Harrow, West (Mr. Hughes) makes idle, mindless interruptions from a sedentary position. We are discussing an issue that may affect 45,000 people in the first year. The hon. Gentleman should repeat to his constituents at the sharp end of Government policy the sort of thing that he says here.

Mr. Robert G. Hughes: Perhaps the difference between the hon. Gentleman and me is that I do just that. The hon. Gentleman simply makes promises without suggesting where the money will come from. That is dishonest.

Mr. McLeish: If Conservative Members read *Hansard*, they will see that no promises have been made. I have given a commitment to oppose the regulations today. In a short time from now we shall be voting against them—and rightly so.

5.56 pm

The Parliamentary Under-Secretary of State for Social Security (Mr. Andrew Mitchell): I shall set out for the House the reasons why we have taken the steps that we are debating today. This is undoubtedly a sensitive and difficult area and it is clear that some hon. Members have concerns. There are serious issues involved, and I shall deal with them by examining the detailed reasoning behind the decision. I hope to persuade the House that our decision, although difficult, is right and fair.

I shall pick up two points from the opening remarks of the hon. Member for Fife, Central (Mr. McLeish). First, he referred to the Government's cavalier treatment of the House of Commons. I must take him to task on that point. As he knows, the regulations are subject to the negative procedure: they do not need the approval of the House unless someone prays against them, as occurred today. They are law until they are annulled. *[Interruption.]* I assure the hon. Member for Edinburgh, South (Mr. Griffiths) that the timing of the debate was agreed through the usual channels. He should know that we intended to discuss the regulations before the end of the Session, in July. However, following agreement through the usual channels, the debate was deferred until today. I make it very clear that there is no question of any cavalier treatment of the House.

Mr. Alan Howarth (Stratford-on-Avon): The Minister observes correctly that it was originally expected to debate and decide the measure in the House at the end of July. Will he therefore explain why on 15 June the Department circulated leaflets—presumably to 1 million claimants of the mobility component—informing them that there would be changes in the law which might affect their disability living allowance? Why do the Government take Parliament's assent for granted?

Mr. Mitchell: As the hon. Gentleman knows, that matter was raised by the hon. Member for Tottenham (Mr. Grant). At this remove I cannot remember precisely what the point was, but I assure him that the matter was dealt with at the time. We had no intention of playing fast and loose with the law. I have explained that there is no question of any cavalier treatment of the House because the decision was made through the usual channels—which include the Labour party.

Dr. Godman: Why was the Mental Welfare Commission for Scotland excluded from the consultation process in 1995?

Mr. Mitchell: When we raised that matter with the Department of Health, we also raised it with the two territorial Departments, and it was discussed prior to the announcement made in 1995. If the hon. Gentleman will allow me to make some progress, I shall come to the points that he made about Scotland.

The hon. Member for Fife, Central made an allegation about cavalier treatment of the Social Security Advisory Committee. I can assure him that there is no question of that having taken place. We gave the SSAC's recommendations serious consideration. We responded in detail in Cm 3233, which was laid at the same time as the regulations. I recommend that the hon. Gentleman looks at that paper, because it sets out in great detail our comments about the views of the SSAC. It also, as he mentioned, accepted the recommendation to include linking periods for people afforded protection. I assure him that there was no question of any cavalier treatment of the SSAC.

The hon. Gentleman's third allegation—that this was an attack on a very vulnerable group—does not bear scrutiny. I will, if I may, take the House through the Government's thinking on the proposal.

In 1992, the Government introduced disability living allowance, which replaced and extended the help formerly available through attendance and mobility allowances. We carried forward existing entitlements and introduced two new lower rates of benefit, one for care and one for mobility. I am sure that the House will recognise and praise the fine record that we have on helping sick and disabled people. The figures make that clear.

Spending on benefits for sick and disabled people has quadrupled in real terms since 1979 from £5 billion to £22 billion. They form the second largest component in the entire social security budget, and spending is budgeted to continue rising. Planned spending on disability living allowance alone in 1995-96 is at £3.7 billion. Nearly 3 million people now get help with care and mobility needs, compared with just 420,000 in 1979. That is a sixfold increase in the number of people we are able to help and a record of which any Government can be justly proud.

Mr. Nigel Griffiths (Edinburgh, South): Organisations which represent people with disabilities such as the Action Group in Edinburgh, the patients council of the Royal Edinburgh hospital, and Enable, are saying—

[Mr. Nigel Griffiths]

as Hugh Stewart, the depute director says in his letter, of which the Minister has a copy—that very vulnerable people who have been helped while in hospital to be supported by parents if they are mentally handicapped or to support themselves if they are mentally ill, have been helped by the mobility allowance component, allowing them to get out of hospital and to lead normal lives in an environment which in itself will be artificial. Had the Minister considered that, listened to those groups and made an exception, he would have had the agreement of the whole House, but the despicable decision to try to squeeze the budget and penalise those people means that he is alone with a few of his hon. Friends in pushing this measure through the House.

Mr. Mitchell: It is a pity that the hon. Gentleman did not acknowledge what I was saying when he intervened. There has been a colossal increase in support for sick and disabled people. That was the point that I was making. I will deal with the other points that he made in a moment.

The figures for DLA are remarkable, and I should like to set them out for the House. At the time of the last general election, in 1992, we spent £2 billion on DLA. In 1993-94, that figure rose to £2.8 billion—an increase of just under £1 billion in that year alone. Last year, it increased again to £3.1 billion—up a further £350 million. This year the estimated outturn is £3.7 billion—a further rise of just over £550 million. Next year, planned spending is £4.4 billion—an increase of nearly £700 million. By 1998-99, DLA is expected to cost £5.5 billion. By any yardstick, the extra money that we are spending on DLA each year is immense.

No one should be in any doubt. This is not principally about saving money. We are prepared to spend money to assist disabled people where justified.

Expenditure is rising and on such a scale that it should be crystal clear to every hon. Member that without effective targeting we shall not as a country be able to continue affording DLA. My first point, therefore, is that this is about targeting DLA mobility and not about cutting disability benefits. But targeting effective support where it is most needed means taking a long, hard look at our priorities, across all benefits, and sometimes making difficult decisions. It is clearly unfair to exclude disability benefit from sensible scrutiny. We need to examine all aspects of current provision to be certain that decisions made about benefit entitlement and payability are still sustainable in the current financial climate.

As the House will appreciate, DLA is intended to help with the extra costs associated with disability. A re-examination of the arrangements by which payment of the DLA mobility component was unaffected by periods in hospital persuaded us that the extra costs associated with a disabling condition do change while a person is in national health service accommodation. I should like to say a little about our conclusions on that.

DLA forms an integral part of a disabled person's income. They are free to spend it as they choose. That seems to me to be a perfectly proper and reasonable state of affairs when someone is living in the community. We can all think of the extra costs that might be associated with limited mobility—for example, higher heating bills, higher laundry bills, paying someone else to do the shopping—but the same considerations do not apply while someone is in national health service accommodation. Patients in national health service accommodation have most of their needs met free of charge. Only a small proportion of patients receive DLA mobility component, but hospitals make no distinction between those who do and those who do not when identifying basic mobility needs and seeking to meet them.

As hon. Members know, it is a fundamental duty of the national health service that it meets the basic mobility needs of people in its care. In addition, I can tell the House that NHS trusts will take account of these changes and set their priorities accordingly.

I find it very hard to accept that mobility needs continue unchanged on admission to hospital, and it is certainly not clear what additional costs disabled patients have to bear. Admission to hospital already affects most social security benefits, and the DLA care component has always been withdrawn after four weeks in hospital. This change has brought payment of the DLA mobility component into line with that.

I wish to reassure the House that these changes do not affect a person's underlying entitlement to the DLA mobility component. When we are advised that a person has been discharged, DLA payments will automatically resume at the full rate of entitlement. The changes affect the payment arrangements of DLA that suspend benefit after four weeks in hospital, or after 12 weeks in the case of children receiving DLA. They reinstate the benefit once the person has been discharged and they provide special arrangements where a patient is temporarily discharged from hospital anticipating a return within 28 days, when payments will be calculated at the daily rate of a person's full entitlement for each full day out of hospital.

Mencap and others have criticised the proposals as confusing. I shall try to clear up that confusion. Simply put, those affected by the changes are people who, for benefit purposes, are treated as hospital in-patients. The key consideration is whether the national health service is responsible for maintaining the benefit recipient free of charge wherever they are accommodated. I make it clear to the House that that is nothing new. Exactly the same factors apply to other social security benefits.

In making the changes, however, we have sought to be sensitive to the needs of existing long-term hospital patients and people who choose to take part in the Motability scheme, by incorporating certain protections from the change. The protection acknowledges that existing long-term patients have reasonable expectations that benefit payments will continue, and that long-term patients have certain costs associated with restricted mobility, although basic needs are fully met by the national health service, but that they spend only a part of their benefit on those costs.

The protection arrangements also recognise that there is a unique relationship between the Motability scheme and payment of mobility benefits, and that withdrawal of the mobility component automatically terminates a Motability agreement. Unlike people with private agreements, Motability customers have no scope to make other arrangements to retain their vehicle should their benefit be withdrawn. We believe that the vast majority of people using the Motability scheme do so because they would be unlikely to be able to finance a vehicle or wheelchair any other way.

The overall impact of these changes is being carefully monitored. I can advise the House that, on their introduction, some 7,000 people in hospital were affected by the withdrawal of the DLA mobility component, and around 16,000 existing long-stay patients have benefited from the protection arrangements.

Sir John Hannam (Exeter): Does my hon. Friend recall that in July I discussed with him and with my right hon. Friend the Secretary of State the hardship cases which may arise as a result of the new Motability arrangements? My right hon. Friend agreed to write to the chairman of Motability to ask him to show understanding and flexibility in the arrangements so as to help such hardship cases.

Mr. Mitchell: My hon. Friend is right—I remember those discussions. As my hon. Friend knows, my right hon. Friend the Secretary of State has undertaken to keep the matter under review, and to discuss any difficulties with the chairman of Motability.

We anticipate that in any one year 5,000 people with Motability agreements will be protected. I am pleased to tell the House that Motability has advised me that there has been virtually no adverse impact on its customers since the changes were implemented. To answer my hon. Friend's specific point, in only three cases has there been a problem due to a breakdown in communication.

Mr. David Lidington (Aylesbury): My hon. Friend may recall that we exchanged correspondence about the difficulties experienced by people who are not part of a Motability scheme, but who have made private arrangements for the use of a car or wheelchair. Did his Department undertake research into the means of people with private arrangements when it was decided that they should be treated differently from those who are party to Motability agreements?

Mr. Mitchell: Yes, we carefully considered that precise point, which my hon. Friend has raised with me before on behalf of a constituent. For the reasons that I have given, the changes relate to the direct link with Motability and do not apply to private arrangements.

Mr. Roger Gale (North Thanet): I appreciate that interventions are tiresome, but I assume that my hon. Friend wants us in the Lobby with him tonight. With regard to the private purchase of a vehicle through the mobility allowance, will my hon. Friend assure me and my constituents that the change will not be retrospective? He referred to people who have already entered into contracts, and I am sure that he shares my abhorrence of retrospective legislation. I fully appreciate that people may make different arrangements in the future, but does the change apply to people who have already entered into contracts?

Mr. Mitchell: I fully understand my hon. Friend's point. I assure him that current Motability agreements are protected.

In the current financial climate, we have to question the use of a social security benefit to enhance provision already made from public funds. Indeed, measures relating to the vast majority of benefits specifically exclude anything that smacks of double provision.

In closing, let me make it clear to the House that DLA is one of the fastest growing benefits in the social security system. The figures are on the record and show more eloquently than any words the full extent of our commitment. Spending on DLA alone has increased again this year, by £550 million. Following my right hon. and learned Friend the Chancellor's Budget, it is set to rise next year by a further £670 million. That takes us to more than £4.25 billion.

That level of extra support and help—which, as the House knows, is not means-tested—can be sustained only if we are clear-sighted about who should receive it. The Government have taken this difficult but fair decision, and my right hon. Friend the Secretary of State deserves credit for that. Because we have made such decisions, the growth in social security expenditure is now contained, and is less than the rate of growth in the economy as a whole. If we do not take tough decisions, we shall end up in the same position as France and Germany, where strikes and riots accompany welfare reforms, precisely because tough and necessary decisions were not taken at an earlier stage.

The Government are proud of the help that we are giving to 1.5 million people through the mobility component of disability living allowance. The changes have affected about 14,000 people, half of whom have received a degree of protection. I commend them to the House.

6.13 pm

Mr. Alfred Morris (Manchester, Wythenshawe):

> "It's nothing short of a scandal that this major reversal of policy should have taken effect without the opportunity for Parliament to debate these amending regulations: it's a betrayal of trust."

They are not my words. They are quoted from a statement made to Ministers last summer by Lord Rix, whose long and distinguished services to disabled people, more especially those with severe learning difficulties, have won him the abiding respect of both sides of both Houses of Parliament.

As this House knows, I was the architect of the mobility allowance, from which the mobility component of the disability living allowance derives, when I became the first Minister for disabled people in 1974. That is my credential for intervening briefly in this debate. I do so with deep misgivings about the effect of the regulations in hampering the rehabilitative process, not least in the case of newly disabled people in special hospital units, and damaging the quality of life of patients more generally.

I ask anyone who wants to vote tonight on the merits of these regulations to reflect, before they do so, on their effects on the lives of two young disabled people. The first is a severely disabled girl in her teens, who lives with three other young people in a bungalow on a main road in an area south of London. She has never lived in a hospital. The mobility component of her DLA—which in her own word has now been "slashed"—enabled her mother to visit her and take her home every week, and the staff to take her on outings not covered by the funding of her residential home. But it so happens that the home is funded by the NHS, so she is one of the losers.

Only a few miles away a young woman, also severely disabled and in an almost identical home, but one funded by the local social services authority, still keeps her

[Mr. Alfred Morris]

mobility money in full. How can such sharply contrasting treatment be defended? Merely to cite the two cases is to condemn the regulations, and I most strongly urge the Minister to stop piling handicap on handicap for extremely vulnerable youngsters solely because they are in accommodation funded by the NHS.

It is against natural justice for the two cases to be treated so differently, and it is demeaning of this House for the Government to seek, by the use of a three-line Whip, to force these regulations through tonight. For many long-term patients in NHS accommodation, the mobility component of the DLA, creatively used as I intended it to be when legislating for the mobility allowance 20 years ago, has been the only means of enhancing their mobility. My fear now, like that of the Disablement Income Group, is that, without recourse to the full mobility component, their quality of life will suffer, that they will have less contact with the outside world and become more isolated. How can anyone in this House possibly justify the imposition of a three-line Whip to achieve that result?

Ministers never tire of saying that they have improved the incomes of disabled people. They pat themselves on the back with a frequency that could endanger their health. But the overall impression they seek to create is phoney. It leaves out of account some huge cuts in spending on disability benefits, of which recent parliamentary questions have established the facts.

Take the example of a question that I tabled about the cost to disabled people of breaking the link I forged in 1975 between invalidity benefit and increases in average earnings. What the Minister's reply showed on 11 November—at column 90 of *Hansard*—was that, in the last year for which figures are available, 1994-95, disabled people lost over £1 billion in consequence of that one retrograde decision. The reply also showed that, since the decision to break the link first took effect in 1980, the cumulative loss to disabled people by 1995 was £5.99 billion. By now it must exceed £7 billion, which is more than three times the Government's total annual expenditure on the mobility component.

That figure was never volunteered to this House by Ministers. It had to be forced out of them by a parliamentary question, but they cannot be allowed to keep on throwing dust in people's eyes with selective information. These regulations are, in the view of all the organisations of and for disabled people, about cutting public expenditure, and not

"a logical tidying-up of the benefits system"

as Ministers so misleadingly claim.

"Far from being logical, the reversal of policy these regulations seek to confirm is insane; and Parliament should say so."

Again, they are not my words. They, too, are from Lord Rix articulating, as he does so well, the depth of the concern of all the disability organisations to see these regulations rejected by this honourable House tonight.

6.18 pm

Sir John Stanley (Tonbridge and Malling): I do not have any difficulty with the theory advanced by my hon. Friend the Member for Gelding—[*Laughter.*]—I apologise to my hon. Friend the Minister. His constituency is, of course, Gedling. I also have no difficulty with the proposition that the Government should avoid double counting on any benefit. I fully endorse the policy that he enunciated, which is the concentration of benefit payments on those who most need them.

My concerns about the regulations stem, first, from the fact that the Government proceeded with them after a study of their likely impact, based on what appears to be a very limited sample of practitioners. In the Command Paper to which my hon. Friend the Minister referred, I was struck by the reference to the fact that only six national health service trusts were part of the Department's fact-finding exercise. That seems a limited amount of fact finding on such a sensitive and important issue.

I have conducted my own fact-finding study, as far as I can, in my constituency. I approached the four hospital trusts that cover my constituency—that represents a sample two thirds the size of that used by the Department—and the responses that I received are instructive. Two of the trusts are acute hospitals and two are in the non-acute sector.

Senior staff of the two acute NHS trusts—Kent and Sussex Weald NHS trust and Mid-Kent Healthcare trust—said that the regulations would not give them a problem in regard to the level of care for each patient. I got a different picture from the two non-acute trusts. The Weald of Kent Community NHS trust expressed concerns that a number of its patients, particularly those who had entered into long-term hire purchase or lease agreements for disabled people's cars—those commitments continue while a person is in hospital—would certainly be exposed as a result of the regulations and the withdrawal of the mobility component, unless they had a Motability agreement. There is great concern about that group of people, but my hon. Friend the Minister made light of it.

My most significant concerns were aroused when I spoke to the fourth trust—Maidstone Priority Care NHS trust—which has a number of long-term, severely disabled people in community care, including a number of quadriplegics. We discussed a unit that I know well in Brook street, Snodland, for extremely disabled young people.

I was struck by one sentence in the explanatory memorandum put out by the Department to justify the regulations. It features in appendix 3, paragraph 15 of Command Paper 3233, to which my hon. Friend the Minister referred, and states:

"Patients do not use their DLA for mobility purposes but use the money to buy tobacco, cigarettes, sweets etc."

I most sincerely hope that that unqualified statement does not represent the general views of the Treasury Bench team, because it is not justified.

The severely handicapped people in the unit to which I referred regard that statement is complete bunkum. That severely disabled group of people use the mobility component to finance mobility helpers, who are critical as, almost without exception, all members of the group require one-to-one help every time they leave the unit. If they go anywhere by wheelchair along the pavement, or if they go to the local park or the shopping centre, they require one-to-one help, which means mobility helpers. If they go out in the minibus further afield, they still require such help.

The chief executive of the NHS trust confirmed, sadly, that as a result of the regulations significantly less money will be available to the trust to provide mobility helpers for severely disabled people. I hope that my hon. Friend the Minister will take careful note of that consequence of the regulations. I do not suggest for a moment that that is the generality of the situation, but among some small, but exceptionally deserving and vulnerable groups, that will be the consequence. If my hon. Friend wants to visit Brook street in Snodland, I shall be available to be there with him at any time, so that he can see for himself the situation and the consequences. The Government would have been well advised to conduct a much wider fact-finding exercise, as the Social Security Advisory Committee recommended, before proceeding with the regulations.

On the detail of the regulations, first, I do not accept the logic that the cut-off date for the withdrawal of the mobility component should be the same as that for the care component. The two are inherently different. I accept that when a person goes into hospital, it can safely be assumed that the hospital will, from day one, be responsible for his care. I can certainly understand why it is right to withdraw the care component within four weeks of an adult going into hospital.

Surely the mobility component is different. People can go into hospital, but have continuing liabilities—in terms of both mobility requirements and liabilities—particularly if they have entered into lease or hire purchase arrangements to purchase a disabled car or an electric wheelchair.

I do not see the logic of having different cut-off dates for children and for adults. What is the sense of that in regard to the mobility component? Indeed, one could argue that the cut-off date should be later for adults than for children. I can see no reason why it is only four weeks for adults, but 12 for children. Perhaps my hon. Friend the Minister will reflect that it would have been better to start with a common cut-off date of 12 weeks, if the Government intended to take that route.

Secondly, what is the relationship between the provisions of the regulations and the good scheme that the Government introduced to provide additional funding for electric-powered wheelchairs? That scheme commenced in April. As my hon. Friend the Minister is aware, under the scheme, which in west Kent will produce an extra £126,000 for the purchase of such wheelchairs in this financial year, it is possible for a severely disabled person to have the use of an NHS-provided electric wheelchair, or a voucher for the equivalent amount of money so that he or she can top up the amount.

If someone uses the voucher scheme to get an electric-powered wheelchair, surely that policy will run contrary to that set out in the regulations. If the person uses a voucher, he will incur additional liabilities for the extra costs of additional elements on his wheelchair, and presumably those will be continuing liabilities. The net effect of the regulations will be that, if such people find themselves in hospital, they will have continuing liabilities under the top-up arrangements, and then discover that they will no longer receive the mobility component on which they had relied before entering hospital.

I fully endorse what my hon. Friend the Minister said. The Government have an outstanding record on financial provision for the disabled, and they have an extremely good record on producing forward-looking new legislation to provide additional legislative help to the disabled. Against that background, it would be regrettable if one of the final legislative measures for disabled people that the Government produced in this Parliament resulted in suffering for some the most vulnerable people in the disabled community. Therefore, I hope that my hon. Friend will review the detailed operation of the regulations extremely carefully, and, if necessary, amend them if it is found that they are not working satisfactorily.

I hope that hon. Members on both sides of the House agree that the absolute bottom line is that the disabled community—particularly its most vulnerable element—must not suffer because of the regulations.

6.30 pm

Ms Liz Lynne (Rochdale): These regulations came into force on 1 August 1996—four months ago. We were denied the chance then to debate them or to vote on them, although they are significant changes for a vast number of disabled people. Tonight we have the opportunity to vote against them, and I hope that hon. Members on both sides the House will consider doing so. The manner in which the regulations were introduced was disgraceful, and it was an absolute insult to disabled people.

It has been suggested that the regulations will affect those only with limited mobility, and that some people will be saving their allowances or spending them on other things. I can assure the House that organisations of and for disabled people say categorically that that is not the case. Even the Department of Social Security no longer feels that hospitals accumulating funds is a serious problem. In response to a parliamentary question from me, the Minister said:

"Departmental Officials had discussions with a number of NHS trusts throughout Great Britain last summer. These suggest that this was a considerable problem in the past but is now rare."—[*Official Report*, 19 March 1996; Vol. 274, c. *182*.]

Existing legislation could be used. Why are the Government not making use of it? The reason is that the Government are not enforcing the legislation as they thought that they would do. They are also ignoring the Social Security Advisory Committee, which stated in its report:

"Our primary recommendation is that these proposals should not proceed in their present form. We regard the care component of disability living allowance as serving a totally different purpose from the mobility component. Whereas care needs are taken care of in hospital and costs do not continue, mobility needs, in general, do continue and the cost of personal transport remains."

The mobility component is essential for disabled people in long-term NHS accommodation—which is funded by the NHS—for their physical and mental well-being. The component helps individuals, particularly in community homes, to retain their independence, and it affects thousands of disabled people. It was a non-means-tested benefit, and it could be claimed during periods of work or periods of care.

Over the months, the Minister has argued that NHS trusts and general practitioner fundholders are providing necessary recuperation and rehabilitation, so the need should not be met by the DSS. If the regulations are expected to result in savings of £40 million—which is the figure that I heard at one time from the Government, although, today, the Minister said that it is not a matter of cost cutting—where will those savings come from,

[Ms Liz Lynne]

if disabled people are not to be denied their independence? If the NHS offers provision of the same mobility, surely costs will be transferred from the Department of Social Security to the NHS. One Department or another will have to pick up the bill.

If the Government say that the mobility component is being misused, where is the evidence of it? I have seen no evidence for that claim, and disabled people's organisations have seen none.

The other flaw in the regulations is that the mobility component was a right, whereas NHS services are not. Perhaps trusts will spend the money that they receive on other things. Another problem that I can foresee concerns mental health patients. If they will no longer receive the component after four weeks, will not they be encouraged to leave hospital before the end of that period, to ensure that they continue to receive it? Will that not be dangerous for some of those patients?

The regulations have already caused problems, and I sincerely hope that they will be revoked tonight.

6.35 pm

Mr. Robert G. Hughes (Harrow, West): This debate on the disability living allowance is possible only because of its success. It would be wrong for the debate to end without paying an enormous tribute to my right hon. Friend the Member for Chelsea (Sir N. Scott), who introduced it. He has, regrettably, been mentioned in the news this week, but his record shows that he has been the most successful Minister for disabled people ever.

My right hon. Friend the Member for Chelsea persuaded the Treasury and his Government colleagues to devote enormous amounts of extra taxpayers' money to fund the allowance. I was his parliamentary private secretary during that time, and I think that I can accurately express his views by saying that, if one is to be successful—not only on that occasion, but on others—in persuading the Treasury and Government colleagues to spend extra money, it is essential to ensure that the money is carefully targeted. This measure, which my hon. Friend the Minister is struggling to introduce, is a difficult one, but it is designed simply to ensure that we target that money. Any Government who really care about people with disabilities and who are really determined to make concrete and measured progress will always take such action.

One difference between the Government and Labour Members—although I have no doubt that they care about disabled people as much as I do—is on their claim that they can be so proud of their record in government. It took them four years to phase in a mobility allowance scheme, from which only 5,000 people gained benefit. I do not think that they can hold up their heads today and say that the measure is callous. It is necessary, and it has been thought through. Obviously it is a difficult measure, and no one would like to take it if it were not essential for good government.

The Labour party's suggestion that this debate is taking place in December only because the Government wish to smuggle it through the House is a disgraceful example of playing to the Gallery, and it cheapens its case. On a night when many hon. Members were prepared to debate the regulations, it was clear to us that Labour did not wish to do so. I do not blame it for that decision, because it was based on many good reasons. However, one cannot make agreements through the usual channels, and then claim the moral high ground by saying that the Government did not want such a debate. The reality is that the Labour party did not want to have the debate. That is why it is happening now. The measure is not welcome but necessary, and my hon. Friend the Minister deserves the support of the House.

6.39 pm

Mr. John Heppell (Nottingham, East): I will be brief, since every other hon. Member has tried to be.

The Under–Secretary, the hon. Member for Gedling (Mr. Mitchell), should hang his head in shame for supporting the regulations. Later in my speech, I will give him some examples of how people—probably from his constituency—are suffering as a result of changes to the regulations.

Effectively, the regulations represent a cost-cutting exercise, and everything that the Under-Secretary says in trying to defend them is just not logical. They are based on false premises and supported by false information. The idea that people were spending the mobility component of their disability allowance on sweets and cigarettes is, quite honestly, insulting to disabled people, and as the right hon. Member for Tonbridge and Malling (Sir J. Stanley) has said, to suggest that is disgraceful.

The idea that there is no need to enhance the mobility of people who go into hospital is an illusion. Section 73 of the Social Security Contributions and Benefits Act 1992 allows benefits to be withdrawn where people cannot benefit from enhanced mobility, but the majority of people who are in hospital still need that mobility component. That was made quite clear at the beginning of the year.

As a member of the all-party disablement group, I received letters from the Royal Association for Disability and Rehabilitation, Mencap, the National Association for Mental Health—MIND—the disablement information and advice line, the Royal National Institute for the Blind, the Disabled Drivers Association, the Association of Disabled Professionals, the Disability Alliance Educational and Research Association, the Spinal Injuries Association, Age Concern, Arthritis Care and just about every group that represents people with disabilities. They all said that the Government were working on a false premise. Not only did they object, but the Social Security Advisory Committee received almost 200 responses on the issue and told the Government that the proposals were based on false information and should not be implemented.

How is the change affecting people? The Government make it sound like some administrative change, but it actually means that 40,000 people have had their mobility component stopped or reduced. That is the Department's figure, not mine.

Mr. Andrew Mitchell *indicated dissent.*

Mr. Heppell: The Under-Secretary shakes his head. Let me tell him about somewhere much closer to home: Highbury hospital. As the Minister who has special responsibility for Nottingham, I am sure that he has visited it. There are 90 patients at that hospital, 76 per cent. of whom have had their benefits reduced due to the

regulations. The hospital is divided into houses. Denby house, where there are six patients, used to hire a Nissan Prairie six days a week but no longer does so, so patients do not get to go to swimming lessons or for music therapy any more. They cannot go shopping either. Once a week they used to be able to go shopping for toiletries. Now they suffer the indignity of somebody else buying their toiletries for them.

Hucknall house is in a slightly better position because it used the mobility component to buy two vehicles. The problem is that, although the house has managed to maintain one of them, it cannot be used because the mobility assistants there and at Denby house had to be sacked due to a lack of money to pay them. The Under-Secretary will have to go back to his constituency and tell his constituents why he is responsible for such events happening in Nottinghamshire.

6.44 pm

Mr. Peter Luff (Worcester): I detect a certain enthusiasm on the Opposition Benches to move quickly to a Division, so I shall be briefer than I had originally intended.

The regulations are about choice—not necessarily a particularly easy one, I acknowledge. It comes as no surprise to me to discover that new Labour is not prepared to make such difficult choices. I freely admit that I would rather that we did not have to make such a choice, but it is right to do so and I admire the straightforwardness of my hon. Friend the Minister's approach. The Government and the House often have to choose. I have supported many such difficult choices, and am delighted to do so again.

Hon. Members often have to choose in a way that upsets individual special groups. Sometimes there is a genuine disagreement about objectives, sometimes there is simply a disagreement about the means, and sometimes, as under the regulations order, we have to make difficult decisions about using public money—that means taxpayers' money—wisely. My hon. Friend the Member for Harrow, West (Mr. Hughes) explained that very clearly.

We must acknowledge that the regulations reduce the incomes of some disabled people in hospital, but we should support them for four specific reasons. First, my hon. Friend the Minister made a powerful case for the logic of avoiding double provision. Every other benefit does that and I am not persuaded that we should make an exception for this particular aspect of the disability living allowance.

Secondly, the regulations will release resources for better use elsewhere in the system. We should always try to do that, as my hon. Friend the Member for Harrow, West explained. Thirdly, the regulations are is sensitive to the particular needs of individual groups—the terminally ill in hospices, long-term cases and those with motability agreements for their wheelchairs or cars. Of course, they apply only to those whose stay in hospital exceeds four weeks.

Fourthly, and most important, the Government's general record on disability means that even if we have doubts about the regulations we should give them the benefit of the doubt. Spending on long-term sick and disabled people has quadrupled under the Government to £22 billion—virtually a quarter of the social security budget. That is a fine record of which the Government have every right to be proud. They should be proud of the success of the disability living allowance, which although it had teething problems when it was first introduced, was introduced rapidly—unlike its predecessor the mobility allowance, which was phased in over four years—to 60 times the number of previous claimants. To govern is to choose, and I believe that this choice is right.

6.46 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): Despite his promise, the Minister failed to answer my question concerning the exclusion of the Mental Welfare Commission for Scotland from consultation. I have been given an indication that he will answer the question.

In a letter that all the Scots Members of Parliament received, Dr. Dyer, the director of the Mental Welfare Commission for Scotland, said about the regulations:

"The Mental Welfare Commission has information from Lennox Castle hospital, for example, which has 166 residents previously in receipt of the high rates of mobility component. The total loss of income to these patients as a result of the changes will be £181,272 per annum. The Commission does not know if every penny of the money was previously spent exclusively for mobility purposes, but it does know that good use was made of DLA for mobility purposes in this hospital."

In another letter, Hugh Stewart, the depute director of the Scottish Society for the Mentally Handicapped, which does very fine work for people in Scotland who suffer from learning disabilities and other mental health problems, pointed out that the Scottish Office report—the Crosby report, which was published more than 10 years ago—encouraged hospitals to find ways of spending the benefits to improve the lives of their patients. In that sense, Scotland is different from England and Wales. The Department of Social Security typically failed to consult extensively throughout Scotland, and that is a matter for profound regret.

6.48 pm

Mr. Andrew Mitchell: If I do not answer all the points made by all hon. Members, I undertake to write to them after the debate to ensure that they have full answers.

The right hon. Member for Manchester, Wythenshawe (Mr. Morris), who has a very honourable mention on these occasions for the work that he has done for disabled people, should have recognised just how many strides the Government have made in helping the disabled people whom he has described over recent years. I make that point in all sincerity.

My right hon. Friend the Member for Tonbridge and Malling (Sir J. Stanley) made several detailed points. I should like to pick up on some of them. I apologise to him if I do not pick up on them all. To some extent, those in long-stay hospitals whom he mentioned get protection at the lower rate. As he knows, 92 per cent. of long-stay patients have been in hospital for more than one year and get protection.

My right hon. Friend asked about the extent of consultation, as did the hon. Members for Rochdale (Ms Lynne) and for Greenock and Port Glasgow (Dr. Godman)—I apologise to him for not having answered his question in my opening remarks. My officials looked in detail at eight hospitals as part of

[Mr. Andrew Mitchell]

the fact-finding effort, including three in Scotland. In addition, the Department of Health and officials in the territorial Departments were consulted by Department of Social Security officials. The evidence from the Social Security Advisory Committee was consistent with the facts found by officials. Only the interpretation differed. I reiterate the point that I made in my opening remarks—this answers much of what my right hon. Friend the Member for Tonbridge and Malling said—that when mobility is part of care, recuperation and rehabilitation, it is the responsibility of the national health service.

The private agreements referred to by my hon. Friend the Member for North Thanet (Mr. Gale) and the excellent wheelchair scheme referred to by my right hon. Friend the Member for Tonbridge and Malling are being kept under careful review by my right hon. Friend the Secretary of State. He has heard what has been said tonight. The House has our undertaking on that matter. The hon. Member for Rochdale made a point about balances. Balances were an issue at one time, but, as I made clear in my answer to her, we accept that they are no longer an issue. To some extent hospitals and patients have become adept at dealing with that problem.

In a characteristically well-informed speech on a subject on which he has immense expertise, my hon. Friend the Member for Harrow, West (Mr. Hughes) paid tribute to our right hon. Friend the Member for Chelsea (Sir N. Scott). The whole House will agree with his comments.

The hon. Member for Nottingham, East (Mr. Heppell), who is a parliamentary neighbour of mine, if not quite an hon. Friend, said that this was a cost-cutting measure. I explained in some detail that that was not the case. Spending on the disability living allowance has increased enormously over the past five years. The hon. Gentleman will have noticed that those on the Opposition Front Bench were unwilling to give a commitment to replace the spending that we are discussing. If the Labour party is unwilling to make that commitment, what we have heard tonight is just political posturing and hot air.

I have visited Highbury hospital and have looked specifically at some of the cases that the hon. Member for Nottingham, East mentioned. On that visit, I heard nothing to undermine our conclusions. That is why I commend the regulations to the House.

Question put:—

The House divided: Ayes 225, Noes 233.

Division No. 28] **[6.52 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Ms Hilary
Ashton, Joseph
Austin-Walker, John
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Bell, Stuart
Benn, Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Blunkett, David
Boateng, Paul
Bradley, Keith
Bray, Dr Jeremy
Burden, Richard
Byers, Stephen
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(Fife NE)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, D N
Canavan, Dennis
Cann, Jamie
Carlile, Alex *(Montgomery)*
Clapham, Michael
Clark, Dr David *(S Shields)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try SE)*
Dafis, Cynog
Dalyell, Tam
Davies, Bryan *(Oldham C)*
Davies, Chris *(Littleborough)*
Davies, Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Denham, John
Dixon, Don
Dobson, Frank
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Ewing, Mrs Margaret
Faulds, Andrew
Field, Frank *(Birkenhead)*
Flynn, Paul
Foster, Derek
Foster, Don *(Bath)*
Fraser, John
Fyfe, Mrs Maria
Gapes, Mike
Garrett, John
George, Bruce
Gerrard, Neil
Gilbert, Dr John
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gordon, Ms Mildred
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Hardy, Peter
Harman, Ms Harriet
Harvey, Nick
Hattersley, Roy
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Miss Kate
Hoon, Geoffrey
Howarth, Alan *(Strat'd-on-A)*
Howarth, George *(Knowsley N)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Ab'd'n N)*
Hughes, Roy *(Newport E)*
Hughes, Simon *(Southwark)*
Hutton, John
Jackson, Ms Glenda *(Hampst'd)*
Jackson, Mrs Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian D *(SE Staffs)*
Jones, Barry *(Alyn & D'side)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr L *(B'ham Selly Oak)*
Jones, Martyn *(Clwyd SW)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Kaufman, Gerald
Keen, Alan
Kennedy, Charles *(Ross C & S)*
Kennedy, Mrs Jane *(Broadgreen)*
Khabra, Piara S
Kilfoyle, Peter
Lestor, Miss Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretf'd)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
Maclennan, Robert
McNamara, Kevin
MacShane, Denis
McWilliam, John
Madden, Max
Maddock, Mrs Diana
Mahon, Mrs Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martin, Michael J *(Springburn)*
Martlew, Eric
Meacher, Michael
Meale, Alan
Michie, Bill *(Shef'ld Heeley)*
Milburn, Alan
Miller, Andrew
Morgan, Rhodri
Morley, Elliot
Morris, Alfred *(Wy'nshawe)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Paul
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
Orme, Stanley
Pickthall, Colin
Pike, Peter L
Pope, Greg
Powell, Sir Raymond *(Ogmore)*
Prentice, Mrs B *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Ms Dawn
Purchase, Ken
Quin, Ms Joyce
Randall, Stuart
Raynsford, Nick
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan

Rooker, Jeff
Ross, William *(E Lond'y)*
Rowlands, Ted
Ruddock, Ms Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Robert
Shore, Peter
Short, Ms Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Chris *(Islington S)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Spellar, John
Steel, Sir David
Steinberg, Gerry
Stevenson, George
Stott, Roger
Sutcliffe, Gerry
Taylor, Mrs Ann *(Dewsbury)*
Thompson, Jack *(Wansbeck)*
Thurnham, Peter
Timms, Stephen
Tipping, Paddy
Touhig, Don
Turner, Dennis
Tyler, Paul
Vaz, Keith
Walker, Sir Harold
Wallace, James
Walley, Ms Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Welsh, Andrew
Wicks, Malcolm
Williams, Alan *(Swansea W)*
Williams, Alan W *(Carmarthen)*
Winnick, David
Wise, Mrs Audrey
Worthington, Tony
Wright, Dr Tony
Young, David *(Bolton SE)*

Tellers for the Ayes:
Ms Angela Eagle and
Mr. Clive Betts.

NOES

Ainsworth, Peter *(E Surrey)*
Alexander, Richard
Alison, Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Biffen, John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bowden, Sir Andrew
Bowis, John
Boyson, Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Brown, Michael *(Brigg C'thorpes)*
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Burt, Alistair
Butler, Peter
Butterfill, John
Carlisle, John *(Luton N)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Paul
Chapman, Sir Sydney
Clappison, James
Clarke, Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre F)*
Coombs, Simon *(Swindon)*
Cope, Sir John
Couchman, James
Cran, James
Currie, Mrs Edwina
Curry, David
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dykes, Hugh
Emery, Sir Peter
Evans, David *(Welwyn Hatf'ld)*
Evans, Nigel *(Ribble V)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forth, Eric
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Sir Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garnier, Edward
Gill, Christopher
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Grant, Sir Anthony *(SW Cambs)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Grylls, Sir Michael
Gummer, John
Hague, William
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Haselhurst, Sir Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Michael
Hicks, Sir Robert
Higgins, Sir Terence
Horam, John
Howell, Sir Ralph *(N Norfolk)*
Hughes, Robert G *(Harrow W)*
Hunt, Sir John *(Ravensb'ne)*
Hunter, Andrew
Jackson, Robert *(Wantage)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(W Herts)*
Jopling, Michael
Key, Robert
King, Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Kynoch, George
Lait, Mrs Jacqui
Lamont, Norman
Lang, Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Sir Mark
Lester, Sir Jim *(Broxtowe)*
Lidington, David
Lilley, Peter
Lloyd, Sir Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Sir Nicholas
MacGregor, John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Madel, Sir David
Major, John
Malone, Gerald
Mans, Keith
Marlow, Tony
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Merchant, Piers
Mills, Iain
Mitchell, Andrew *(Gedling)*
Moate, Sir Roger
Montgomery, Sir Fergus
Nelson, Anthony
Neubert, Sir Michael
Newton, Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Patnick, Sir Irvine
Patten, John
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David
Portillo, Michael
Rathbone, Tim
Renton, Tim
Richards, Rod
Riddick, Graham
Rifkind, Malcolm
Robathan, Andrew
Roberts, Sir Wyn
Robinson, Mark *(Somerton)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Dame Angela
Sackville, Tom
Sainsbury, Sir Timothy
Shaw, David *(Dover)*
Shephard, Mrs Gillian
Shepherd, Sir Colin *(Heref'd)*
Shersby, Sir Michael
Sims, Sir Roger
Skeet, Sir Trevor
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir Jim *(W Dorset)*
Spicer, Sir Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Stanley, Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Sir Teddy
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Calder V)*
Townend, John *(Bridlington)*
Townsend, Cyril D *(Bexl'yh'th)*
Trend, Michael
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Whitney, Ray
Whittingdale, John
Wiggin, Sir Jerry
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesf'ld)*
Wolfson, Mark
Yeo, Tim
Young, Sir George

Tellers for the Noes:
Mr. Bowen Wells and
Mr. Timothy Wood.

Question accordingly negatived.

Fees and Charges

7.5 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Tom Sackville): I beg to move,

That the draft Animals (Scientific Procedures) Act Fees (No. 1) Order 1996, which was laid before this House on 12th November, be approved.

Under the Animals (Scientific Procedures) Act 1986, there is a system by which the users—those involved with animal procedures, who are mainly holders of personal licences—pay a licence fee that is altered from time to time by Parliament. It has always been agreed that the income generated is expected to meet the full costs of administering the Act, including the licensing system, the Home Office inspectorate, the Animal Procedures Committee and Home Office grants to sponsor research into alternatives. Those costs have reduced, but amount to some £2.3 million per annum.

The fees have been set according to the expected level of income. However, recently, because of a reduction in the number of personal licences—some 3,000 fewer are being issued than originally expected—there has been a deficit in the income. The order is designed to make up that deficit, and the Home Office will ask users to pay a one-off fee to make it up. The personal licence fee will go up from £110 to £135 and, under the order, a one-off fee of £89 will be levied. That will close the deficit and put the system back in financial balance. I therefore commend the order to the House.

7.7 pm

Mr. Elliot Morley (Glanford and Scunthorpe): I listened carefully to the Minister's presentation. It was more interesting for what was not in it than what was. The Minister told us that the order will make up the deficit in relation to the fees fixed by the Home Secretary under the Animals (Scientific Procedures) Act 1986. I understand why he is doing that. I also agree that such fees should cover the full costs of inspection and administration, but the Minister did not deal with several points.

First, how did the deficit arise? Secondly, is the current level of fees, even with the increase, realistic in relation to the full cost of providing the services?

Mr. Sackville: I explained that there has been a shortfall in the number of personal licences. There are some 3,000 fewer personal licences than was originally estimated and that has led to the deficit that we seek to make up through the order.

Mr. Morley: The Minister did say that, and I accept that there is a shortfall of 3,000, but surely any fee structure should contain an element of flexibility and be connected to the number of personal licences and, therefore, relate to the number of people who are carrying out experiments. I suspect that the shortfall may not mean that fewer experiments are being carried out; simply that fewer people are involved in them. Perhaps the Minister will tell us whether people may be using the procedures to reduce charges by cutting down on the number of personal licences.

Mr. Tony Banks (Newham, North-West) *rose—*

Mr. Morley: Does my hon. Friend want to say something?

Mr. Banks: I had hoped that the Minister would give us more of an introduction, and I thought that he had indicated that he would give way to me before he finished.

Mr. Sackville *rose—*

Mr. Banks: I am sorry, but I cannot give way while I am making an intervention. Instead, I shall ask my Front-Bench colleague a question. The Minister said that there was a 3,000 shortfall—whatever that may mean—but how many licences are there? That is the question that I wanted to ask the Minister. We know that there are now 3,000 fewer licences, but what is the total?

Mr. Morley: That is an important question, which we must come back to, because it is relevant to the argument. The Minister may like to answer it when he responds to the debate.

My hon. Friend's question leads me to what I was about to say. If there is a shortfall in income because of the reduction in the number of licences, is there not a way of restructuring and improving the way in which fees are charged under the Act? I mean a restructuring designed to encourage changes in the use of animals, especially the use of non-animal alternatives and more humane procedures.

One of the purposes of the fee is to fund research and development into non-animal alternatives, which we welcome. The Minister can correct me if I am wrong, but I believe that the Government put only about £250,000 into research into other methods—a modest sum to spend on the serious issue of switching away from the use of animals.

One way of boosting the money that goes into research into other methods would be to have a more realistic licence fee and to restructure the system. I accept what the Minister said about the 3,000 shortfall, but I went to the Library and looked back to the last time the licence fees were amended. If I am wrong, again I am open to correction by the Minister, but according to my research fees were last increased under the Animals (Scientific Procedures) Act (Fees) Order 1993.

The annual fee for scientific research establishments increased from £120 to £122—a £2 increase. If I am right, there has been no increase since 1993. Is it any wonder that there is a shortfall, when fees are put up by such a small margin? Personal licence fees, too, were last increased in 1993, from £108 to £110—also a £2 increase. The breeding and supplying establishments had their fees increased by the large sum of £8, to £553. I assume that there has been no increase since that date. If so, it is hardly surprising that a shortfall has arisen.

I do not think that those fees represent much of a burden on the pharmaceutical companies that pay them. I am sure that that level of increase was of little concern to them. The 1993 increase was unrealistic, and the fees

have not been increased since then. I do not think that that was responsible behaviour in terms of ensuring that the licence income kept up with the kind of services required.

The Minister says that there are 3,000 fewer licences, but I do not believe that the decrease accounts for the whole shortfall—the increases were tiny, at £2 a licence, and there has been no increase since 1993.

Such licence fee increases contrast badly with the Government's treatment of other charges and fees—council tax, for example. My local council tax payers would be delighted if their council tax was increased by only £2. My local authority is North Lincolnshire, a new unitary authority set up in 1995, and the people there have had to suffer an increase of 28 per cent. in their council tax. Yet pharmaceutical companies, many of which are very profitable and successful, pay such small charges.

Then there is what the charges are used for. The Minister said that they pay for the Animal Procedures Committee, for inspections, and for encouraging other methods. Those are legitimate and worthy objectives, but we must look at the link between income from licence fees, the work of the Animal Procedures Committee, and the level of inspections and their effectiveness under the 1986 Act.

In a reply to my hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael), the Minister said that there were no plans to increase the funding of the Animal Procedures Committee from the current modest total of £253,000. He gave no information about any extra funding for the European Centre for the Validation of Alternative Methods—the main centre that the Government have supported for the purpose of developing non-animal alternatives.

As the Minister is arguing in favour of an increase, it would not be unreasonable to ask him to tell us how much of it will go towards increasing funding for inspections, enforcement and the development of other options. He has not told us how much of the money will simply make up the shortfall that has arisen because of the paltry increases in 1993. It would be useful to know.

A classic example of the need to encourage a move away from unnecessary experiments is cosmetic testing. We could have a higher licence fee for institutions and companies involved in such work. Section 5(4) of the 1986 Act clearly states that animal suffering should not be outweighed by human benefit, so under the current legislation it is hard to justify cosmetic testing on animals.

There is great concern about the possibility that the agreed European Union deadline for ending cosmetic testing on animals may be extended. That is outside the scope of the debate, but I hope that the Minister will take note of the fact that many people would be appalled if that deadline were extended, because promises have been made to end the practice within the European Union.

Charges within the fees could be structured so as to encourage change and the use of other options. The LD50 test is outdated and obsolete, yet in 1994—the most recent year for which I could find figures—116,493 such tests took place. The Minister is probably aware that that goes against section 5(5) of the 1986 Act, which says that there must be "adequate consideration" of other methods.

There is an alternative to the LD50 test. The fixed-dose procedure is accepted by the Organisation for Economic Co-operation and Development, and there is no reason why it should not replace the LD50 test. There is also some argument about the use of the Draize test, and whether others are available.

Where there are arguments against tests—arguments about their age and about the cruelty involved—and where other tests could be used, could the Minister not consider differential payments by the institutions and companies that use the older tests? When they apply for licences, they should pay a considerably higher fee for using those tests, which would encourage a move away from the less acceptable tests towards the more modern options.

In 1993 the British Union for the Abolition of Vivisection—the BUAV—exposed the fact that rabbits were being used by Wickham laboratories for pyrogenicity tests. Non-animal alternatives for those tests were not only available but had been recommended by both the United Kingdom and the European Union regulatory bodies, yet the tests were still taking place.

We are talking not simply about promoting other methods, but about a failure of enforcement under the 1986 Act. There has been a failure of procedure. Differential fees could help not only to discourage older, crueller tests, but to finance stronger regulation and more frequent and better inspection.

Why not also consider the fees as a means of encouraging a reduction in the number of animals used in experiments? A higher charge for using more animals would be an inducement to institutions and companies to reduce the number of animals that they use. That is not a new principle. It is accepted by the Government to promote environmental taxes. The increase in fuel duty by 5 per cent. above the rate of inflation is aimed at encouraging people to economise on fuel. Differential rates of tax on lead-free petrol and low-sulphur diesel are intended to encourage people to switch to those fuels for environmental reasons.

It is not unreasonable to suggest differential fees for licences to encourage a move away from the use of animals, to promote other methods and eventually to eliminate entirely the use of animals. The extra fees would also help to enforce the workings of the 1986 Act.

We must accept that there have been failings in the 1986 Act. I welcome the fact that the Animal Procedures Committee is conducting a full review of the workings of the Act. The Labour party has called for that for some time. Investigations by groups such as Advocates for Animals and the BUAV have demonstrated failures—for example, rabbits being burnt and operated on without adequate anaesthetics, and the abuse and tormenting of animals in certain institutions.

It would be helpful if the Minister told us whether he would consider differential charges, and whether he would discuss the matter with the Animal Procedures Committee as part of its review. Extra funding could bring about a reduction in the almost 3 million animals used in experiments, and speed up progress towards ending the practice.

The principle of differential charging is established and accepted. It is clear that the shortfall in income is due partly to inadequate charging, going back to 1993. The order presents an opportunity to rectify the situation.

7.22 pm

Mr. Roger Gale (North Thanet): I shall not detain the House long. I know that many hon. Members have business outside the House. I owe an apology to Olivia

[Mr. Roger Gale]

Burge of Briary Church primary school, who expected me to be at her carol service tonight. I hope that she and her classmates will understand that I have business here and will recognise the need for some of us to discuss these matters.

I must declare an interest in two pharmaceutical companies. That has never hindered me from speaking on this subject, and I do not propose to allow it to do so tonight. Hon. Members who know me know that that is my position.

I have great sympathy with the views expressed by the hon. Member for Glanford and Scunthorpe (Mr. Morley), and I hope to explain to my hon. Friend the Minister why. I was privileged to serve on the Committee on the 1986 Animals (Scientific Procedures) Bill, as it then was, which was introduced by my right hon. and learned Friend the Member for Putney (Mr. Mellor) with considerable courage.

It was widely considered at the time that the Bill was a significant step forward in animal welfare. Its achievements should be recognised, but it is now 10 years since the Act was passed. It is under review by the Animal Procedures Committee and I understand that Professor Brazier and her colleagues hope to report in full in early or mid-spring next year. We look forward to their recommendations, because science and public opinion have moved on since the Bill became an Act.

My view, which is shared by colleagues on both sides of the House, is that not enough progress has been made in those 10 years, especially in Europe. Many of us believe strongly that, if there is to be progress on the use of animals in medical and cosmetic experiments, that will be achieved properly only on a Europewide basis. In the United Kingdom we have made a little progress, with the outlawing of the import of wild-caught primates. Many of us think that that should be a Europewide ban and we object to the import into the European Union of primates of any kind.

Madam Deputy Speaker (Dame Janet Fookes): Order. Before the hon. Gentleman continues, I trust that this is a preliminary to a discussion of charges.

Mr. Gale: I am coming directly to the subject of fees and charges, Madam Deputy Speaker. As the hon. Member for Glanford and Scunthorpe said, much could be achieved if the fees were higher.

Mr. Tony Banks: Experimentation on primates should stop. We are told that they are no longer imported from the wild, although there are some infringements. Would it not be preferable to move away from the use of primates for experimental purposes?

Mr. Gale: I understand and respect the hon. Gentleman's position. He, I think, understands mine. I have never believed that one will solve a problem by moving it from A to B, which is why I am adamant that we must seek Europewide solutions; otherwise I fear that we shall end experiments in this country, only to find that they move, possibly to one of the southern European states, where animals will not be treated even as well as they are treated in laboratories in the UK.

In principle, I agree with the hon. Gentleman. As part of a step-by-step approach, the step of banning the use of wild-caught animals in the UK was a sound one. I would like it extended Europewide. I should like Europe to stop importing primates for medical or scientific experiments as soon as possible. I should like alternatives to be introduced, as I know would the hon. Gentleman.

The European Union has copped out of the cosmetics argument. The EC passed a directive stating that the use of animals in cosmetic testing would be phased out as soon as there were validated alternatives. We saw a flurry of welcome activity and investment, especially by the cosmetic companies, to explore possible alternatives. When it became clear that the implementation of the directive was unlikely to be possible within the time—this relates directly to the fees argument and the work of the European Centre for the Validation of Alternative Methods—and when it became clear that validated alternatives would not be available, the Commission ducked the issue. Implementation has been postponed indefinitely.

The investment that was generated by the incentive of the end date has gone. The money from the cosmetic companies has been withdrawn. The small research companies that were investigating alternatives—I have in mind a particular laboratory in Scotland—find that their work is no longer being funded.

That bring us to the fees, which are modest. I recall—as I believe you do, Madam Deputy Speaker—that, during the passage of the Bill, the provisions for fees and charges were made specifically to back up the work of the inspectorate and the APC and to invest in research into alternative methods. Ten years on, insufficient money is being spent.

Those of us who have contacts in the pharmaceutical industry know that those companies believe that many experiments are carried out unnecessarily, but international agreements require them to be done. The APC should address those issues, and would be more able to do so if it was better funded. I do not see why that should become a burden on the British taxpayer. The companies that have a real and honourable interest in this would be willing to pay more in fees and charges if they believed that that would obviate the need for the animals in their animal houses which, frankly, most of them do not want any more than we do.

In the past couple of years, the inspectorate has been reduced. My hon. Friend the Minister will say that it has not been reduced, and that the level was raised to cope with the introduction of the Act. Once the Act had taken effect, it was no longer necessary to have the additional manpower. With respect, my hon. Friend has always overlooked the fact that the scientific procedures in which pharmaceutical companies and others developing new household goods are engaged are infinitely more complex than they were. They require greater understanding and a higher, not a lower, level of inspection.

One of the bases of the inspectorate was recently moved from the home counties back to central London. The effect has been—not may be, but has been—to give the inspectorate greater travelling time. It spends more time on the road and less time in the laboratories. I believe that it was intention of the House, and of my right hon. and learned Friend the Member for Putney and those of us who worked on the Act originally, that the inspectorate

should be able to do a thorough job. It should be made up not only of doctors, but of vets who are qualified to go into laboratories to examine animal husbandry and to challenge the issue of every licence, if necessary. Inspectors must ensure that animal life is not wasted in the way that many of us believe it currently is.

It is vital that the inspectorate is not weakened, but enhanced, and the companies themselves would welcome that. The House owes it to the spirit and the letter of the Animals (Scientific Procedures) Act 1986 to impose a level of charges that allows the inspectorate and the APC to operate properly. I do not believe that the procedures of the House will allow my hon. Friend the Minister to announce a sudden increase, but I urge him to go back to the Home Office and look carefully at the figures to see whether it is possible, through a further increase in these fees and charges, to fund the work that all hon. Members want to see.

7.32 pm

Mr. Tony Banks (Newham, North–West): I have listened with great care to the hon. Member for North Thanet (Mr. Gale), who works closely with us, and leads us, in the all-party animal welfare group. We do not always agree—even on this matter—but he respects my views, and I his. I cannot extend that act of charity to the Minister tonight, and it makes nonsense of our procedures if he is not prepared to make a fist of the draft statutory instrument. There are a number of questions that I wanted to ask, and the Minister appears to be getting out from under as fast as he can. He does himself no great credit, and he has not enhanced the scrutiny powers of this place.

Mr. Sackville: The hon. Gentleman has an opportunity to ask his questions. I was proposing a narrow order about an increase in fees, which I thought I did admirably.

Mr. Banks: Self-commendation is no great thing in this place, which is full of people who think that they ought to have been Prime Minister. I suggest that the Minister adopt a more humble role in this place—otherwise his present role will be the only one he will ever have.

The Minister told us little about the draft statutory instrument. He said that there was a shortfall of 3,000 licences and that therefore there was a need to raise extra resources through the increased fees. But he did not tell us how many licences we gain fees from. That is important, as from that we can start to work out precisely the number of companies and groups involved in animal experimentation.

I agree with my hon. Friend the Member for Glanford and Scunthorpe (Mr. Morley) that the proposed increases—from £110 to £135—are miserly and absurd, given the money made within the pharmaceutical and cosmetic industries, and research generally. The idea that £135, and a one-off fee of £89, is reasonable is absurd. The Minister told us nothing about total income, or how much the shortfall was in pounds, shillings and pence. I hoped that he would address those matters, and I hope now that, belatedly, he will apply his mind to these points when he replies to this short debate.

I am caught in a position of some equivocation, as I do not agree with animal experimentations—period. I take an absolutist position on this, which I realise puts me in something of a minority in the House. However, I believe that we do not have the right to experiment on animals at all. Who are we to say that animals should suffer on our behalf? But if we are to do these experiments, the fees ought to be at such a level that people think carefully about whether they want to apply for a licence. In addition, increasing the fees could also produce some resources for the Home Office to enable it to police the licensing regime with a damn sight more efficiency and thoroughness than it does.

My hon. Friend the Member for Glanford and Scunthorpe said that the Act requires scientists to consider the use of alternatives, and the Home Office is there to study the difference between gain and pain in terms of experimentation. That can be done only if there are enough inspectors spending enough time thinking objectively and coolly about the matter. Funding is needed for more research projects in universities to look at these matters, but that cannot be done with the present miserly budget.

We have been told that the budget for looking at alternatives to animal experimentation is £253,000. Is that the real size of the budget, given the mega-millions that the industries that use these animals for experimentation are spending? Is that all we are spending? The Minister and the Home Office cannot be serious if this is the sort of money that they are talking about. If the fees are supposed to fund the inspectorate, it is not surprising that there are only 19 inspectors.

The inspectors' work load in 1994 included the assessment of 955 project licences, the monitoring of the work of 15,700 licensed applicants and the inspection of 328 research establishments in the United Kingdom. Is that the level of the problem with which they have to deal? Is that the scale of the work load? Are we seriously suggesting that we are taking inspection seriously, with just 19 inspectors? If we raise money to pay for the inspectors from the amounts we charge for licences, let us stick it on the licensees. If they want to experiment, let them pay for it. People like me do not want them to do it, but I am damned if I will let them do it when they know that they will not even be supervised within the terms of the 1986 Act.

All the good intentions that I hear will amount to nothing if we are unable adequately to police those pieces of legislation on which we insist in this place. Does the Home Office really care? Does the inspectorate really care? To what extent is the inspectorate hand in glove with the pharmaceutical industry in terms of experimentation? People may say that I am being unfair in making these allegations, but I feel that it is totally obscene for us to experiment on any animal. If we were to change to a more healthy life style, we might not have so many diseases. We might then not need to use animals in experiments to find ways of solving the problems that we have created ourselves.

I do not believe that we have the moral superiority to say that animals should suffer because of our ineptitude, stupidity and short-sightedness in living the unhealthy lives that we do. If we want to poison ourselves, let us do it, but we should not then kill animals to try to find an antidote. That may not be a popular view in the House, but I hold it strongly and I know that many people in this country hold it equally strongly.

If we must have experimentation and if we are to allow that obscenity to continue, let us at least police it properly. The Minister's inadequate introduction tonight has not

[Mr. Banks]

convinced me that he genuinely wants a reduction in the number of experiments. I understand that there were about 2.8 million experiments in 1994.

We have heard about some of the pointless experiments, such as the LD50 and Draize tests, that are still carried out in the cosmetics industry, and my hon. Friend—he is my friend in this context—the Member for North Thanet told us about the failure of the European Union to agree a common position. I disagree with him in that respect, because we are here to set an example, rather than merely to go at the pace of the slowest movers in the European Union. We should set an example and argue from a position of strength.

I cannot vote tonight against the increase in charges, but I want to register my total detestation of and opposition to all animal experiments. If the Home Office and the Government were serious about reducing the number of experiments, properly funding research into the alternative of non-animal experimentation and ensuring that there were enough inspectors, they would know that the measly, derisory and pathetic increases that the Minister proposed are totally unacceptable.

7.41 pm

Mr. Paul Tyler (North Cornwall): I have the greatest sympathy with all that has been said tonight, especially by the hon. Member for North Thanet (Mr. Gale), the chairman of the all-party animal welfare group. His views will be widely shared by hon. Members of all parties.

The welfare of animals is extremely important, and we have a relatively good reputation and record in this country, but the last thing that we must allow ourselves to indulge in is complacency. I entirely endorse what has been said about the Animals (Scientific Procedures) Act 1986. As has been said, it is now 10 years old, and I understand that a radical review is being carried out. My Liberal Democrat colleagues and I endorse the need for that review. We must be extremely careful to ensure that the order is adequate to its task, because it will take some time to complete the review and to introduce consequent legislation. There is no room for complacency.

I spent this morning at the sheep and beef event at the Bath and West showground where, incidentally, I was given a copy of an excellent tape called "British Beef is Better by Far", sung by a group called the "Moo Cow Blues". I promised to mention that in the House this evening, and now that I have done so I need not mention it again.

We have a good reputation, but I am concerned that in waiting for the rest of Europe to move we may slow ourselves down. The current discussion on the use of animals for testing cosmetics is timely, as is this debate, because a decision may be taken at any moment to postpone any action until the end of the century.

We still do rather more tests than other countries in Europe. The latest figures which I have show that 1 per cent. of all tests on animals here are for cosmetics and toiletries, whereas the figure for the whole of Europe is 0.3 per cent., so we have no room for complacency.

Mr. Gale: The hon. Gentleman must take on board the fact that some countries claim that they do not use animals at all; sadly, they simply hide behind the cloak of having their dirty work done in other places, one of which is the United Kingdom.

Mr. Tyler: I am grateful to the hon. Gentleman, because that underlines my endorsement of his point that we must not take unilateral action and assume that the rest of Europe will follow. The argument that the number of experiments is so low that it can be discounted can be turned on its head: if such tests are so unessential, surely we should do everything we can to eliminate them altogether. One way of doing that is to introduce a fee that makes them uneconomic.

We thought that we were moving in that direction when the 1986 legislation was introduced, when the original fees were introduced and when we thought that a European moratorium was about to take effect. Sadly, that does not seem to have happened, and I hope that the Minister will tell us the attitude of Her Majesty's Government, as it is not good enough to hide behind the attitudes of other member states. We need to know what our Ministers are doing on this extremely important issue.

The 1995 report of the Animal Procedures Committee expressed concern that

"some licensees are still not aware of the terms imposed by their own licences."

That is an extraordinary situation and brings us specifically to the question of what the fees are used for. Hon. Members have referred to the number of inspectors. The figure for 1994 was only 19. Have more been appointed since then, or are there even fewer in 1996? They had to inspect 328 research establishments and assess 955 project licences. Have those numbers been reduced? Are the inspectors more effective? We need to know.

The Liberal Democrats, in our 1992 document "A Matter of Conscience", the Royal Society for the Prevention of Cruelty to Animals, the British Union for the Abolition of Vivisection and many others have referred to the inadequacy of the inspection procedures. In 1995, there were 19 detected infringements of licences, and only 11 were discovered by inspectors. That is an extraordinarily low rate. Either this is the best regulated part of our national life, or a great deal is going undiscovered. How many more infringements might be discovered if the inspectorate were more effective and could attend to the issues more comprehensively?

The amount of money that has been ring-fenced for research into alternatives to testing on animals has declined. The figure of £253,000 for 1995, which has been cited, has gone down in the current year to £242,000. The Animal Procedures Committee was banking on at least a modest increase to about £260,000. What will be the budget for 1997-98? We need to know, as that is what we are here for this evening. What is the point of discussing fees if we do not know how they will be used?

Will the Minister tell us in precise terms what the allocated budget will be, whether it will be ring-fenced and, especially, how much will be provided for the European Centre for the Validation of Alternative Methods which has been set up in Italy? What will be the implications if implementation of the cosmetics directive is delayed? How will we be sure that in the next three years, up to the end of the century, there will still be an

increase in the pressure on the institutions and companies involved to move in the right direction? Why should there not be a higher fee for the licences that we are discussing?

It would be helpful if the Minister could say precisely what revenue he expects to raise from personal licences. It is by no means clear from the briefing that we had before the debate, and certainly not from his incredibly cavalier introduction, that there will be an increase of the order that many in the House, let alone the country, would expect. The fees raised from the holders of certificates to run designated establishments should be directly ploughed back into the investigation of alternatives.

Madam Deputy Speaker, this is a short debate which does not permit us to range as widely as we would like, but with your particular interest, you will agree that many people outside the House do not believe that we have got the priorities right. As the hon. Member for North Thanet, who chairs the all-party animal welfare group, has said several times, it is important for us to reflect the public's growing unease. We must not become so complacent about the progress since the passage of the 1986 Act that we do not accept that major additional improvements are needed now that it is 10 years old. That is the least that the public expect of us. It is not adequate for the Government to say that we are waiting on everyone else in Europe, because if we wait that long, it will be many years too late.

7.50 pm

Mr. Iain Mills (Meriden): I will be brief. There are alternatives in respect of costs and fees. I am sorry that FRAME, the Fund for the Replacement of Animals in Medical Experiments, has not yet been mentioned. I am a founder member of FRAME, which has been trying for many years to find alternatives, such as invertebrates or computer programmes, to the use of animals.

Mr. Morley: I did not mention FRAME because of the narrowness of the order. Government funding for alternatives has been through the European centre. We recognise that FRAME does excellent work. One argument for increased or differential charges is that the Government could direct more resources to FRAME.

Mr. Mills: I welcome the hon. Gentleman's remarks. If differential charges could help FRAME in its dedicated campaign to find alternatives, which I have supported for many years, I should be pleased.

Sometimes, the House does not completely understand the use of animals in cosmetics, pharmaceuticals and other experiments. I know that my hon. Friend the Member for North Thanet (Mr. Gale) knows all about it. I just wish that more of our colleagues were more concerned about organisations such as FRAME.

7.52 pm

Mr. Sackville: We are discussing the regulation of animal procedures. There is never much good news on this subject because it is highly unsatisfactory that we have to experiment on animals. The House knows that we cannot go too wide while discussing a fairly narrow order, but clearly there are reasons, such as medical research and public safety, why we use animals. No one likes it, but we are discussing the matter against the background of a gradual fall in the number of experiments or procedures: from 3.6 million in 1987, to 2.84 million in 1994, the last validated figure.

The European definition of cosmetics is fairly wide and includes not only what people call cosmetics—such as lipstick—but soap, shampoo, toothpaste, protective sun cream, wart removers and other skin care products. The figure for such experiments has fallen from 14,500 in 1987 to 3,520 in 1994, the last validated figure. We expect to publish a figure below 2,000 for 1995. There is at least a welcome fall in the number of procedures, especially those designated as cosmetic, which cause the most offence. A small number of those involve beauty products, but many involve other products.

The hon. Member for Glanford and Scunthorpe (Mr. Morley) asked several questions. He echoed the hon. Member for Newham, North-West (Mr. Banks) in asking about the exact deficit. It was expected for good reason that about 20,000 personal licences would be applied for and granted. In fact, the figure is 17,000. Those figures have led to an accumulated deficit over three years of nearly £1 million. It was to avoid a very large jump in one fell swoop, and I shall come to the reasons for that in a minute, that we decided to ask for an interim fee to make up the deficit and then go for a higher annual fee to be payable from April 1998.

The hon. Member for Glanford and Scunthorpe also asked why we should not have a different structure of fees to increase income. The image of large pharmaceutical companies and rich corporations paying all the fees is not entirely right. Many licences are held by people who work at universities. Some universities have several hundred personal licences. Jumps in fees not only involve the details of the balance sheet of profit and loss at Glaxo, but have academic ramifications.

Mr. Morley: I accept that some institutions are doing important work that affects people's health, but I emphasise the case for differential fees. There is no reason in principle why fees cannot take account of whether the institution or company involved is commercial. If the experimentation is for product development that is highly profitable the fee could be adjusted accordingly.

Mr. Sackville: I take that point. Perhaps we should consider that. It was not in our original thinking when we made the arrangements. It has been suggested that those who do cosmetic testing should pay more, but the number of establishments involved with cosmetics is, I think, down to four. There will not be huge fee income from them, but I accept that there is an argument for saying that there are different sorts of users. Universities, which do not have money coming out of their ears, perhaps have a more deserving case than others.

ECVAN, the European Centre for the Validation of Alternative Methods, has been mentioned. It is funded not by member states but by the Commission. Perhaps that is something that we should consider. My hon. Friend the Member for North Thanet (Mr. Gale) touched on the fact that we operate in a European context. We are to some extent—although, as has been said, we must not rest on this—limited by what happens

[Mr. Sackville]

in Europe. If we drive such work abroad, it will be to countries, dare I say it, with less rigorous regulations, lower standards and perhaps less pressure from public opinion to keep up standards.

As the hon. Member for North Cornwall (Mr. Tyler) acknowledged, we set a good record in this country and a good example through the rigour of our regulations. There are problems with a European ban, and it is likely to be put off. It was Britain that proposed the ban on testing finished cosmetic products—we were probably a minority of one on that. Our country is more committed to animal welfare than others.

Mr. Gale: It would be appropriate to place it on record that we are also driving for changes through the intergovernmental conference. If we could pull that off, it would affect animal welfare right across Europe.

Mr. Sackville: That is an important point.

The Royal Society for the Prevention of Cruelty to Animals has said of the European cosmetics directive:

"Although a great deal of research into alternatives has been carried out, little progress towards actual replacement of animals has been achieved."

Although a great deal of work has been carried out, I regret that more money is not available for the research budget of the Animal Procedures Committee. I am afraid that it is likely to receive even less money next year, because all parts of the Home Office have been subject to funding reductions.

Mr. Mills: Can my hon. Friend be more specific about that?

Mr. Sackville: The figure available for next year will be £182,000, which is considerably less than the current budget. I regret that, but it must be set against the £20 million spent by commercial companies across Europe specifically on work on alternatives to animal experimentation. Although I should like the Animal Procedures Committee to have more to spend on sponsoring research projects, its work represents a small part of the whole, the vast proportion of which is sponsored by commercial sources.

Mr. Tyler: According to my quick calculation, the cut is equivalent to a reduction of between 15 per cent. and 20 per cent. in the budget. Is the Minister telling us that the rest of the Home Office budget is being slashed by that amount?

Mr. Sackville: I am afraid that significant parts of my Department's budget are being subjected to large funding reductions.

Mr. Tyler: Not 20 per cent., surely.

Mr. Sackville: Such cuts have been made. I have done my best to minimise the damage. It is not something of which I can say I am proud, but that cut must be considered against the spending reductions imposed on many Departments.

Mr. Tony Banks: Perhaps I can help the Minister with a constructive proposal. Would he be prepared to farm out those functions to some of the animal welfare organisations? We could certainly raise far more than the derisory £182,000. Why not hand over those functions to some of the organisations represented by many of us who are present? That would get the Minister off the hook, and we shall be able to proceed with the work.

Mr. Sackville: Projects on the replacement of animal experiments can be sponsored by any source, and I am sure that the hon. Gentleman's offer would be gratefully accepted.

The hon. Member for North Cornwall and others questioned the adequacy of the inspectorate. It is made up of one chief inspector, three supervisors and 15 inspectors. They make 2,000 visits a year, the vast proportion of which are unannounced, to just over 300 establishment licence holders. The inspectorate consists of highly qualified and highly committed people. I cannot go along with the suggestion of the hon. Member for Newham, North-West that they might be in league with the pharmaceutical industry or anyone else. They are respected in their profession. They maintain high standards judged against European ones, and we hope to keep it that way.

I should like to echo the tribute that my hon. Friend the Member for Meriden (Mr. Mills) paid to FRAME. It has done sterling work in forming public opinion and lobbying for more work on alternatives to be done. It has made many people much more conscious of the need to try to find alternatives to animal experimentation. I noted his remarks about funding for it.

We shall not satisfy everyone on this, including the hon. Member for Newham, North-West, who believes that it should be possible to introduce a total ban. I am afraid that that European ban is likely to be put off because of the lack of progress in finding alternatives, as the RSPCA reported. Our job is to try to lead by maintaining as high standards as we can. We must maintain our inspectorate and a system whereby we can regulate animal experimentation as best we can, although we regret the need for such work.

I believe that the increase in fees will provide us with the level of income necessary to maintain the inspectorate. I therefore commend the order to the House.

Question put and agreed to.

Resolved,

That the draft Animals (Scientific Procedures) Act Fees (No. 1) Order 1996, which was laid before this House on 12th November, be approved.

Hospital Services (North Durham)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Coe.]*

8.5 pm

Ms Hilary Armstrong (North–West Durham): On 1 May, during a debate on the private finance initiative and the health service, I raised the problems encountered by north Durham hospitals, and the difficulties caused by the delay surrounding the private finance initiative. I am therefore grateful for the opportunity presented by the Adjournment to put before the House the increasing problems faced by people of the area as the crisis in hospital care mounts.

In May, I reported that five wards had just been closed and that services had been transferred from Shotley Bridge hospital to Dryburn hospital, without consultation, because of financial problems caused by an overspend last year coupled with the need to make a further £2 million saving in the current financial year.

The accident and emergency unit had already closed at Shotley Bridge and had been transferred to Dryburn. Over the summer an increasing number of problems were reported with accident and emergency services, to the extent that the trust acknowledged that people were having to wait for too long and that new procedures would have to be introduced.

In a report to the trust board in October it was stated:

"The main problem is, however, that many patients are having to wait for a considerable period of time following an assessment, for their treatment . . . In relation to the emergency admissions via the A and E Department, whilst the number of admissions has increased, the number of patients having to wait to be admitted to a ward in excess of 2 hours has increased considerably."

I am pleased that the trust has recognised that serious problem, and is seeking to tackle it, although I understand that no additional resources have yet been identified for the additional staff it knows will be necessary.

Those words hide many individual experiences that have come to light in the past few months. In their own way, each has been distressing, but they have also contributed to a general crisis in confidence in the ability of the accident and emergency service at Dryburn hospital to cope with the range of patients from the area.

There are also additional problems for constituents, particularly in my area, who now have to travel a minimum of 14 miles to the accident and emergency department. One constituent came to see me and recounted how he had been taken by ambulance to hospital having been mugged outside his home late at night. He was eventually attended to at the A and E unit, but then he had to make his own way home. That cost him about £15. I have been told that that is now the norm—that patients will be taken to the accident and emergency unit, but will then have to find their own way home. None of us had worked that out in the early stages of the debate on the transfer.

There has also been an increase in the number of cancelled operations—again, that has been acknowledged by the trust. I wrote to the trust in July, following receipt of a letter from Mrs. Eccleston of Shotley Bridge. Her father was admitted to Dryburn hospital on 25 June. He was not allowed to eat and was prepared for theatre on Thursday 27 June, but his operation was cancelled and she was asked to take him home. He was readmitted the following Monday. He was allowed no food and was prepared for the operation on Tuesday 2 July, but his operation was cancelled again. Mrs. Eccleston wrote:

"I feel the services which the North Durham Trust provide are becoming somewhat of a joke, and patients are suffering, no matter what quality measuring the trust claim to provide. I feel that two admissions, five days in hospital—on fluids only and two doses of Pecolax—a very severe acting laxative—on an 80-year-old man—and then to have the operation cancelled twice is no longer tolerable."

The story does not stop there. I and my colleagues—I am delighted to see my hon. Friend the Member for North Durham (Mr. Radice) here—were informed in September that the business case for the new district general hospital had been refused by the health authority because it was too expensive. Having initially been promised that the private finance initiative route would bring real savings, which could then be used to develop community services in the Shotley Bridge and Chester-le-Street areas, including the development of new community hospitals, we were appalled to hear that the planned new hospital was to cost more in year-on-year revenue costs than the two hospitals continuing would have cost. I believe that the health authority was right to say that that was unacceptable and that a scheme which was, at least, revenue neutral—that is, one that would not cost any more than the two existing hospitals—would have to be prepared, so it was back to the drawing board.

We were also told that the trust had put it to the health authority that to make necessary savings because of current budget deficits the trust wanted to proceed with the further rationalisation of services from Shotley Bridge to Dryburn. Again, the health authority rightly said that it would not sanction further rationalisation until it was satisfied that the physical capacity of Dryburn was adequate to take the new services and the additional patients. My constituents are horrified at the suggestion that the transfer of services should go ahead with no guarantee of a new hospital and without necessary improvements to Dryburn having been approved or carried out.

It is no exaggeration to say that there is now a crisis. Dryburn hospital is not ready to take more patients or to be responsible for more specialties. There are bed shortages now, as well as inadequate theatres. This week, we have been sent a letter by the consultant staff committee—I know that the Secretary of State was also sent a copy of the letter, so I am sure that the Minister has seen it. The letter outlines the consultants' growing concern. The consultants support the interim rationalisation of services from Shotley Bridge to Dryburn, but they are doing so because the quality of service is deteriorating and they feel that they cannot wait for a guarantee of the new district general hospital.

The consultants identify two key areas of capital investment: in coronary care and intensive care and in creating extra operating theatres. Dr. Robson, who is chair of the consultants committee, says that those two projects are an absolute requirement before the move can take place. He adds that the trust's financial position is such that it could not hope to fund such developments itself. He writes:

"Consultants are now concerned . . . with simple, critical issues of patient care."

He goes on to say:

"Colleagues feel that already they are unable, because of bed and theatre limitations, to offer the quality and quantity of service which is desirable."

[Ms Hilary Armstrong]

Whichever way one looks at this matter, it is a crisis. The PFI case is having to be rejigged—the new case is with the health authority, but has not been agreed, so the Government have not yet seen it. The financial position is driving a hasty rationalisation without adequate facilities and the public feel that they are the last to be considered. Their confidence is being shaken again and again. We are facing the worst of all worlds: there is to be no new district general hospital, but the services are to go from Shotley Bridge. The whole saga is one of unfulfilled expectations and broken promises.

I am not here to condemn any individual or to lay blame, but the Government have to accept responsibility, both for the often chaotic way in which the changes in the health service have been approached and for the way in which the private finance initiative has been pursued. There is no time left for any procrastination.

Mr. Giles Radice (North Durham): I congratulate my hon. Friend on obtaining this Adjournment debate—she is using the opportunity to debate this issue with her customary skill. I want to add my voice to her assertion that there is a crisis of confidence in hospital provision in north Durham. We want to hear from the Minister some reassurance that there will be the leadership necessary to get us out of this crisis. It is a crisis of confidence, not only for those who work in the hospitals, but for patients and for our constituents.

Ms Armstrong: I could not agree more. Indeed, I was about to say that someone has to get hold of this sorry affair and make sure that the people of north Durham get some reassurance. Those people are covered by my constituency, by my hon. Friend's constituency and by the constituency of my hon. Friend the Member for City of Durham (Mr. Steinberg), who is unfortunately unable to be here this evening, but who has been supportive of efforts to ensure that something is done.

Reassurance will not come merely with warm words. The Minister must demonstrate today, first, that the Government recognise the crisis facing the people of north Durham in terms of hospital care and, secondly, that he is prepared to take action. The future of the new district general hospital does not feel secure. I want a commitment from the Minister tonight that the Government still intend to ensure that the PFI for the new district general hospital will go ahead.

Reading the Red Book for last week's Budget, I was concerned to learn that it allows for only half the projects currently being pursued in the health service to proceed over the next three years. That suggests that the Government will allow some to fall by the wayside and that a proposal that is not picked up by the market may not become reality.

That will not do. A new district general hospital for north Durham must not be left to the vagaries of the market. Surely the Government must have projects that they are not prepared to allow to fail. We seek from the Minister an assurance that they are not prepared to see a new district general hospital on the Dryburn site fall by the wayside because the contract is not right or because they cannot reach a private finance initiative agreement at this stage.

What will the Government do to ensure that the necessary developments outlined in the letter from Dr. Robson take place? Before more services are moved from Shotley Bridge to Dryburn, we need to be sure that Dryburn is capable of receiving those services, delivering them effectively and caring properly for patients who will go there.

What will the Government do to ensure that there is an opportunity for the development of the community hospitals at Chester-le-Street and at Shotley Bridge? Dr. Levick, general practitioner in Consett, has done some excellent work for Shotley Bridge. Following wide consultation, he put together an excellent proposal for a community hospital which, if it is able to proceed, will become a model of its kind for the next 20 years. I seek reassurances that the Government understand the need for that facility and are determined to ensure that it will come into being.

We raise the issues in the House because of the real anxieties of our constituents. Recrimination does not take us forward, and we need to go forward. I cannot impress on the Minister too strongly the need for urgency. People in our area should have a health service that they can rely on and have confidence in. I am sorry to say that that confidence is ebbing away. It is our responsibility, in the positions that we hold as representatives of the people, to be the guardians of the health service.

I believe that the Government have let down the people of north Durham. Our constituents deserve better and I hope to hear from the Minister tonight that they will get better.

8.21 pm

The Parliamentary Under-Secretary of State for Health (Mr. John Horam): I acknowledge the persistence of the hon. Member for North-West Durham (Ms Armstrong) on this issue, and her grave concern about the provision of hospital facilities in her part of Durham. I also acknowledge the concern of the hon. Member for North Durham (Mr. Radice), who intervened in her speech.

May I first say something about the accident and emergency service and relate some of the history of this matter? In March 1995, Ministers approved the closure of the accident and emergency department of Shotley Bridge hospital, where about seven of every 10 patients were treated for purely minor injuries, and approved its replacement by a nurse-led minor injuries unit.

That followed more general public consultation on the proposed reconfiguration of services between Shotley Bridge and Durham. The A and E department dealt with 18,000 attendances each year, well below the threshold recommended by the British Association for Accident and Emergency Medicine. That agreement followed more general public consultation covering proposed reconfiguration of services between the two hospitals.

All serious cases are now redirected to North Durham trust's main A and E facility at Dryburn hospital. However, in conjunction with the changes, North Durham trust did the following things. It appointed an additional consultant to the A and E department at Dryburn; upgraded the A and E department at Dryburn at a cost of £1.25 million, to provide increased facilities such as resuscitation bays; and installed a high-technology communications system—telematics—to link the two hospitals at Shotley Bridge and Dryburn.

The hon. Member for North–West Durham will concede that ambulance services have responded well. There are now paramedics on every emergency ambulance in the Consett area, and a high-dependency paramedic unit is stationed in Consett. It is equipped to allow paramedics to fax ahead vital information to Dryburn hospital.

The trust also issued leaflets explaining those changes, to help people understand them and to help the Shotley Bridge minor injuries unit to receive cases that it would be appropriate to treat there.

Ms Armstrong: I did not want to intervene, but it would be exaggerating to say that Members of Parliament feel that the ambulance service is doing everything well. There have been several hiccups. Although we want to demonstrate our confidence that the Durham ambulance service will in the long run get it right, we have not been altogether satisfied. We have had to deal with some very difficult issues in the past few months.

Mr. Horam: I take the point that some cases may have been less than satisfactory, but I am describing the new arrangements that have been made, and I believe that, in general, the performance of the ambulance service has been very good.

I recognise also that recently there has been concern in Durham because, as the hon. Lady said, some non-urgent patients have had to wait longer than usual for treatment at the A and E department. The North Durham acute trust has recognised that, as she said, and has acted speedily. In any case, it had always planned to review the A and E changes after six months.

The trust set up an internal review of its A and E department, and it will act quickly on many of the recommendations from the action plan produced by the review team. These proposals include: improvements in staffing of the A and E reception, so that nurses can use their time more productively; the appointment of a senior nurse to act as a nursing leader for the A and E department; and improved nurse staffing levels.

Contrary to what the hon. Member for North–West Durham said, the trust has allocated extra funding to cover the cost of those improvements until the end of March. It is also implementing a wide range of measures to improve communications with patients and prevent delays for patients awaiting admission.

The trust's chief executive recently emphasised that those improvements were being made. Last week he said:

"Despite the fact that the A and E department is treating an increasing number of patients, the overall quality of medical care provided is extremely high. It is important to remember that all emergency cases have always been dealt with immediately and this will continue to happen".

So we should keep in mind the fact that patients do receive high-quality care in the A and E department of Dryburn hospital. The minor injuries unit at Shotley Bridge hospital is still capable of treating the vast majority of cases that previously went to the former A and E department there. Moreover, the new enhanced service represents a safer alternative for some seriously ill patients.

The hon. Member for North–West Durham mentioned the future role of Shotley Bridge hospital. I understand her worry about that. I understand the anxiety of local residents. As she knows, the Shotley Bridge working party was set up in 1995 partly in response to local concerns about the proposed new role for Shotley Bridge hospital. She is familiar with the history of the development of Shotley Bridge hospital, and I believe that the way in which it is developing has been perceived as very progressive by local opinion.

I am pleased to note that the leader of Derwentside district council, Alex Watson, is a non-executive director of Community Health Care: North Durham NHS trust—the trust that is playing a leading role in the development of Shotley Bridge hospital. His concern and knowledge will be valuable in that context.

I shall now discuss the matters of concern.

Mr. Radice: I understand why the Minister would not want to mention it tonight, but will he ask his Department to inquire how the plans for a new community hospital in Chester-le-Street are developing? Perhaps the Minister would write and give me a progress report.

Mr. Horam: I am happy to give the hon. Gentleman that assurance and I will write to him, having investigated the state of play on the Chester-le-Street community hospital.

At the end of July, the hon. Members for North Durham and for North–West Durham visited me to discuss the important and innovative scheme for Dryburn. The hon. Lady then vigorously explained the need to update the facilities and I know that there is considerable local support for the scheme.

It is fair to say that the hon. Lady emphasised her enthusiasm for the proposals going ahead at Shotley Bridge, transforming it into a community-style hospital that would work in parallel with the Dryburn scheme. I can well understand her frustration and her wish that a new hospital be developed at Durham. I too would like—and indeed expect—progress to be made, but it is necessary for the scheme to pass through a rigorous process to obtain an affordable, high-quality hospital, which is good value for money and provides excellent facilities. The project is worth about £65 million. The hurdles that it must surmount are not particularly unusual and are generally overcome. The PFI route for North Durham also offers the opportunity to construct new facilities in one phase rather than via a phased development. One of the advantages of the PFI system is that everything can be done at once. As the hon. Lady and the hon. Gentleman will be aware from their experiences in north Durham, hospitals constructed via the public route often involve one, two, or three phases which can disadvantage the local community.

The hon. Lady voiced her strong concerns about the future of the PFI scheme in Durham. I am assured that the trust and the County Durham health authority are working jointly on measures to bridge the "affordability gap". The next step will be for the trust to finalise the full business case for the project and ensure that it has health authority agreement. I give both hon. Members this assurance: I am personally involved with the case and I know that all the parties concerned locally—the trust, the health authority and the regional arm of the national health service executive—are working extremely hard on the project.

As Minister responsible for PFI schemes, I assure the hon. Lady that the project remains a high priority. It is one of the leading PFI schemes and it enjoys my full

[Mr. Horam]

support and attention. Obviously I cannot guarantee its success, but it will not fail for want of trying. We are convinced of the need for a new hospital in Durham and we believe that we are on course to achieving that. There is no reason why it should not be accomplished within the timeframe that I mentioned. The project does not lack the necessary support and leadership, and I shall be dedicated to it while I remain the Minister responsible.

The hon. Lady said that the transfer from Shotley Bridge to Dryburn should not take place without adequate improvements to the hospital at Dryburn. In a sense, the PFI scheme and those improvements are linked. I also recognise the point made by Dr. Robson in his letter that the improvements are necessary on clinical grounds. They will go forward on clinical grounds, as the financial grounds are not strong. Clinical needs and patient care are the important factors driving the improvements at Dryburn. I recognise the hon. Lady's assertion that coronary care, intensive care and extra operating theatres are the three key issues around which the improvements revolve. I hope that I have reassured the hon. Lady that the scheme does not lack priority: it will go ahead if the parties who are currently working extremely hard continue to do so.

Finally, I turn to the overall position of the health authority. The hon. Members will be aware from the letters that they have received in the past week or so that the health authority received an integrated allocation for next year of £295.7 million—which is a £6.4 million real cash increase and a 2.3 per cent. increase. They will know that Durham is an under-target health authority: its budget is below what it would receive normally. Therefore, it will continue to receive above-average increases in revenue, year on year, until it reaches the target level. At present it is about 1.6 per cent. below the target—which is not a lot—so it will benefit in future years.

We intend to try to raise all health authorities in the country to the correct revenue levels steadily, year on year. We cannot achieve our objective in one year, but we shall reach our target over time. The health authority is in a promising position as it will receive the revenue necessary to deal with some of the immediate problems facing the trust. For all those reasons—first, the commitment of the PFI scheme; and, secondly, the situation facing the health authority—the hon. Lady has reason to be optimistic.

Question put and agreed to.

Adjourned accordingly at twenty-six minutes to Nine o'clock.

House of Commons

Friday 6 December 1996

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Trade and Inward Investment

[*Relevant documents: The White Paper on Free Trade and Foreign Policy: a Global Vision, Cm 3437, and the Report from the National Audit Office on Overseas Trade Services: Assistance to Exporters, of Session 1995–96, HC 293.*]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Conway.]*

9.34 am

Mr. Dennis Skinner (Bolsover): On a point of order, Madam Speaker. With the Government in turmoil, as they are now, what would be the precise arrangements for telling the House if the Chancellor of the Exchequer were sacked over the weekend? Would we be the first to be told about the sacking? *[Interruption.]* It is very important to next week's agenda, because the Chancellor is due to speak in the House—

Madam Speaker: Order. That is not a point of order. The hon. Gentleman is trying to deal with a hypothetical situation. I think that we had better get on with our Adjournment debate.

9.35 am

The President of the Board of Trade and Secretary of State for Trade and Industry (Mr. Ian Lang): I welcome the opportunity of this debate to address the important subject of trade and inward investment, as I am sure does the whole House. The story is a good one. We are exporting more than ever before in our history, foreign investors are flocking to locate in Britain, and Britain is leading the world as a global champion of free trade. The debate centres on Britain's place in the world today, which is the envy of Europe.

The reasons for the astonishing success are clear: over the past 17 years, the Government have taken tough decisions, brought our economy up to date, and pursued policies based on a clear set of principles—Conservative principles of free enterprise, free competition and free trade. We pursued those policies in the face of constant opposition from the Opposition parties, and how foolish they now look for that opposition—in the eyes not just of the British people but of the world—because the world looks up to Britain; it takes Britain as a role model, whereas under the previous Labour Government, we were a laughing stock.

I invite the House to consider our export performance. We are selling more goods and services to the rest of the world than at any time in our history—more than when half the world was coloured pink or when Britain was the cradle of the industrial revolution, making things that no other nation could make. With just 1 per cent. of the world's population, we are the fifth largest trading nation. We export more per head than either Japan or the United States, and those exports are growing all the time. Manufacturing exports have almost doubled since 1979. Only last week, my right hon. and learned Friend the Chancellor of the Exchequer announced that our exports were up by 8.5 per cent. on a year ago—more than double the world economy's rate of growth.

We have halted a long-term decline in Britain's share of world trade, and we have done so in the teeth of unprecedented competition from all over the world. As trade barriers have fallen and developing countries have burst on to the world stage, the fight becomes tougher each year. We are not only fighting, but winning: our share of world trade is increasing faster than that of France, Germany and Japan. I want it to grow further. It is already growing further in many parts of the world. Last year, our market share grew in five out of the six eastern European markets and in half the middle east and north African markets.

The reason why we are exporting more is that our goods and services are competitive all over the world. That position of fundamental strength gives me great cause for optimism about the fact that our performance can and will be sustained, provided that we do not change our policies. We are doing well where it counts—not just in the European Union, important though that market is. We are well placed in the world's most rapidly expanding export markets. Last year, British exports to Japan increased by 26 per cent. and to the Philippines by 22 per cent. We have a current account surplus with Japan of almost £1 billion and with the Asian tiger economies of more than £3 billion. In the past three years, British exports to India have risen by more than 80 per cent. It is no wonder that our position is increasingly the envy of the world.

Back in the 1970s, our economy was weighed down by declining industries, often underwritten by massive state subsidies. Any exports from those companies meant exporting taxpayers' money as well as the products themselves. That was untenable. But now, the sectors that are driving Britain's exports are the world's growth sectors, which need no such subsidy from the taxpayer. We are global players in new technology—we are now Europe's biggest exporter of computers, of microchips, of television sets. Our media industry now earns more for us than the lumbering behemoths of nationalised industries ever did.

Mr. Tim Smith (Beaconsfield): Will my right hon. Friend confirm the figure that he gave just now? If it is correct that we have a £1 billion current account surplus with Japan, that is a remarkable transformation. Only a few years ago, it seemed virtually impossible to export to Japan and there was a huge flood of Japanese imports into this country. Now, we have fantastic Japanese investment here, plus British exports to Japan.

Mr. Lang: My hon. Friend is absolutely right, and the picture is reflected in many other markets around the world.

We are now selling not only manufactured goods, but expertise—British know-how—all over the world. Only yesterday, I hosted a major conference at the Department

[Mr. Lang]

of Trade and Industry, when delegates from all over the world came to hear about the British experience of privatisation. They met, among others, British banks from the City of London that are imparting their expertise on privatisation in every continent.

Those privatised companies—which, as nationalised industries, were a national disgrace—are now international winners. They are almost invariably represented on the trade missions, which I and my ministerial colleagues lead, and I can tell the House from first-hand experience that they are among the most warmly welcomed by our foreign hosts, who are eager to do business with them—and excellent business they do. The companies that we privatised not only pay significant sums in tax every year—what a turnaround that is—but they now account for 10 per cent. of our exports. They are genuine, competitive exports, not subsidised by the British taxpayer. But still the Labour party, almost alone in the world, opposes privatisation.

Everywhere one goes around the world, one finds British goods and services being sold. Sometimes they dominate whole industries. Some hon. Members may follow motor racing and the Grand Prix circuit—the epitome of diverse international competition, one might think, but not a bit of it. Of the 22 formula one cars that started in the main Grand Prix this year, 18 were designed and built in Britain. What about the all-American Indy car circuit? Every car in this year's Indy 500 race was designed and built in Britain. At whatever position Damon Hill or David Coulthard take the chequered flag, we can be sure that Britain will be up among the winners every time.

It should be no surprise that British exports are booming. We have always been one of the world's great trading nations. The trouble is that for much of the post-war period, the venturing instincts of the British people were suppressed. They were weighed down with burdens on business, with taxes, with rules and regulations. We have liberated British business from the shackles of Government intervention, burdens and socialism. We have released the venturing instincts of British businesses—large and small.

Mr. Nigel Evans (Ribble Valley): I am grateful to my right hon. Friend for giving way and, obviously, proud of the United Kingdom's tremendous achievement in attracting so much inward investment. On the subject of bureaucracy and red tape, one factor that adds costs to business in the rest of Europe is the social chapter. If the 48-hour working time directive were imposed on Britain, the Labour party would embrace it—it does not mind having extra costs heaped on businesses and the subsequent unemployment that that creates. What progress is my right hon. Friend making with negotiations with businesses in this country on the impact of the imposition of the 48-hour working time directive on employment in this country?

Mr. Lang: My hon. Friend is right and puts his finger on a particularly important distinction between the Conservative party's approach to burdens on business and that adopted by the Labour party. If my hon. Friend can bear with me, I shall develop that theme a little later in my speech. I shall be publishing a consultation paper on the working time directive later today.

The House will wonder how we have managed to achieve the turnaround and release the venturing instincts in British business. We have done so, first, by creating a stable and growing economy, which is blessed with low inflation, low interest rates and falling unemployment. My right hon. and learned Friend the Chancellor's Budget, which the House finished debating earlier this week, was living proof that we shall continue to run the economy in a sound, prudent way, while being true to our instincts as tax cutters and proponents of small government. My right hon. and learned Friend was able to point to low inflation, falling borrowing and strong growth; he was also able to cut taxes for individuals and companies alike. Next year, the average family will be £1,100 better off than at the previous election. We promised, and we delivered.

But a stable economy is not all that we have created. We have restored the competitiveness of Britain and so, by consequence, the competitiveness of British exports. Costs are low and burdens on business are kept to a minimum. In Britain, the average employer must add 18 per cent. to wage bills to cover social costs. In Germany, the figure is 32 per cent., in France it is 42 per cent. and in Italy it is 44 per cent. Those high costs mean low competitiveness, so it is no wonder that our exports are doing well. I shall say a little more about our inward investment record in a moment, but it is significant that foreign companies come to Britain in order to export. Some 40 per cent. of our exports are accounted for by inward investors.

Let us consider Cohline—a German manufacturer of automotive fuel lines and hydromatic components. It has built a new factory in Thanet for manufacturing and it exports 95 per cent. of its output back to Germany, where Cohline has important contracts with major German car makers such as BMW, Daimler Benz and Volkswagen. And 300 other German companies, including Siemens and Bosch, have also come to Britain to manufacture and export their goods. Our exports are booming as our burdens are low, and because we are becoming the enterprise centre of Europe.

Mr. Skinner: If everything in the garden is lovely, why, in the 17 years that the Tory Government have been in power, has the manufacturing base in Britain been reduced by nearly 40 per cent? Until 1983—shortly after a Labour Government were in power—we had a surplus of manufacturing goods in Britain. But now, despite the fairy story that this tin-pot Minister is trotting out this morning, his own statistics, from the Office for National Statistics, show that there was a current deficit on trade in goods in the third quarter of 1996 of £2.7 billion—those are the latest figures available. Over the past 13 years, the Tory Government have transformed the surplus on manufactured goods, which Britain proudly held during the period of a Labour Government, to one of continuing deficit, year after year after year.

Mr. Lang: Clearly, the hon. Gentleman did not hear the figures that I gave the House earlier. Is he aware that manufacturing industry has been growing in the past few years? We have increased employment in manufacturing by 150,000 jobs in the past three years. We now manufacture more than we ever did under any previous

Labour Government in our history. That is the turnaround that we have achieved in this country. The Government play an active part in helping exporters into new markets.

Mr. Michael Stephen (Shoreham): Does my right hon. Friend agree that there is sometimes a problem of definition of what we mean by manufacturing? Is the creation and development of software regarded as manufacturing or as the provision of services?

Mr. Lang: My hon. Friend makes a good point. There has been a definitional change. Many manufacturers have now subcontracted many of their processes to outside industries that are regarded as service industries—one such industry is transport. Despite the change in the structure of the definitions, our manufacturing output has expanded dramatically, our productivity has doubled in the lifetime of this Government and exports are at an all-time record. That is the telling picture that we are now able to present to the British people.

We in government play an active part in helping our exporters into new markets. I and my ministerial colleagues have taken thousands of British business men, from large and small companies, on trade missions to open up new markets for our exports. Everywhere we go—from Mexico to Mauritius, from China to South Africa—we are welcomed with open arms and with respect for the new competitiveness and quality for which Britain is now renowned.

Our embassies and consulates abroad now know that promoting Britain's commercial interests is at the centre of their mission. Our best overseas embassies are true launching pads for British industry. We operate a joint export promotions directorate with the Foreign Office so that we can work together to best advantage. In the Department of Trade and Industry, we have specialised country desks for export promotion, where businesses that want to export to a particular part of the world can get rapid, expert advice, often provided by people seconded from top private sector companies who have particular knowledge of the market or industry that they are helping.

Small firms are a particular priority for us. The business links network operates a national network of export counsellors, who have a specific responsibility for helping small firms to boost their export effort.

I believe in small government and would not operate those schemes if I was not absolutely convinced as to their value for money, but that value is irreproachable. In April this year, the National Audit Office published its report on our overseas trade services. Analysing our work in four key south-east Asian markets, the report found that £4.5 million in public spending had helped to generate an extra £345 million of additional business—in other words, every pound we spent generated £77 in additional exports for Britain.

Britain's export performance is now nothing short of spectacular and the world knows it. It is clear that without those policies, that success would be a world away, as it was during the 1970s under the previous Labour Government. The world is backing Britain by buying more of our goods and services than ever before; but the world's business community is paying us an even greater compliment by coming to locate its businesses here and doing so in record numbers.

Since 1979, the Invest in Britain Bureau has registered nearly 5,000 separate inward investment projects, and the exciting point is that that trend is accelerating. An inward investment bandwagon is rolling for Britain as the reputation of this country grows and companies look enviously at the performance of their rivals that choose to locate here. Last year, for the third year running, we increased the number of inward investment projects into this country. We had 487 successes—more than one a day—all choosing to locate in Britain. The investment grows and flourishes. Today, two new inward investments are about to be announced—one in Scotland, and one in Wales.

We are top of the European league for inward investment. We win a third of all inward investment into the European Union from the rest of the world. We win some 40 per cent. of all Japanese and American investment into the European Union and 50 per cent. of investment into the EU from Canada. For the world's fastest growing economies—the Asian tigers, such as Korea and Taiwan—Britain is the investment base of choice: we have more than half of all their investments in Europe.

Indeed, two of the most spectacular investments of 1996 have come from Korea. In July, the LG group announced Britain's largest single inward investment to date in terms of job creation, with its plans to spend £1.7 billion on two manufacturing plants in south Wales and so create some 6,100 jobs. In October, Hyundai announced that it would spend £2.4 billion on two microchip manufacturing facilities in Scotland, bringing 2,000 new jobs. If I had time, I could give many more examples and describe how every part of Britain is benefiting from the surge in inward investment, but let me illustrate the point by focusing on the effect of inward investment on one sector—the motor industry.

Last month, I was delighted to be able to announce confirmation by the BMW group that its new generation engine, the NG4, would be built in the west midlands. That £400 million project will safeguard 1,500 jobs at Rover and 5,000 more in the components supply industry. It was magnificent news, ensuring that we have a vibrant, world-class car manufacturer in the midlands with the strategic capability to design and build engines—the first plant outside Germany to build BMW engines. Land-Rover's commitment to a new sports vehicle and Rover's to the new Mini, and the recent investment decisions by Nissan and Vauxhall and by Proton of Malaysia, reinforce that picture of success.

What are the benefits of the riptide of inward investment? First, it brings jobs: since 1979, inward investment has brought over 800,000 associated jobs and the pace is quickening. In the past three years alone, 289,000 jobs have been created or safeguarded and last year the figure was around 100,000. Jobs resulting from inward investment are making a big contribution to the fact that unemployment in Britain—just over 7 per cent. and falling—is more than 4 per cent. lower than the EU average.

Mr. Skinner: Is the Minister aware that a couple of weeks ago, on 17 November, an editorial in the *News of the World*—a Murdoch newspaper—said that the Government's figure of just over 2 million unemployed was totally false? The newspaper had carried out a survey, which showed that there were 4.1 million people out of work—about 2.1 million were claiming unemployment benefit, but a further 2 million were either claiming other forms of benefit or not receiving any benefits at all.

[Mr. Skinner]

The truth of that calculation is amplified by a survey in Bolsover, which discovered that 50 per cent. of the population were out of work in the ex-mining villages in three wards of my constituency, because not a single pit is left and there is hardly any work to be had. Not only are Labour Members saying that the Government's unemployment figures are false, but Tory newspapers are now saying out loud that the figures are false. There are more than 4 million people out of work but, sadly, only slightly more than 2 million receive unemployment benefit.

Mr. Lang: I can understand the hon. Gentleman's sensitivity about unemployment, given the previous Labour Government's appalling record on job losses. The unemployment count carried out in this country is supported by broadly comparable figures from other surveys, including international ones.

Jobs are not the only benefit of investment. Investment improves our capacity to compete in the future. More than £11 billion of capital expenditure was brought to the United Kingdom by foreign investors in 1995. New techniques are introduced into British industry by foreign investors. Major projects give rise to a flurry of activity among small and medium-sized firms, which act as suppliers to larger companies. Competition is enhanced by expanding the number of players in the domestic market, leading to more choice for consumers. Whole swathes of the country have been regenerated by inward investment, which has often been based on redeveloping derelict sites.

Why do overseas companies choose to locate in Britain? They do so because, during the past 17 years, we have been building the enterprise centre of Europe here. In the words of Jan Timmer, president of that great Dutch company, Philips:

"The most competitive country in Europe today is the United Kingdom . . . The factories we have in the UK are the most changed factories in the world".

I spoke earlier about our flexible labour market, with low burdens on business; and about our stable economy, with low inflation and low interest rates. We have also transformed industrial relations in this country. Our strike record under the previous Labour Government was a national disgrace, but through a series of step-by-step reforms of our industrial relations law, we have brought order, and indeed harmony, to labour relations here. The number of days lost to strikes is now less than one twentieth of the level that we inherited from the previous Labour Government, and that helps to bring inward investment—and jobs—to Britain. One of this country's big inward investors has cited our improved industrial relations as one of the attractions.

Not only does Labour have a shameful record on strikes when in government; it has an equally shocking record when in opposition. The Labour party opposed each and every one of the trade union reforms that foreign companies endorse so warmly. If we had had a Labour Government during the 1980s, we would still have secondary action and flying pickets, the closed shop and car park mass meetings instead of secret ballots, and a strike rate way above that of our competitors.

More than 70 per cent. of strikes are now in the monopoly and public services. Last summer, millions of ordinary people suffered severe disruption at the hands of strikers in the London Underground and in the Royal Mail. What was Labour's response? A sponsored silence in support of the strikers—some comfort for the victims of those strikes, the general public, and some comfort for the potential inward investor attracted to Britain. The Government are prepared to ensure that such disruption does not plague Britain.

It is significant that many of our inward investors—an increasing number—are coming to Britain from continental Europe. They are fleeing from the burdens on business, the over-regulation and the high taxation that continental Governments are imposing.

Mr. Stephen: Does my right hon. Friend agree that the working time directive has nothing to do with a shorter working week, but is just an attempt by the unions to get more money for the same or even less work, and that such socialist and corporatist nonsense is making continental Europe uncompetitive?

Mr. Denis MacShane (Rotherham): Make them work longer—a 56 or 64-hour week.

Mr. Lang: My hon. Friend is right. The working time directive, like many of the other burdens on business, is not to do with health and safety but is to do with social engineering—*[Interruption.]*

Madam Deputy Speaker (Dame Janet Fookes): Order. If the hon. Member for Rotherham (Mr. MacShane) wishes to intervene, I am sure that the Minister will take account of that, but repeated sedentary interventions are not in order.

Mr. Lang: It is because continental Governments are imposing over-regulation and burdens on their business that so many of the companies from those countries are locating in this country.

Some hon. Members may be aware of the case of Mr. Olivier Cadic. He is a French business man who, earlier this year, announced that he planned to move his business—a high-tech graphics company—to Ashford in Kent. He said that high social costs in France were pricing him out of his market. He is not alone. The inward investment agency Locate in Kent has helped 33 foreign companies set up business in that county in the past year alone.

Continental employers know that burdens on business are destroying their competitiveness. They plead with their Governments to get rid of them. Hans-Olaf Henkel, president of the German employers federation, the BDI, said:

"we have too rigid labour laws. We have too high social costs and taxes. We work the shortest week in Europe. The German government spends 50 per cent. of GDP as opposed to 42 per cent. in Britain. No wonder we have a problem."

From our position of strength in the world—through trade and inward investment—we are able to be at the forefront in advocating multilateral free trade. The Government have the vision to recognise that globalisation—the increasing integration of economic activities throughout the world—means that the United Kingdom has no choice but to trade on a global scale. The growth in trade in goods has been phenomenal, increasing

more than 14-fold since 1950. That has brought us enormous benefits, because about a quarter of our gross domestic product comes from trade in goods and services.

I want Britain, from that position of strength, to lead the world in promoting free trade. We did that in Europe; the single market was largely a British initiative and our leading role helped to galvanise other nations into action. Now is the time for Britain to turn evangelical in support of global free trade.

I am leaving for Singapore today, to pursue Britain's liberalising agenda, with more than 100 Trade Ministers from throughout the world, at the first ministerial conference of the World Trade Organisation.

Mr. MacShane: The President of the Board of Trade is now off, with a bevy of advisers, for a week in the sun in Singapore. We all wish him well on his trip and hope that he has a nice holiday, but is it not a scandal that Britain is being evangelical? A century ago, William Wilberforce took the lead in abolishing slavery, but the Secretary of State is going to the sun in Singapore to veto efforts to ban child labour in the context of World Trade Organisation discussions—efforts led by America, France and other progressive evangelical countries. It is a scandal that he is going there to veto efforts to place child labour on the WTO's agenda.

Mr. Lang: The World Trade Organisation is a trade organisation, not a social organisation. It is responsible for ensuring trade liberalisation, not for seeking to impose obligations on emerging economies. The best way to help economies that are emerging and that wish to raise their labour standards is to trade with them, so that prosperity spreads to those countries. I shall be in Singapore to support the agreed line of the European Union on trade and labour issues.

Our hand at the Singapore conference will be strengthened by our membership of the European Union. As members of the world's largest trading bloc, we have massive influence on international trade issues.

At next week's conference, I shall press for three priorities: first, a substantial work programme to carry forward trade liberalisation in the WTO; secondly, the completion, at least in outline, of an information technology agreement aimed at the progressive elimination of tariffs on IT products; and thirdly, real progress on negotiations to liberalise telecommunications services.

The information technology agreement will mean lower costs for users and manufacturers and it will help businesses to export. It is estimated that that agreement will benefit British industry by at least £200 million a year. That is a win-win objective in a sector of enormous importance globally, the backbone of developed and developing economies alike. Likewise, the potential gains from a world telecoms deal are huge.

We gain when both we and others open markets. For that reason, we want to secure a substantial work programme to tackle the barriers to trade that confront our companies in global markets. Our priorities offer the best prospect of real liberalisation for British industry and consumers. Let me expand on a few of them.

We want Government procurement to be opened up globally. That accounts for a substantial proportion of economic activity—as much as 10 to 15 per cent. of GDP in the European Union and in the United States—but large volumes of trade involving central and local government and nationalised industries are protected. We must ensure efficient use of what is, after all, public money.

We recognise that import and export regulations and procedures incur considerable costs for our businesses. The United Nations Conference on Trade and Development has estimated that compliance with regulations averages as much as 10 per cent. of the value of world trade in goods. We want work to take place to simplify such procedures and cut costs.

Business continues to tell us that one of its biggest worries is that standards and technical regulations often differ regionally and nationally. Again, we need to focus work at an international level.

EU exporters are losing an estimated £2 billion a year on piracy of software, books and compact discs, to name just a few items. We would gain from measures in the area of intellectual property rights and we shall seek to make progress there.

Our record of success in investment—inward and outward—means that it is vital for our companies to be able to make their investment decisions confidently, at home and overseas. We are committed to working for liberal and open markets in investment world wide. To both British business and the Government, work in the WTO on trade and investment is a priority.

I have spoken about our record on inward investment, but I want to make it clear that outward investment is advantageous, too. Recently, someone said to me, on a very public platform—she is not here today, so I shall not name her—that the fact that we have record flows of investment overseas shows Britain to be in a decrepit state. I was flabbergasted at the scale of that incomprehension, because nothing could be a greater endorsement of the success that Britain enjoys than the fact that our self-confident investors are buying and setting up businesses and making money throughout the world.

For free traders, trade is not one-way. Just as wishing to export but not to import is a sign of a protectionist mentality, wanting to be the recipient of investment without wishing to engage in it betrays a fundamental lack of understanding of the virtues of trade. People should be free to find the best opportunities, the best markets, the best investments anywhere in the world, without constraints. In that way, people can make the fullest use of their skills and resources; competition can ensure maximum efficiency; people can enjoy the choice and diversity that the whole world offers; and the quantum of economic activity, and thence employment, increases.

Britain does extremely well out of its overseas investments. Last year, British companies earned nearly £25 billion from the total stock of outward direct investment of £214 billion—an extremely high rate of return. In fact Britain receives more income, and more interest and dividends, from its ownership of companies overseas than it pays out to those who own companies in Britain. The surplus is approaching £10 billion.

Outward investment benefits Britain in other ways, including our exports. The Government commissioned a major study by KPMG to study the effects of outward investment. Its principal findings were that, for most companies, overseas investment is driven by market expansion and development. Other companies sought to

[Mr. Lang]

improve service to existing customers overseas, or to establish a regional hub from which to expand further an existing overseas market.

One example that I came across recently on a visit to Mexico was that of a United Kingdom manufacturer of high-tech equipment. Having successfully built up an export market for its products there, that company is considering building a production facility in Mexico, which would enable it to expand its marketing effort to include north America and perhaps Latin America.

Such investment brings benefits to the British companies involved and, therefore, to the United Kingdom as a whole, in ways that could not be achieved simply through exporting goods. Closeness to one's market and the ability to respond to changing customer requirements, as well as local good will, are vital to success. The KPMG study concluded that, far from displacing trade, such investment enhances it overall.

The assertion by some that outward investment is simply "exporting jobs" is simply not true. The KPMG survey found that in only a very few cases of outward investment was production moved overseas to reduce input costs. It found no evidence that investment overseas displaced British production and employment levels, domestic and export sales, or quality of service to existing customers. Indeed, the evidence showed that many outward investments were accompanied by increases in sales and production from British facilities.

The benefits of a liberal international investment regime are palpable. But the core of my thesis today is the proposition that inward investment and outward investment, linked to an export drive, can help to form a golden triangle of prosperity for Britain, each interacting with and benefiting the other.

Another return from the high level of overseas investment is the establishment of a depth of experience in a wide range of markets. That has made a significant contribution to the success of sales of British financial and advisory services abroad.

In short, investment abroad, wherever there are opportunities that are not matched at home, enables British resources to be used more efficiently and increases our national income. So although attention is often focused on the success stories and benefits of inward investment, I want to make it clear that I regard outward investment, too, as a source of major benefit to the British economy. Cross-border investment brings advantages to both sides. That is why overseas companies come here and why British companies look overseas, as well as at home, for opportunities. Both forms of investment help our exports.

Mr. John Butterfill (Bournemouth, West): Is it not also true that where we make overseas investments, which our Select Committee on Trade and Industry has been anxious to promote, British companies that manufacture overseas source their components and raw materials from here, thereby increasing our exports?

Mr. Lang: My hon. Friend is right. He makes an additional point in support of the general thesis that I am advancing. I am grateful to him.

Mr. Christopher Gill (Ludlow): Before my right hon. Friend moves off the question of investment, does he agree that there is a danger in always stressing inward investment as if it was the panacea for all ills? Does it not tend to send the wrong message to domestic investors if the Government and politicians talk all the time about inward investment? What the country should be talking about is investment of all sorts. As I hope to have the opportunity of saying later, not all inward investment is as good as it is cracked up to be. So I urge my right hon. Friend in his pronouncements to be even-handed between outward, inward and domestic investment.

Mr. Lang: My hon. Friend is right. That is the point that I have been seeking to make. Inward investment is important, outward investment is important and, of course, domestic investment is important. Indeed, some 60 per cent. of all the regional selective assistance grants that my Department makes go to domestic companies that are expanding or relocating their activities. The point is that investment of whatever kind can be encouraged only by the creation of a stable economic framework such as has been achieved by the Government.

We are negotiating in the Organisation for Economic Co-operation and Development to conclude the multilateral agreement on investment. It will be the first multilateral, comprehensive and legally binding investment agreement. It will break down barriers, protect the rights of investors and provide effective dispute settlement procedures.

We are rightly proud of our record in promoting competition. We see that it is necessary to begin looking at competition issues on a global scale. We would welcome exploratory work on trade and competition in the World Trade Organisation. The United Kingdom is also working hard to help clarify the complex relationship between trade and the environment, and wants work to continue.

Another issue for Singapore will be how we give direction to the WTO's work on services. We are working, therefore, for a new financial services agreement to involve all major players. We are also keen to achieve results on professional services.

So overall, we are determined to see a successful outcome from the Singapore WTO ministerial conference, setting in train a comprehensive work programme on the broad front of core liberalisation issues. That programme can then lead into the launch of a new multilateral trade negotiating round, which should be launched before the end of the century, to deliver a further substantial liberalising package before 2010.

The ultimate goal beyond that should be a commitment by WTO members to global free trade by 2020—a plan set out last month in the White Paper on free trade and foreign policy, published jointly by my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs and myself.

Global free trade will bring huge benefits to the world economy and raise living standards. Those benefits will be, for consumers, lower prices, wider choice and better-quality products; and for producers, open markets to allow our companies to expand their operations and increased competitiveness from access to competitive sources.

Under the Conservative Government, Britain is riding high in the world. We have record exports; the world is buying our goods. We have record inward investment; the world is choosing to locate in Britain. We are leading the world in the cause of global free trade, just as we led Europe in the cause of the single market. Where once Britain was avoided lest the British disease of strikes and low productivity be contagious, today we set an example to the world.

The policies that we have pursued during the past 17 years have brought about that transformation. We took tough decisions. We reduced taxes and burdens on business. We improved industrial relations. We promised success, and we are delivering success. We are making Britain the enterprise centre of Europe.

The Government promised, and the Government are delivering, and we are the only party that can offer the United Kingdom continuing success, because we are the only party with the track record, the policies and the principles that can deliver it.

10.16 am

Mr. Stuart Bell (Middlesbrough): I am grateful to the President of the Board of Trade for the debate today on trade and inward investment. I apologise to you, Madam Deputy Speaker, to the President of the Board of Trade and to the House for the absence of my right hon. Friend the Member for Derby, South (Mrs. Beckett). She is unable to be here today, but I shall make some of the points that she would have made and, of course, I shall develop my own themes.

We have two Governments at the moment—a Government in situ and a Government in waiting. We have a Prime Minister who daily reconstructs the chaos theory of politics. We had a clear and precise statement on Tuesday from the Dispatch Box that the Government's policy on the single currency—I am glad to see that the hon. Member for Ludlow (Mr. Gill) is in his place and will seek to speak in the debate—would be unchanged: the Government would fight a general election with the offer of referendum to the British people. We were told that the Prime Minister would not rule out entirely the single currency, but hardly does he make that statement from the Front Bench than Back Benchers in the 1922 Committee meet upstairs and say clearly—

Mr. Stephen: The hon. Gentleman was not there.

Mr. Bell: I did not need to be there because they told me on television this morning what was said. The Prime Minister says one thing from the Dispatch Box and his Back Benchers say something else in the 1922 Committee. We know that prospective Conservative parliamentary candidates are against the single currency. I notice your stern gaze, Madam Deputy Speaker, so I will get to the point.

As we have a Government in waiting and a Government in situ, it was charitable and generous of Conservative Central Office to let me have its research document on trade and inward investment. I was glad to see the hon. Member for Ribble Valley (Mr. Evans) having a good read of it before he seeks to intervene later in the day. We enjoy the feeling of co-operation that exists.

Mr. Tim Smith: Read it out.

Mr. Bell: We will wait to hear whether Conservative Members read it out and we shall be sure that they stay with the document, with its myths, myths and shibboleths. It is remarkable that this document on trade and inward investment does not mention the single currency. As the President of the Board of Trade is discussing trade and saying that Britain is the enterprise centre of Europe, I should have thought that the single currency would be uppermost in the minds of researchers at Conservative Central Office, but they have not referred to it.

Mr. Skinner: The President of the Board of Trade did not refer to it either.

Mr. Bell: My hon. Friend is right. This will therefore be an interesting debate on inward investment, trade and outward investment, without a great deal of reference to either the single currency or the single market.

Mr. Tim Smith: I am not convinced that the single currency issue is important to Britain's trade. If the hon. Gentleman believes that it is so important, will he say what he and the Labour party think about it?

Mr. Bell: I am always grateful for interventions by the hon. Member for Beaconsfield (Mr. Smith). I have followed his articles in *Accountancy Age* over the years and he and I share a common interest in that subject. He will be pleased to know that, in a Friday debate when we all have time on our hands, I should be glad to go through the issue of the single currency and I shall do so as part of my speech. If he sits patiently he will hear the points that I have to make.

Naturally, the President of the Board of Trade spoke highly of the inward investment programme. I was amused at some of his language: he used the word "spectacular" at least three times and I thought that he was writing a Hollywood script when he went through our inward investment record.

I was grateful for the intervention of the hon. Member for Ludlow because he made a pertinent point. Although we welcome inward investment and will welcome the next two projects to which the President of the Board of Trade referred, the massive outward investment from our country has not necessarily been so helpful. The investment in manufacturing that the Chancellor announced in the Budget was some 6 per cent. of domestic investment in our economy. We need a balance, and the intervention of the hon. Member for Ludlow rectified that balance somewhat.

As I have said, we welcome inward investment. Indeed, it would be churlish to stand at this Dispatch Box and say that the Opposition do not welcome inward investment to this country. It is remarkable—the President of the Board of Trade did not refer to this—that massive inward investment coincided with our signing of the Single European Act 1986. The President referred to the fact that many of the manufacturers coming to this country and investing here are doing so to get the benefit of the single market.

Mr. Gill: The hon. Gentleman will be the first to recognise that a business man deciding to relocate or make a large new capital investment somewhere bears in mind factors other than whether the United Kingdom is

[Mr. Gill]

in the European Union. Those may include the availability of a suitable work force, the motivation of that work force, the conditions that the Government have created whereby labour relations are better than they have been for 100 years, and whether managers can manage. If we are to have a free and frank, and also constructive, debate this morning, the hon. Gentleman will probably concede those points.

Mr. Bell: Far from merely conceding them, I agree with everything that the hon. Gentleman said. If he continues to make interventions like that, I may make him an offer that he cannot refuse. Perhaps he should come over here and sit next to my hon. Friend the Member for Bolsover (Mr. Skinner).

Mr. Gill: The hon. Gentleman tempts me, but essentially I am a capitalist and those who sit on the Opposition Benches are socialists. There is a huge difference in our philosophies. Our joint aim, however, should be the prosperity of this country.

Mr. Bell: I thought for a moment that the hon. Gentleman was going to call me a capitalist, which would have been a terrible sin against me and especially against my hon. Friend the Member for Bolsover.

Perhaps I may answer the specific point that the hon. Gentleman made. It was an excellent point and it anticipates my speech. I have before me the brochure of Toyota, one of the great inward investors, which says that its decision to locate its European manufacturing plants in the United Kingdom was influenced by many factors, including a reasonably sized domestic market, the tradition of vehicle manufacture, a substantial indigenous parts and components supply sector, good access to the rest of Europe, and the co-operative attitude of national and local government. So I agree entirely with the hon. Gentleman.

Mr. Butterfill: The hon. Gentleman may find that the Government's co-operative attitude was more important in that decision. The Library's figures—they were not supplied by the Conservative Central Office research department—show that when we took over from the Labour party net inward investment grew from £2.9 billion per year to £5.6 billion by 1986, which was before the decision to sign the Single European Act. So it had much more to do with the fact that we had created a benign environment than with the decision to sign that legislation.

Mr. Bell: The hon. Gentleman talks of the Government's benign attitude in relation to Toyota, but he should have mentioned the supportive action of the Labour-controlled local authority, which provided the framework and even a village to help Toyota invest in this part of the world. The hon. Gentleman should not rely too much on that research document; he should be a little more cautious.

I will use the figures given by the President of the Board of Trade—as he is here, he will not disavow them. He made it clear that our stock of inward investment is now more than £150 billion, up from £44.3 billion in 1985. We welcome that. Since 1986, therefore, there has been a massive increase and accumulation of inward investment, which is the point that I was making. The President referred to a statement by my right hon. Friend the Member for Derby, South on inward and outward investment. In a recent parliamentary question to the President of the Board of Trade, my right hon. Friend asked:

"what percentage of inward investment in 1995 was due to the acquisition, takeover or merger of a United Kingdom company by overseas investors?"

The President replied:

"In 1995, acquisitions, takeovers and mergers accounted for around 25 per cent. of foreign direct and portfolio investment into the UK, based on UK balance of payments data."—[*Official Report*, 12 June 1996; Vol. 279, c. *182*.]

I am seeking to get a balance into this debate. The point is that 25 per cent. of that inward investment is simply money turning around and changing hands, not productive investment.

Naturally, we are not saying that we do not want that investment. We recognise that certain banks in the City of London, such as SG Warburg, Kleinwort Benson and even Barings, have been taken over by way of inward investment. Some believe that outward investment is a good philosophy. Barings invested £800 million of its money in the Singapore trading markets, with disastrous consequences for the company. Companies such as South Western Electricity and Northumbrian Water have been acquired by overseas investors, which have a firm role to play in our domestic economy.

Although the President of the Board of Trade mentioned some of the companies that have invested here, the list was clearly not extensive: Siemens, Fujitsu, Toyota, NEC, Samsung, Honda, Chunghwa and Nissan are but a few. My right hon. Friend the Member for Derby, South was the first to recognise Toyota's input into the local domestic economy, with the creation of 1,970 jobs and £700 million of investment.

We welcome that inward investment but—to return to the point made by the hon. Member for Ludlow—we want to encourage domestic investment as well. The Chancellor said that business investment has been growing at 6 per cent. a year, that he expected it to grow strongly and that he thought that it would grow to 10 per cent. a year. Those are optimistic figures. We hope that they will be borne out by the results, but as my hon. Friend the Member for Bolsover remarked, manufacturing investment in the United Kingdom is still lower today than it was in 1979. It is also lower than it was in 1989.

More can be done in our regions. The White Paper referred to regional development agencies. We want to strengthen the roles of development agencies in Scotland and Wales, and to establish a series of regional development agencies which could co-ordinate economic development and encourage new technology by providing a conduit for new investors.

We congratulate the Invest in Britain Bureau on the work that it has done. Victory has a thousand fathers, as we know. The father of the Invest in Britain Bureau was a Labour Government, who set it up way back in 1977. The President of the Board of Trade likes to paint a bleak picture of what life was like in 1979—like a Flemish landscape in the middle of winter.

Mr. Skinner: We had a surplus then.

Mr. Bell: Indeed.

Mr. Tim Smith: If things were going so well in 1979, can the hon. Gentleman name one significant inward investor, apart from De Lorean, in the period of the Labour Government?

Mr. Bell: De Lorean was an inward investment in Northern Ireland, which was part of our policy of investment in our regions. Samsung was in our country at that time, as were Merck Sharpe and Dohme, the American pharmaceutical company, and Sony. Ford expanded. The litany goes on and on. The hon. Gentleman should be careful: we could spend the rest of the debate listing companies which invested in our country at that time. I am sure that the President of the Board of Trade would accept that the United States invests more money in the UK than anywhere else in the world, and it has been doing so since the 1930s at least. We are, have been and will be—under a Labour Government or even under a Conservative Government—a country with high skills in the work force which are always attractive to companies seeking to invest.

We congratulate the Invest in Britain Bureau within the Department of Trade and Industry which works closely with the Locate in Scotland office, the Welsh Development Agency and the Industrial Development Board for Northern Ireland. The intervention of the hon. Member for Beaconsfield helps me to refer to Northern Ireland. In debates such as this, we rarely mention it. We are the United Kingdom and I am often surprised that Government documents refer to Britain, which so far as I am aware means England and Wales. The United Kingdom covers Northern Ireland—*[Interruption.]* Scotland is part of Great Britain.

We welcome inward investment for Northern Ireland. We welcome the trading capabilities of Northern Ireland and want them to be further developed. We want to expand regional development organisations and the link with the Foreign Office. We are grateful to the President of the Board of Trade for telling us that the Government are implementing Labour party policy, in anticipation. In our documents to our party conference last autumn we stated clearly that we wish to strengthen the link between the Department of Trade and Industry and the Foreign and Commonwealth Office.

The right hon. Gentleman mentioned our embassies abroad as focal points for our exports and outward investment. I remind him that a month ago President Chirac brought every French ambassador to the Elysée palace and told them that they were ambassadors for their country not only in diplomatic affairs, but for trade. The French still export more than we do: they are the world's fourth largest exporter while we are the fifth.

Mr. MacShane: They have a trade surplus.

Mr. Bell: Indeed. France has a trade surplus of $18 billion, while the UK Chancellor of the Exchequer congratulated himself in his Budget because he thinks that we might be in balance on current account.

Mr. Lang: We are exporting at a faster rate than France. Does the hon. Gentleman concede that since 1981 we have closed the gap?

Mr. Skinner: We have not caught up with France.

Mr. Bell: I shall come to the figures in a moment, and I will refer to the intervention of the Chief Secretary in the debate on Monday and to his own statements.

We welcome the work being done by the agencies and want to build on it. It is important to mention local authorities, whose role we often denigrate. In attracting inward investment, they have played a significant part.

Two weeks ago I had the opportunity of visiting Nissan, where I saw the vast strides that have been made in technology and in the ethic of the work force. In the 1960s I visited Longbridge as a young lawyer, hopefully coming up. When I asked to walk round the assembly plant, management suggested that I should walk quickly and purposefully. When I asked why, I was told that the work force might think that I was a time and motion man and the company might have a strike on its hands. I should point out that under a Labour Government—under Michael Edwards—we came to terms with the problems at Longbridge. Today it is one of the finest companies in the land and turns out a fine product.

At Nissan I saw skills, co-ordination—men and machines coming together, and robots too. The robots play a significant part and, I am happy to say, all have their union card. A new car is being produced. The plant employs 5,500 people and creates more jobs through dealerships and plant suppliers. It designs, manufactures, markets and sells its cars in the United Kingdom. It is a worldwide company with a strong European base.

Nissan Sunderland works closely with other Nissan installations in Europe—a test track and a plant in Barcelona, a new Nissan Design Europe styling centre in Munich and testing facilities in Belgium. Those are all within the European Union and the single market, showing that a global company operating within a global economy can use Europe as a home-from-home base.

Mr. MacShane: Does my hon. Friend agree that one of the great worries for inward investors is the growing tide of voices in the Conservative party calling for a withdrawal from Europe or a semi-detached status? It is deeply alarming that the Cabinet is giving no lead in making it clear that Britain's future lies in playing a full part in Europe.

Mr. Bell: I am grateful for my hon. Friend's intervention. One of the worrying aspects of the debate on a single currency is the way in which it is being converted into a debate about whether we should be in the European Union. In the White Paper the Government make it clear that being part of a single market is entirely different from being part of a free trade area. The single market, with its powers of enforcement, is a much more significant concept for our trade than being part of a free market. I fear that the question whether we stay in Europe will become a major issue as the debate progresses.

Mr. Butterfill: I remind the hon. Gentleman that a Conservative Government initiative created the single market. We recognise absolutely the vital role that it plays in our national interest.

Mr. Bell: On television this morning I saw at least one Conservative Member recommending our departure from the European Union. As she is not in the Chamber, I shall not mention her name—but perhaps I have assisted the House by referring to her gender. A Conservative Government signed the Single European Act 1986, but we are now witnessing a change in attitude.

[Mr. Bell]

There were some interesting omissions from the speech by the President of the Board of Trade. He did not refer once to the social chapter—that was quite remarkable—and the White Paper mentioned it only fleetingly.

Mr. Gill: Before the hon. Gentleman turns to the social chapter, does he recognise that the most important consideration for industry in this country is whether we can continue to import the necessary raw materials and convert them into products that we can sell at home or in export markets at a profit? So long as we continue to do that—we have managed it in the past few years with floating exchange rates, as my right hon. Friend the Secretary of State pointed out—why on earth should we adopt fixed exchange rates? It might not be possible to import the necessary raw materials at competitive rates and convert them into products within the straitjacket of fixed exchange rates.

Mr. Bell: The hon. Gentleman raises two issues. First, he mentions a pertinent fact in relation to trade: most trade is in component parts—they are flying all around the world—which are converted into finished products. Secondly, he points out correctly that we do not require a single currency in order to be part of a trading area, as the north American free trade agreement proves. A single currency is not a prerequisite of a free market, but great benefits may be derived from price stability and currency credibility. It is an advantage for businesses to be able to plan ahead in an essentially inflation-free economy. Those issues are connected with the single currency. I shall examine that subject more carefully in a moment—Friday morning provides a good opportunity to debate such matters, as we can take our time.

The President of the Board of Trade did not mention the social chapter in his speech. Why? Nobody mentioned the social chapter when I visited Nissan. No one said, "We are very worried about a future Labour Government implementing the social chapter". They were glad to hear that our macro-economic policy would be strong, that we planned to meet our target for low inflation rather than relying on forecasts as the Government do, that we would have sustainable growth and that we are committed to the so-called "golden rule" of public finance—that the level of borrowing should cover only investment over the economic cycle. They were more concerned about the macro-economic framework and stability so that they could get on with business. No one mentioned the social chapter.

Samsung's operations are based in Teesside in my part of the world. I am reminded of the comments of the former President of the Board of Trade who, speaking in Seoul, tried to give the impression that Samsung had located here because we do not have a social chapter. Samsung did not say anything of the kind: it had been here for 10 years—before the social chapter was dreamed of—and it had a strong record of sales success, it was pleased with labour productivity and infrastructure, familiar with the English language and happy with the success of its operations. Samsung is so looking forward to a Labour Government that it has invited my right hon. Friend the Leader of the Opposition to visit its plant to open a training centre.

Mr. Skinner: Before the election at Christmas?

Mr. Bell: My hon. Friend anticipates a Christmas election, but I do not know whether Santa Claus will come down the Prime Minister's chimney on Christmas day. The fact is that Samsung is happy about the prospect of a Labour Government.

I think that all hon. Members agree—it is in the White Paper—that we must improve our education and training skills.

The President of the Board of Trade asked me about trade. Britain is a trading nation—Aneurin Bevan described Britain as an island surrounded by fish and filled with coal. The coal may remain in its anthracite veins, but there are not many coal mines left. When the Government boast of their proud record, they never talk about how they cut a swathe through not only our mining industry but our mining villages. Although my hon. Friend the Member for Bolsover and I now represent Her Majesty's Opposition, he began his career in the pit and I began mine in the colliery office. We have a long history in that industry and we understand the way in which the Government's policies have ravaged our mining communities. The President of the Board of Trade did not mention that today.

We accept that we are a trading nation and we embrace our role in that regard. During the debate on Monday, the Chief Secretary to the Treasury intervened on my right hon. Friend the Member for Derby, South to say that the 1980s was the first of many decades when the United Kingdom maintained its share of world trade. However, my hon. Friend the Member for Bolsover pointed out earlier by way of intervention that in the 1980s we also had a trade imbalance in manufactured goods—our manufactured imports exceeded our manufactured exports.

If we look beyond the golden horizon and the Hollywood sunsets that the President of the Board of Trade described, we can see that our share of world trade has steadied. However, the United Kingdom's share of world exports fell from 5.2 per cent. in 1979 to 4.9 per cent. in 1995 and it is projected to fall again to 4.8 per cent. in 1996-97. They are not the Opposition's figures: they are the projections of the Organisation for Economic Co-operation and Development.

I wish to be fair to both the President of the Board of Trade and the Chief Secretary: they are visible exports and we have a strong account for invisibles. The right hon. Gentleman said that about £25,000 million returns to this country from abroad. As I said earlier, we are fifth among the world's trading nations—we rank behind the United States, Japan, Germany and France. We often look to the French economy and base our arguments upon the inflexibility of its labour market. However, we must not forget France's trading surplus or the fact that, together with Germany, it has the lowest interest rates in Europe and the third lowest long-term interest rates in the world. In his Budget Statement, the Chancellor of the Exchequer forecast a rise in export values of more than 7 per cent. this year and 6 per cent. next year. That anticipates an increase in world exports of about 7 per cent. As John Fitzgerald Kennedy said:

"All boats lift on a rising tide."

We may be holding our own but we are not doing anything more than that.

The White Paper makes it clear that free trade and foreign policy combine to make a global vision. It was Sir Ronnie Hampel, the chairman of ICI, who said recently that men and women who think global are men and women of vision. A book was written recently by Eniche Oaftiah—I have the right spelling, so *Hansard* need not worry about that—called "The End of the Nation State", meaning that we live in a global village and a global economy. The concept of global trading within a global economy has meant, for example, that the United States, and we as part of the same business cycle, have enjoyed a prolonged period of sustained growth.

The President of the Board of Trade talked of how we have been catching up on the French since 1981. It is not necessarily the case that that is happening but it is a case of business cycles. We are linked into the American cycle and the French are locked into the European cycle. There are cycles and movements in these areas. We are behind the French in world trade, and the French are pushing hard, as they often do. I agree entirely with the President that we should continue to push as well.

If we link global vision with our foreign policy, it is clear that there has always been a political dimension to our trade with Europe. The European Union is now the largest marketplace in the world. Its share of world trade is greater than that of the United States and even of Japan. The more that we trade with one another—the more that we take in one another's washing—the more successful we are likely to be, and the more we are likely to work together throughout Europe rather than to find ourselves in the conflicts of the past on the so-called vieux continent.

We are saying that trade is a successful instrument of policy, serving the national interest and adding to the well-being of people throughout Europe so that we can reach the end of the century and face the next millennium looking outwards towards Europe and a trading bloc in which we play a major role. The single market consists of 370 million people with 16 million enterprises.

The President of the Board of Trade uses his own soundbite in referring to the enterprise centre of Europe. I think that it was the former President, who is now the Deputy Prime Minister, the right hon. Member for Henley (Mr. Heseltine), who invented that phrase. It did not come from Saatchi and Saatchi. But we must be not merely an enterprise centre, we must be at the heart of Europe. That is something that the Prime Minister says sometimes when he feels in a pro-European mood, but ignores on other occasions.

We are saying that we must be genuinely at the heart of Europe. It is a major trading post for us that should be enhanced to increase economic growth and employment prospects, and higher levels of prosperity for our citizens. It is significant that the United Kingdom will have the presidency of the Union in the first half of 1998. I am glad that the hon. Member for Ludlow is with us, because I shall take up the point that he made on the single currency. The hon. Member for Beaconsfield made the same point.

Britain's presidency of the Union from 1 January 1998 to 30 June will be an historic one. There is no doubt that the EU will decide at that time how it proposes to go forward to its single currency, who has met the convergence criteria and who will be on the first Euro train. The significant fact for us all to remember is that the date of 1 January 1999 for a single currency is written into the Maastricht treaty. The treaty does not state that a single currency can come about on 2 January; it makes it clear that it must come about on 1 January. That does not necessarily mean that the United Kingdom must be a part of it. If a single currency does not come about on that date, the entire treaty will have to be amended and all member states will have to ratify the amendments.

It is rather significant that we have not heard a great deal from the President of the Board of Trade about the completion of the single market, which is one of the major issues for us. The single market should be properly completed, and we should make that an aim for us in the presidency from 1 January 1998. We want to say, "Yes, the single market exists, and yes, it should be completed." I welcome the White Paper and the "action single market" and "trade barriers" initiatives, whereby we shall try in our own way to complete the single market by overcoming trade barriers and other difficulties.

There are many areas where the single market is not complete—for example, gas, telecommunications, information technology, biotechnology, public procurement, insurance and financial services. Many directives have been adopted within the single market programme which are not being properly enforced. Some have not been transposed into national law within member states. That is not to say that progress has not been made, if I may use a double negative.

By the end of 1995, 93.2 per cent. of the required national measures had been adopted by member states. We do not underestimate the task of completing the single market and we perceive the identification of problems as one way forward. We have described the problems and we can define them as follows: the persistence of technical barriers to trade; serious gaps in the transposition of directives; over-bureaucratic application within member states of approved directives; failure of the European Council to agree on enabling directives; the need to strengthen competition policy. These are all major matters and no doubt the Government will seek to do something about them through the intergovernmental conference, and I hope will support the Commission's call that the Dublin summit of the heads of state should renew their commitment to the single market and their commitment to complete it as early as possible.

The White Paper is entitled "Free Trade and Foreign Policy: a Global Vision". I read the call for a world of free and open markets by 2002, with international stability based on economic prosperity. I should have said 2020. I accept that 2020 vision is probably a better way of describing the next millennium and the Government's aims, which include international stability based on economic prosperity, improved living standards for all through increased trade and investment and a leading role for the United Kingdom as the champion of free trade.

I was reminded of a Labour party pamphlet that we turned out in the early 1980s in which we called for jobs, peace and freedom. At the time, *The Guardian* commented that that was a great deal better than unemployment, war and slavery. There is something in that. The Government's list of objectives sounds very good and reads well, but there is not much substance behind it. When we read 2020 together, one Tory cynic said, "That may be the first year of a future Conservative

[Mr. Bell]

Government since 1997, and it may be the year of the first Budget of a Conservative Chancellor." We all say amen to that.

The President has referred to the closer co-ordination of the Foreign and Commonwealth Office and the Department of Trade and Industry, which is to be welcomed. I have mentioned our support for the Invest in Britain bureau. An entire programme of work is required, however, and the President touched upon it slightly today, but kept returning to his 2020 vision.

We must ensure that there is a free flow of trade and investment through the World Trade Organisation, the single market and the enlargement of the single market, about which we have not heard much this morning, to the east of Europe, with all the problems that that will bring in terms of agriculture policy, for example. It will also bring problems for our pharmaceutical industry—I mentioned Merck Sharpe and Dohme earlier, which will face serious problems with parallel imports from countries that do not have patent protection.

There is also the impact of the single currency. The Government have not set out in the White Paper—nor has the President today—what studies have been made on the impact of the single currency on inward investment. What is its impact likely to be on our trade? The White Paper tells us that 58 per cent. of our manufactured goods trade is within the single market and that 37 per cent. of our financial services are traded with that market. What will be the impact on that trade as a consequence of the single market turning to a single currency? What will be the impact if we do not join the single currency? That point was made by the hon. Member for Ludlow.

Those studies have not been made. If they have, we have not heard about them. It would be nice to know that the Department of Trade and Industry was examining these issues, forming a view and assessing where our trade would be whether we were in the European single currency or out of it. I look forward in the months ahead to debating and clarifying how it would or would not impact on our trade, and the course that we should take in relation to the economy. No doubt the political decisions will be based on other criteria.

My hon. Friend the Member for Rotherham (Mr. MacShane), who follows these debates, was a little ungracious in suggesting that the President of the Board of Trade was going off with officials to a warmer climate in his visit to Singapore. My recollection of the far east is that it is dangerous to stay out in the sun, so I am sure that the President will not spend much time in it while there. In his White Paper, he calls for a new round of comprehensive, multilateral negotiations to produce results for implementation by 2010. The likelihood of yet another Uruguay round, before the last one is properly concluded in all its finery, is ambitious. The unfinished business of the Uruguay round covers various service negotiations, the report of the Committee on trade and the environment, and information technology.

A journey of a thousand miles begins with a single step, in the words of Mao Tse Tung; the journey towards free trade began in Uruguay in 1986, but it did not end in Marrakesh in 1994. I am sure that the Minister who will reply will be patient and listen to our views on the WTO. In their White Paper, the Government acknowledged that work is required, but it is always a risky business to make one major venture dependent on the completion of another. Thus to complete the Uruguay round in itself may be sufficient by way of ambition rather than launching of a new Uruguay round to be completed by 2010.

" . . . a man's reach should exceed his grasp,
Or What's a heaven for?"

Mr. MacShane *indicated assent.*

Mr. Bell: My hon. Friend nods his head, for which I am grateful. Usually when I quote Karl Marx, Mao Tse Tung or, in this case, Browning, he corrects me, so on this occasion I must be right.

Signing up to a new comprehensive round of multilateral negotiations with so much unfinished business in the world of trade and commerce is more likely to ensure that the unfinished business stays as it is—unfinished.

The Government always like to look for clear blue water between us, but on the single currency they are very worried that, having agreed to a referendum, there is no clear blue water. Conservative Back Benchers are desperately trying to persuade the Government that a decision should be taken to rule out a single currency in the lifetime of a new Parliament under a possible but fictitious Conservative Government. But there is clear blue water between us on social rights and a proper social clause in the international community in the WTO. The President said, when asked by my hon. Friend the Member for Rotherham, that the WTO was a trading organisation, not a social body. But that is not the view taken by the United States Government, the French Government, or many of our members.

The President said today, as did the Minister for Trade the other day, that there was some harmony and unity in the European Union on this issue. That is not the case as I see it. Perhaps the President will correct me. I understand that there will be a Council of Ministers meeting in Singapore to discuss these issues, and the position will then be taken on 10 December at a special meeting of the Council of Ministers, which will consider the European Union's negotiating position.

It is our view—we state it very clearly here—that world trade cannot be built on the back of human rights. It cannot be built on the back of forced labour. It cannot be built on the back of exploitative child labour. There has to be a right to organise in countries that wish to trade and export, and a right to bargain collectively. We believe that those elementary human rights and trade liberalisation are not—to use a lawyer's phrase—mutually exclusive.

I repeat that the majority of our European partners agree that the Singapore ministerial conference should examine how the WTO may be used to promote core labour standards. On this issue in Europe, as on other issues, we are becoming increasingly isolated within the Union by opposing any attempt to link trade policy with labour standards and by resisting any meaningful discussion of this issue in Singapore. Therefore we urge, even at this stage, the Government to accept the principle of a working party within the WTO to examine these issues.

I end as I began, with a reference to the chaos theory of politics and how it runs up and down the Conservative Benches like mice scampering up and down the Benches

opposite. The same mice must awaken Ministers of the Crown in the night. It will be a relief, no doubt, for the President of the Board of Trade to fly off to Singapore for the beginning of the WTO conference.

Mr. MacShane: He can have lunch with journalists first.

Mr. Bell: My hon. Friend, from a sedentary position, talks about a lunch with journalists. The essence of parliamentary democracy is to stay thin, stay on a diet and stay away from lunches with journalists.

No doubt the President will enjoy his flight. I wish him well on behalf of our country as he goes to negotiate the first ministerial conference of the WTO, which will be an historic event. He will represent our interests as best he can in the twilight zone that exists between the Government in situ and the Government in waiting.

11.6 am

Mr. John Butterfill (Bournemouth, West): I shall have to rather disappoint the hon. Member for Middlesbrough (Mr. Bell). Although I am aware that nothing emanates from the Opposition without being approved by the hon. Member for Hartlepool (Mr. Mandelson) and the Labour spin doctors, I shall not quote from a central office brief today. In fact, I have not even read that brief. My speech relates entirely to my own research and statistics provided to me by the House of Commons Library.

It is right that we should dwell on inward investment, not because it is the only worthwhile form of investment, but because the extent to which foreign investors are prepared to invest in our economy is very much a reflection of their confidence in the way in which it is being run. It is very telling to remember what the position was when we took over government in 1979. At that time, inward investment was a mere £2.9 billion a year. Under the Conservative Government, it peaked in 1989-90 at £17 billion, although, of course, it fell off during the world recession. Despite that recession it continued at around £10 billion a year throughout 1991-94. Last year, it had grown back to £14 billion a year. That is an amazing reflection of the confidence that overseas investors have in the economy as run by my right hon. Friend and his colleagues.

I pay tribute to the invest in Britain initiative, but in particular to the ways in which that initiative has been developed under the Government and the much closer links that now exist between our initiatives and the activities of not just the DTI but the Foreign and Commonwealth office. They are essential if we are to maintain our export progress and our success in encouraging inward investment.

Inward investment has been helped by regional assistance. The fact that grants are available for those who want to invest in this country undoubtedly plays a part. It is interesting to note that the level of regional assistance that we are able to give under EC rules is much lower than many other EC countries are able to give. Despite that, we continue to attract a disproportionate amount of overseas investment.

In 1995-96—which is the last year for which figures are available—regional assistance was only £159 million, but that attracted projects worth £2.69 billion. The reward that we receive for the limited amount of assistance that we can give is out of all proportion to the performance of our European competitor countries.

Last year, our share of total world inward investment was 9.5 per cent. Between 1984 and 1993, the United Kingdom gained 43 per cent. of all world direct investment in the European Union. By contrast, Germany received 3 per cent., France received 15 per cent., the Netherlands 9 per cent. and Spain 9 per cent. Our share of inward investment into the European Union is so much greater than that of other countries that it gives us enormous hope for the future of our economy, provided that we maintain the policies that have managed to attract that level of investment.

This country is attractive for various reasons. It is attractive for people to live in, and the English language is an important factor. Financial assistance and the financial expertise that is available in the City of London are important factors. Our labour skills are particularly important: we are developing a better trained and better educated work force than hitherto. A third of our young people now go on to higher education compared with one in eight when the Labour party was last in office. The single market is an important factor. Our unit labour costs give us a great advantage. That does not mean low wages. It means that we do not impose on employers the burdens that exist elsewhere, as a result of which—according to the Library—our unit labour costs are less than half those in Germany, and less than two thirds those in Japan.

Our net earnings from inward investment—not the capital—have risen under the Government from £3.99 billion a year in 1979 to nearly £12 billion in 1995. The United Kingdom economy has benefited enormously. A great deal of that would be thrown away if the Labour party's policies were adopted. If we took up the social chapter—as Labour would like to do—we would have the same constraints as they have in other European Union countries. Instead of 43 per cent. of inward investment, we could go down to Germany's figure of 3 per cent. That is why it is essential to maintain our policy of remaining outside the social chapter, and that a Conservative Government are re-elected at the next general election.

11.13 am

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I welcome the debate on this extremely important subject. It is an important time to be looking at the problems facing all western economies because of increasing globalisation. I welcome the fact that the President of the Board of Trade and the Government have seen fit to introduce the debate, especially as he is going to Singapore. The Singapore meeting is extremely important, and much valuable work will be done there. The hon. Members for Rotherham (Mr. MacShane) and for Middlesbrough (Mr. Bell) were obviously angling for postcards from the Secretary of State while he is there. I would settle for a statement in the House after he comes back telling us what progress has been made.

The hon. Member for Bournemouth, West (Mr. Butterfill) made a statistically based speech. I cannot find fault with the statistics that he used. I, too, have taken advantage of the work that has been undertaken by the Library. I think that some of his conclusions are a bit iffy, but the statistics that he used are beyond reproach.

As the hon. Gentleman said, inward investment in the past 10 years peaked in 1989-90, and it has fluctuated since. It must be recognised that it has increased recently.

[Mr. Archy Kirkwood]

We will receive more accurate figures for 1995 on 17 December, but the provisional figures make it clear to my satisfaction that direct inward investment will increase to about £14 billion, and outward investment is also likely to increase sharply in 1995 to £27 billion. I welcome that. It is partially the result of work done by the Department of Trade and Industry, Locate in Scotland and the Invest in Britain Bureau. I have no hesitation or compunction in recognising that openly—long may it continue.

I want to ask about the circumstances that we may face in the future, and to be reassured that the DTI, working with Locate in Scotland and the Invest in Britain Bureau, is carefully monitoring the effect of inward and outward flows of investment on our manufacturing base. I have anecdotal evidence that much of this incoming investment is going in directions that do not assist manufacturing industry.

There were previously some concerns that companies were merely building assembly units in this country. An article in *The Economist* said that there was now evidence that research and development was beginning to flow more systematically than in the past, so some of the fears may be out of date. I would be reassured if the Department were carefully monitoring the effect of the investment. It is not only the value of the money coming in that is important, but the productive use to which it is put. I am concerned that we should develop our manufacturing base to make good some of the shortfalls that, I would argue, we have had in our manufacturing sector in the recent past.

I hope that the Minister will tell us—if not now, perhaps in correspondence later—what work, if any, is being done to assess the impact of inward and outward flows of investment on the important manufacturing sector. I refer to outward flows and the manufacturing sector, because I have evidence from world-class companies, such as the knitwear manufacturers Pringle of Scotland in my constituency, which are at the highest end of the market. There is an enormous temptation for companies such as Dawson International, Pringle of Scotland, Ballantyne and other well-known international names in knitwear to outsource their manufacturing. I hope that the DTI will not be complacent, will watch what is happening and will do everything in its power to keep the manufacturing base, as much as is possible, within the shores of the United Kingdom.

Inevitably, commercial and competitive pressures may require some companies to look to low-cost countries to outsource manufacturing. That has a debilitating effect and in the long run, between now and 2020, it could be worrying. The least that the DTI could do is to monitor that, look at what can be done and offer assistance within the competitive rules of the European Union.

The Library briefing mentions a useful 1991 survey by the Invest in Britain Bureau. It surveyed 200 manufacturing and research and development companies that had invested in the United Kingdom and asked them to state their main reasons for doing that. The situation may have changed since 1991 because, like everything else in this modern world, the processes of trade and industry change exponentially. The pace of change is frightening.

I should like to have the answers obtained in the 1991 survey refreshed. At that time, 45 per cent., nearly half the companies surveyed, mentioned the need for a UK presence. Some 29 per cent. mentioned the need for a European base; and 25 per cent. maintained that their market in the UK warranted local manufacture. It is important to me to know whether that 25 per cent. in particular has been sustained or whether it is dropping. Other reasons quoted in the survey included the English language, which was mentioned by 16 per cent. of the companies. The hon. Member for Bournemouth, West (Mr. Butterfill) mentioned that. Some 14 per cent. mentioned financial assistance; labour skills were quoted by 10 per cent. and 10 per cent. mentioned the European single market. Finally and perhaps significantly, 6 per cent. mentioned labour costs.

The thesis by the President of the Board of Trade, supported by the hon. Member for Bournemouth, West, is that labour costs and whether we are in or out of the social chapter are crucial to inward investment. But that is not supported by the 1991 survey. It will be useful to the House in terms of studying the global market and its development and inward investment and how it is affecting manufacturing, to have such a survey regularly. It would be sensible to consider revisiting these questions once every five or six years. I do not know whether it is in the Minister's powers to direct that.

I have some thoughts for the President of the Board of Trade and his entourage as they wing eastward on Singapore Airlines, or on whatever airline they are using this afternoon. The Uruguay round was difficult. It took an inordinate time to put together an agreement, but we must not forget that there is still some unfinished business in the agreements that were struck there. Perhaps the Minister will address one or two—just one or two—of the agreements and commitments.

First, does the evidence show that there have been further significant tariff reductions since the Uruguay round? We are about halfway through the round and it would be useful to see the evidence of success in achieving tariff reductions because that is important to our exporters. Secondly, has there been significant progress on getting dispute settlement mechanisms properly organised? Have they protected our domestic industry from dumping, anti-competitive practices and the other actions that occurred all too often before the agreement? Thirdly, has there been a further tightening of disciplines on unilateral protection? That is important, as is the commitment to set up a wide-ranging framework for reviewing the agreements and further negotiations in the Uruguay round.

It is necessary to know the Government's view. I know that they have to negotiate through the EU in the ministerial meeting, but what information or evidence will the UK delegation at Singapore present in these important areas? That is crucial to the knitwear industry which struggled to achieve the multi-fibre arrangement. My constituents are interested in that because China is the monopoly supplier of cashmere yarn—the essential raw material from which the knitwear industry in my constituency makes high value-added exports for world markets.

Former state trading nations such as China give all sorts of support, hidden and explicit, to the producers of cashmere and to their manufacturing industries, and in that context it is essential that the multi-fibre arrangement

is adhered to, monitored and reinforced. At the time of the negotiations the knitwear industry asked for review periods to be built into the Uruguay round as it progressed to make sure that monitoring was being successfully undertaken so that dumping and other such anti-competitive practices could be stamped out.

The Singapore meeting is important in terms of issues other than merely checking how far the Uruguay round commitments have progressed. I was slightly concerned by the emphasis in the White Paper, which was reinforced by the President of the Board of Trade, on the Government's rather unfettered free market, laissez faire approach. That approach is no secret: it is one of the Government's unique selling points. However, I take a slightly different view.

I am concerned that in the globalisation of the world economy—it is a horrible term but I cannot think of a better one—there are few checks and balances and no proper regulation. I do not mean regulation that imposes burdens because I am in favour of competitiveness and free trade, but some matters have to be carefully watched.

The President of the Board of Trade mentioned environmental factors. Global economic sustainable development is essential and I hope that the considerations in Singapore will include that and will try to make sure that the increase in competition and trade will not be at the expense of the environment. Sustainability should be built into the plans that are formulated in Singapore. I am worried that the third world will be frozen out of a fair share of what trade is going. There is evidence that some African economies have been badly served in the past few years. I hope that Ministers in Singapore will examine that.

Mr. Tim Smith: The hon. Gentleman mentioned the third world and especially African countries. Has he seen the three-dimensional chart on page 18 of the White Paper showing the clear relationship between the trade orientation of different countries and growth in living standards? Is it not important that those countries should be outward looking and not protectionist because that would enable them to benefit from growth in world trade?

Mr. Kirkwood: Of course I accept that, and I hope that I did not give the impression of suggesting anything different. Some of the International Monetary Fund and World bank constraints aimed at making such economies more efficient have had a harsh impact on their economies and their primary producing industries. Some evidence suggests that, financially, they are suffering severely. The Government have been taking the lead on some of those issues and I welcome that. Debt reduction for some African countries would help their economies through the transitional process of becoming more efficient and I am in favour of that.

There is real concern about the extent to which counterfeit labels are being put on such items as textile jerseys, although the problem is not limited to the textile industry. If they do their work properly, that problem can be dealt with in Singapore.

I should like to mention briefly the domestic trade situation and the need to assist local UK manufacturers to compete in the world marketplace. I get a bit nervous about the situation, because I wonder to what extent some of our small and medium-sized businesses are being squeezed out of that marketplace by the volume of inward investment. That is why I said that the DTI should examine carefully the effect of inward investment flows on our manufacturing sector. I hope that the DTI will give proper consideration to small and medium-sized businesses.

Coming from my part of south-east Scotland, I am particularly interested in the knitwear, textile and electronics industries, which are potentially not only European-level but world-class export players—but only if they receive increased support in marketing, training and modernising. The textile industry also requires more assistance in diversifying. I hope that the DTI will not spend all its time on big projects—which I have already acknowledged that I welcome—at the expense of smaller and medium-sized businesses.

The textile industry will have to slim down its labour force if it is to survive. Communities such as Hawick, which is in my constituency, are almost entirely dependent on the textile industry. In the travel-to-work area around Hawick, for example, it accounts for 80 per cent. of manufacturing employment. The industry requires help in modernising, additional capital input, more flexible work patterns and help with marketing initiatives. It needs some assistance to help it bridge the gap into the next century, so that it can compete effectively.

I shall understand if the Minister, in the time available to him, cannot deal with all the points that have been raised, but he might arrange to reply by correspondence. The Industrial Development Act 1992 allows for occasional reviews of regional assistance areas, and the decision on which areas are eligible for assistance and when reviews are undertaken is within ministerial gift. I know that the Department is considering the boundaries of individual travel-to-work areas, and that a new regional assistance map cannot be produced until the boundaries have been determined. Will the Minister tell us when that work will be completed, and when the Government—irrespective of who is in government—will be able to reconsider eligibility?

In south-east Scotland, travel-to-work areas are excluded from any regional assistance, basically because the headline unemployment levels are not sufficiently high. The current method of collecting unemployment statistics in sparsely populated areas is unsatisfactory, because of dodgy statistical methods in assessing employment levels. Other criteria should be examined when a review of regional selective assistance is conducted. I should like to persuade the Government that low GDP per head—in addition to population sparsity, size of the cohort over retirement age and lack of job opportunities—should be a significant factor in determining eligibility for assistance. Rural areas generally, and not only my own area, are concerned that regional development assistance is failing them and not providing any type of support.

Locate in Scotland has been very successful in bringing Chunghwa to north Lanarkshire. I certainly concede that that community faced substantial problems after the closure of Ravenscraig and other events, and that those problems had to be dealt with. However, they should not have been dealt with exclusively and at the expense of rural areas.

There is a suspicion—I put it no higher—that the provision of assistance through the big investment decisions that are necessary to bring in companies such as

[Mr. Kirkwood]

Chunghwa will mean that the limited resources available to local authorities and local enterprise companies north of the border, although it is not a problem only there, will be siphoned off and diverted, and that other areas must pay the price. However much the assistance is needed in north Lanarkshire, it is needed elsewhere, too. The Government should be very careful to ensure that others are not losing out from some of their big headline successes.

There should be better co-ordination of the help provided by the European Union in social and development fund programmes. My region has access to objective 5b funding, which is of some help. However, there is concern that there will be no more funds after the programme ends, in 1999. That is a real worry, because we have been able to make use of the European regional assistance. It will be difficult for areas such as mine to prosper if we lose that assistance and continue to have difficulty in obtaining access to regional development assistance.

Mr. Gill: Is not there something slightly inconsistent or contradictory about the hon. Gentleman's remarks? Initially in his speech, he said that he was an advocate of free trade, but he has spent five or 10 minutes with the begging bowl out, saying to Government, "Please, can we have more assistance on this, that and the other?" Does not he realise that it is much more effective in any economy to keep taxes low and to leave people with more of their own money to invest? He is advocating more public expenditure—meaning higher taxes, and successful companies having to pay higher corporation tax—which prejudices their investment plans. Does he realise that the Government want to go in the other direction, reducing taxes and leaving money in investor's pockets—so that they can do the investing, rather than allowing him and other politicians to make those decisions?

Mr. Kirkwood: I am merely arguing for—although I hate the phrase—a level playing field. The Government believe in a free, laissez-faire, devil-take-the-hindmost market. I do not support that. I am in favour of competition and free trade, but there must be some market regulation. In my area, the local authority and local enterprise companies are working hard to try to attract inward investment, but we find ourselves with one arm tied behind our back. Other areas have access to assistance. The assistance may be a small amount of overall public expenditure, but it is a vast amount of money compared with the size of the economy in south-east Scotland.

I do not mind which way it goes. It would be fine if we abolish, or if we keep, regional assistance—but it should be more evenly distributed. I am arguing, as best I can—and I hope coherently—that it should be distributed more fairly.

So far as I can see, there are three main needs. I am speaking of them in relation to my constituency because it is the area that I know best, but they have to be borne in mind in rural areas the length and breadth of the United Kingdom. First, we need regional selective assistance to enable small and medium-sized companies in rural parts of Great Britain and the United Kingdom to invest, acquire funding and benefit from technology transfer so that they can properly stimulate productivity and process development. Secondly, we need to invest more in people.

Thirdly, we need investment in integrated rural initiatives. If I could see evidence that the DTI or the Industry Department in Scotland were pursing that aim with as much fervour as they are pursuing bigger, headline projects such as gaining investment from Chunghwa and Taiwan and China, I would be much happier. If such evidence exists and I am missing it, I would be delighted to hear about it either this morning or later, in writing, when the DTI has had a chance to reflect on these issues.

I hope that the Invest in Britain Bureau and Locate in Scotland will consider carefully what can be done to support the electronics industry throughout the United Kingdom. I should like the DTI and their colleagues with responsibility for industry at the Scottish Office to examine the possibility of ensuring the spread of high bandwidth communications in rural areas. Of course, it is now possible to use radio and satellite links and land line cables, but we need some basic infrastructure investment. The Government should be stimulating and promoting such investment to develop an information society in industry in rural areas so that our businesses can compete properly on the global stage.

We need modest extra public expenditure to be made available through regional development assistance. We need to provide local authorities and local enterprise companies with better resources and more flexibility so that they can help their own local economies. We also need to integrate the grants that are available from the EU, which are, if anything, likely to become scarcer in the immediate future. That is a cause of some concern.

The textile and electronics industries in my constituency are potentially world-beating industries in the export market. They are often small and medium-sized businesses located in rural settings and are, as a result, currently being overlooked for the investment that they need to prosper. The Government need to consider such issues as a matter of urgency.

11.42 am

Mr. Nigel Waterson (Eastbourne): I am delighted to have the opportunity to participate in this timely debate—as we heard earlier, my right hon. Friend the Secretary of State for Trade and Industry is leaving this very day for Singapore and the World Trade Organisation summit.

Like other hon. Members, I was amused by the hon. Member for Middlesbrough (Mr. Bell) brandishing the Conservative research department's brief on trade and inward investment. Such briefs from both main parties have an alarming habit of getting into the public domain. I hope that, instead of simply brandishing the document at the Dispatch Box, the hon. Gentleman will have the opportunity to read it, as he clearly has not done so. Had he read the document, his speech would have reflected some of the pearls of wisdom embedded in it. Perhaps on his way back to Middlesbrough he will manage to read it.

I have been glancing through the document and have to say that it is excellent. No Conservative Member should feel at all abashed about reiterating some of the points, statistics and quotations to be found in it. It sets out the Government's success in the sphere of trade and inward investment. Before I move on, I should like to spare a thought and some sympathy for the poor Labour

researcher who might have sat down earlier this week, looking at an empty computer screen with the unenviable task of drafting the Labour party's brief for this debate. Sadly, that document has not found its way into my hands—perhaps it never appeared at all. In any event, I have great sympathy for the Labour researcher faced with that Herculean task.

We are debating a great British success story—trade and inward investment. Britain is nothing if not a trading nation. That has been true throughout our history. We are the fifth largest importer and exporter of goods and services in the entire world. Especially under the Conservative Government, Britain has been firmly committed to free trade. The aim is global free trade by 2020. The WTO summit in Singapore will be an opportunity to give the process a welcome boost. We wish my right hon. Friend the Secretary of State all the very best and every success in his endeavours in Singapore.

British industry and British business have proved time and again that, given a clear run and less interference from Government, they can compete with anyone anywhere in the world. Much of today's debate has rightly turned on the fact that a Labour Government would fetter and obstruct the ability of our business men and women to compete in world markets.

On inward investment, I want to read out one quotation that sums up our position. It is from Kumar Bhattacharyya—I hope that I am pronouncing his name correctly and do it justice—who is professor of manufacturing systems at Warwick university. *[Interruption.]* I hope that hon. Members will listen because it is a quotation from a dispassionate academic commentator on Britain's economic success. In what is colourful language for an academic, he says:

"Britain is becoming Europe's Pacific Rim. The industrial-relations framework, the cultural and linguistic environment, economic deregulation, and political stability have changed the face of British manufacturing".

Mr. MacShane: Would the hon. Gentleman cite the present Conservative party as an example of political stability?

Mr. Waterson: I assure the hon. Gentleman that I expect this party to be in power not only after the next election, but in 2020, so that we can usher in the millennium of global free trade, which, I am sure, we all heartily desire. I may not be here to see it with him—although Sir Charles Taylor, one of my esteemed predecessors, represented Eastbourne for 39 years, I do not expect to serve quite so long. By 2020 a successor will possibly have taken my place but will, I hope, be making a similar speech from the Government Benches.

I shall reiterate one or two of the statistics mentioned by my right hon. Friend the Secretary of State. Britain attracts one third of all inward investment in the European Union and more than 50 per cent. of Korean and Taiwanese investment. Those statistics deserve repetition—

Mrs. Barbara Roche (Hornsey and Wood Green): They certainly do.

Mr. Waterson: Let us consider some recent inward investment successes. We have already heard some of them and far more of them than I would be permitted to recite now are set out in the brief. We have heard about the LG Newport project, which will create 6,100 jobs as a result of £1.7 billion investment. That is amazing investment in the production of semiconductors. The Jaguar project at Castle Bromwich will create up to 1,300 new jobs. We have already heard about Honda in Swindon, where £330 million has been invested in a car plant—*[Interruption.]*

Madam Deputy Speaker: Order. Hon. Members making sedentary comments, which, as I have already made known, I deplore, may find it rather difficult to catch my eye when they want to make a speech.

Mr. Tim Smith: On a point of order, Madam Deputy Speaker. As reference has been made to the excellent document on trade and inward investment, published by the Conservative research department, would it be possible, for the benefit of hon. Members who are not present, to have the entire text printed in *Hansard* as an appendix to the debate?

Madam Deputy Speaker: The hon. Gentleman well knows that that is not a point of order. Nor can it be carried out.

Mr. Waterson: I endorse the sentiments of my hon. Friend's remarks. It would certainly be of enormous assistance if in future such briefs were made available not only to my hon. Friends but to Opposition Members. If the Opposition have a brief at all, it is clearly a pretty inadequate document.

I was referring to Honda, and I should like to cite one final example. IBM in Winchester is expecting to create 1,200 new jobs. Such developments are exciting. I notice that when those announcements are made, Opposition Members are very quick to go on the media to take their share of the glory for such successes. That seems particularly hypocritical when one considers what effects their policies would have on such trade and inward investment were they ever to have any control over the running of it.

The effect that a national minimum wage would have on hotels and the tourism industry is a particular concern in my constituency. We have already heard a great deal about the reasons why business men from the far east, France and elsewhere are deciding to move manufacturing and other operations to the United Kingdom. The Opposition are rightly defensive on the subject. They are certainly very unwilling to give us a firm commitment on a figure for a national minimum wage.

The crucial point about the social chapter, which is often misrepresented by Opposition Members, is that decisions can be made to extend its effect by qualified majority voting. That is extremely important, especially to business men who might be considering inward investment in this country.

One of the issues that the right hon. Member for Livingston (Mr. Cook) has raised in recent speeches is what he calls the European social model. It appears to mean intervention, but we might hear a little more about what it means in the winding-up speech of the hon. Member for Hornsey and Wood Green (Mrs. Roche). It seems to mean interference in the freedom of

[Mr. Waterson]

companies to operate in this country and elsewhere and the introduction of that social dimension into the WTO, for example, as the hon. Member for Middlesbrough clearly spelled out earlier—all credit to him for doing so.

Opposition Members do not seem to realise that precisely such burdens add non-wage costs to the costs of employing people in places such as Germany and elsewhere, and are forcing companies to relocate across national borders. At the moment, we are a major beneficiary of that process, precisely because we reject the social chapter and such interference. That is rightly why the Government take such a strong line on the working time directive.

The conclusion of the White Paper, "Free Trade and Foreign Policy: a Global Vision", under the heading "Raising the United Kingdom's Game", describes how competitiveness depends on many factors. To pick just one, the document's penultimate paragraph says:

"education, learning and the right skills are a key part of the process."

I think that hon. Members on both sides of the House will agree with that. The White Paper continues:

"Government and business share a responsibility with individuals to ensure that education and training equal the best anywhere."

Anyone who has been to places such as Singapore will know of the extremely impressive level of training and education that applies in the far east.

Only the other day, I was privileged to be present in my constituency at the launching of the Bell project. It is a partnership for lifelong learning between Bishop Bell school, Langney county primary school and Eastbourne college of arts and technology. Working with local business, they will provide a seamless educational experience almost from cradle to grave for people in my constituency. Such a process is extremely important and I shall be writing to my colleagues in the Department for Education and Employment about it. It encourages the skills and education that will make this country at least as competitive in the future as it is now.

I refer now to how inward investment affects my constituency. Contrary to popular belief, Eastbourne has a thriving light industrial and service industry sector. We are constantly looking to attract new companies, whether from abroad or otherwise. There are some major world-beating companies in my constituency—Anglo-Dutch Meats, Nobo, Goldwell and Edwards High Vacuum, to name but a few. The latter in particular is very successful at exporting to Japan. I know that those companies are all looking for a lead from the Government and the sort of encouragement that we heard from my right hon. Friend the Secretary of State and will hear from my hon. Friend the Minister for Small Business, Industry and Energy later.

I should like to make a particular plea on transport infrastructure. It is no good at all having everything else in place—the lack of a social chapter, no minimum wage, and so on—without being able to say to companies that they can easily get raw materials into their plants and get finished products out again. We have a major problem in Sussex with a lack of decent roads. I have raised the matter with my hon. Friends in the Department of Transport and hope that my hon. Friend the Minister will take the point away from this debate.

This debate really concerns whether one is to continue with success, which is encouraged and supported by the Government, who are firmly and genuinely committed to free trade and do not just pay lip service to it like Opposition Members, or whether one looks to the Labour party, which is obviously committed to introducing new social burdens on employers, which would increase unemployment and undermine competitiveness. At the end of the day, it is a matter of new Labour, new burdens on business.

11.56 am

Mr. Denis MacShane (Rotherham): I enjoyed listening to the speech of the hon. Member for Eastbourne (Mr. Waterson), especially his animadversions on the minimum wage. It struck me that the United States, which enjoys the highest level of inward investment of any major economy, has just raised its statutory minimum wage significantly, to no detriment to its economy. If the hon. Gentleman had been present in the debate on tourism last week, he would have heard hon. Members point out that we have a balance of trade deficit in our tourism industry because British people prefer—it seems—to visit European countries, where the minimum wage ensures that hotel and tourism industry workers are adequately remunerated and other regulation ensures that the level of training and skills is such that employees provide the kind of warm welcome that attracts our people.

This debate is taking place on a cold December morning. I do not know whether the Secretary of State will be able to return to the House or whether he has to jump on a plane to leave for his week in sunny Singapore. My hon. Friend the Member for Middlesbrough (Mr. Bell) quoted Browning, and there is no doubt that, for the Conservative party and the Government, it will never be "glad confident morning again!" It is all over: I think that this week shows that the game is up. Whether or not we have a general election before Christmas—that would certainly be a Christmas present that the British people would like—it is clear that the Government are now sinking fast.

Mr. Stephen: If the hon. Gentleman's remarks were based on reports of proceedings in the 1922 Committee, I can tell him that I was at that meeting and I do not recognise the newspaper reports as being anything like the truth.

Mr. MacShane: I am grateful to the hon. Gentleman, but my analysis was based on being present in the Chamber yesterday afternoon and on Tuesday afternoon. I doubt whether many hon. Members, even those with long experience in the House, can remember a Prime Minister being so utterly weakened, humiliated and destroyed by the anger of the House at his incompetent policies.

We are here to discuss not the death agonies of the Conservative party, but trade. I am glad that the debate has been called, because it allows us to nail some of the myths that we heard in the Secretary of State's opening speech. The right hon. Gentleman referred to our inflation record. We are not first in the inflation league table in Europe, but 11th. The right hon. Gentleman referred to the record of investment in our country. The French, Germans and Japanese invest, on average, £7,000 per worker, whereas United Kingdom companies invest only

£4,000 per worker. Private investment—the key to economic growth—has grown by just 6 per cent. since the recession. That is slower than in the mid-1980s and slower than under Labour in the mid-1970s; it is slower, even, than during the recovery of the 1930s.

Reference has been made to productivity, but if we look at the official figures, we see that productivity growth in the United Kingdom is collapsing. The figures for the increase of output per head show that there was 1.3 per cent. growth last year. The monthly data to September 1996 show a negative increase in productivity for nearly every month. Those figures are based on House of Commons Library figures.

The interesting question is: if the economy is doing as well as the President of the Board of Trade said it is, why have investors in this country so little faith in it? Why are they not putting their money where the President of the Board of Trade's mouth is—as it were? This debate will, to quote the Chancellor of the Exchequer, turn into a boomerang that will fall back on the Government.

Much reference has been made to the Conservative central office document—you, Madam Deputy Speaker, correctly but gently rebuked me for quoting from it from a sedentary position. But if we look at page 12 of that document, we see that it is poorly written. It states:

"Labour reject free trade in four of protectionism".

The grammar is wrong and the text is written for illiterates. I can understand why Dr. Julian Lewis, deputy director of research for Conservative central office, has just resigned. I thought it was because he wanted to join the campaign to lead Britain out of Europe, but he is more likely to have resigned because, as a man with a PhD, he is horrified at the shoddy, illiterate standards of writing at Conservative central office. I have found, after long experience, that bad writing often reflects bad thought and bad thought reflects bad ideas. The absence of a coherent set of ideas to guide our country into a happier and richer future has led to the paucity of the Conservative party's policy contributions.

The main reason for the lack of investment in our country is the collapse of manufacturing under this Government. In 1979, manufacturing accounted for 30 per cent. of national output and employed more than 7 million people; by 1995, it had fallen to just 20 per cent. and employed only 4 million people. Industrial production has grown at a slower rate than in 11 other European countries. According to the Budget figures, our trade deficit—particularly in manufacturing goods—will worsen. While other countries are concentrating on achieving a balance of trade surplus, our trade deficit is, according to the Red Book, to rise to £4 billion next year.

It was not 12 years ago that the United Kingdom's balance of trade in manufactured goods went into deficit for the first time since the industrial revolution. The party of Pitt, Peel, Chamberlain, Baldwin, Churchill, Macmillan and Heath, which once ensured that we exported more finished goods than we imported, has turned Britain into a country that has to import finished manufactured goods—not raw materials, as the hon. Member for Ludlow (Mr. Gill) said. Our share of world trade has slumped to its lowest level this century and is now less than the shares of Italy, France, Germany, Japan and the United States.

That might help to answer the question that I ask myself constantly: if we have such a successful economy, why do our own investors have so little confidence in it? I am, of course, delighted at any investment that comes into the UK, but Britain has always been a home to inward investment. In the 1920s, Ford and General Motors came here. Those of us who know west London will be familiar with the great Hoover factory which was opened in the 1930s—perhaps the hon. Member for Beaconsfield (Mr. Smith) passes it when he drives out along the A40. This nation has for centuries been open to inward investment and long may it continue to be so.

If we look at the figures since 1979, we find that in only one year was there more inward investment than outward investment. I have no problems with British firms and financial institutions investing overseas—it is their duty to search for the best return possible on the money they are charged with investing—but, again, I have to ask why they will not invest in their own country. Since the current Prime Minister entered office, for every pound that has been invested in the UK, between £2 and £3 has been invested outside the UK, producing jobs and creating wealth in other countries. Some of that money—£25 billion—has been repatriated as rents, but that shows that we are becoming a rentier economy, not a productionist one.

Until we create stable conditions and end the roller-coaster ride in inflation, in the value of sterling and in interest rates, we will continue to face that imbalance between inward and outward flow. To do that, we need a new Government—a Government who will reform corporate taxation and ensure that real investment and real money are put into skills training; a Government who are not committed to promoting only the interests of an SW1, EC2, EC3 and EC4 elite; and a Government who will rebalance the economy, so that the regions of Britain, which are wholly unrepresented on the Conservative Front Bench, can play their part in a dynamic and balanced economy.

Let us turn to some of the reasons adduced for inward investment. As I said, I strongly welcome such investment in the UK. I have been to Taiwan to try to encourage Taiwanese companies to invest in Rotherham and, earlier this year, I was pleased to be at the opening festival—a wonderful morning of Chinese firecrackers—for the new Rexon factory in my constituency. Indeed, under the Chinese calendar, this is my year—the year of the rat—and I pointed that out as a good sign for inward investment in Rotherham by all the Chinese economic communities of Asia. This morning, as a rat—in the sense of being born in that year, according to the Chinese calendar—I invite them all to come and join the skilled work force of Rotherham and locate their factories in my constituency.

The question of the minimum wage and the social chapter has nothing to do with the levels of inward investment. In fact, inward investment, in terms of pounds sterling invested in the UK, peaked in 1989, well before the opt-out, social chapter, minimum wage debate started.

The Invest in Britain Bureau conducted a survey of 200 manufacturing, assembly and research and development companies that had invested in the UK. They were asked their reasons for having done so. Twenty-nine per cent. of the organisations attributed their choice to the need for a European base; the other reasons quoted were the English language, financial assistance, the European single market and—lastly—labour costs.

[Mr. MacShane]

The scientific evidence shows that by far the most important reason for inward investment into the UK is the English language. I am convinced that, under a Labour Government, the ability to speak English, which has deteriorated markedly under the Conservatives, will be reinstated as a major educational skill.

The second most important reason for coming to the UK adduced by those companies is that of being in Europe. The tidal wave of demands from the Conservative party—"Withdraw from Europe", "Cut off from Europe", "Detach from Europe", "Have nothing do with the next stage of European construction"—sends a message throughout the world that Britain under the Conservatives, far from being the Pacific rim of Europe, seeks to become the Albania of Europe, detached from the next stage of European construction.

I believe that the Minister for Small Business, Industry and Energy is committed to Europe. I am not sure of the position of his boss, the President of the Board of Trade, but until members of the Cabinet who are interested in British prosperity have the guts to stand up for themselves and say clearly, "Britain will be a strong and continuing member of the European Union, playing its full part in the next stages of construction," the British economy will be on hold.

The other pro-European members of the Cabinet cannot leave it up to the Chancellor of the Exchequer. I pay tribute to him. He is a political opponent of mine, but at least he has the courage to stand up and be counted on the European question, and he is a rock of Gibraltar in the Cabinet, being harried by political opportunists who want to take Britain out of Europe. As the President of the Board of Trade could not find it in his heart to spell out in his speech a pro-European future for Britain, I hope that the Minister will do so.

I turn briefly to the important point that the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) made about regional assistance. A fair amount of that inward investment is determined on a large cheque being signed by the Government to investing companies—reportedly, £200 million for Samsung and £40 million for Jaguar—and such subsidies can distort markets.

As I represent a South Yorkshire constituency, I am worried about the decision by the Northern Ireland Office to offer a £2.4 million grant to the YG group, a Korean cutting tool manufacturing company. The company has already opened part of a factory in west Belfast to export cutting tools—part-made in Korea and shipped for finishing in Northern Ireland—to the UK and elsewhere in Europe. In the opinion of cutting tool manufacturing firms in my constituency, as well as in Sheffield and South Yorkshire, that will have a devastating impact on their market share. At least 250 to 300 jobs will be lost in exchange for the gain of fewer jobs in Belfast. I understand why the Northern Ireland Office seeks any possible inward investment, but £2.4 million might be better spent if it were used to upgrade and promote existing indigenous British factories in the cutting tools industry.

There is some irony in the fact that British Steel, a company which has a strong presence in my constituency, fights strongly in Europe and asks the Government to fight strongly in Europe against subsidies that European Governments give to their steel companies in some instances. British Steel is right and I support its stand. However, a Government Department is unfairly subsidising a Korean company to come into the United Kingdom and, in effect, destroy British jobs. That issue needs to be looked at, and I hope that the Under-Secretary will assure the House that that unfair subsidy to YG, the Korean firm, will not be allowed to continue.

The President of the Board of Trade flies to Singapore later today. We wish him well. May the sun shine on his works. He will be visiting a country which is in social terms one of the most regulated in the world. It has a massive programme of social investment in housing. Compulsory savings are levied on all workers to provide for their future, which also provides a huge source of capital for investment and development in Singapore. All that was undertaken by Lee Kuan Yu, a distinguished statesman who, some hon. Members will remember, was secretary of the Fabian Society at Cambridge.

In many ways, Singapore represents the Fabian Society re-created on earth—a world of the Webbs with slightly better food and drink. Whether one wants and whether the British people would be prepared to put up with Singapore's level of regulation on smoking, drinking and crossing the road, I wonder. I hope that the President of the Board of Trade will enjoy his week in that wonderful Fabian city state of Singapore and learn what lessons he can from it.

The President of the Board of Trade will go out to Singapore with one of the most shameful missions that a British Cabinet Minister has ever undertaken in our name. He intends to use his authority to block the efforts of our great ally, the United States, to place child labour on the agenda of the World Trade Organisation.

In the past 15 years, we have seen a great liberalisation of world trade, which I welcome. It is not accompanied in all parts of the world by a fair share of the wealth created and value added for those who create that wealth and add that value. As we look around the world, we see ever greater income equalities, no more clearly than in our own country. We only have to walk a few hundred yards before we start stumbling across beggars in the street—a quintessential hallmark of the Conservative economy. The Government have reintroduced begging as a mass economic activity into Britain. That is also true in too many other countries.

What is most surprising of all is the extraordinary increase in child labour. The theory of pure free trade is that everyone gets richer. Someone mentioned earlier the concept of the rising tide that lifts all boats, but we are seeing a massive increase in child labour. In a debate a few weeks ago, I quoted figures of about 110 million children identified as working around the world. The International Labour Organisation has just produced an authoritative report which shows that 250 million children are in waged work. This is real work. I am not talking about newspaper rounds or helping out on farms. It is waged work, often as bonded or slave labour.

More than 1 million children are commercially exploited for sexual purposes in the sex trade. Children working in agriculture are more likely to die from pesticides or organic chemical poisoning than from childhood diseases. It is the new scandal of the modern world economy. We are increasing, year on year, the number of children forced to work under those conditions.

That is why the United States and France, and Sir Leon Brittan, among others, have argued that the World Trade Organisation must build the discussion of child labour into its deliberations.

It is shameful to this country that the Secretary of State will seek, next week in Singapore, to veto the discussion of child labour in the WTO. If for no other reason, let us welcome as soon as possible a Labour Government, who will join the United States and other mature democracies to place the child labour issue on the WTO agenda. The Secretary of State said that he was an evangelist for free trade; I am a great supporter of free trade, but free trade that does not allow all who participate in it to get a fair share will increase protectionism. We are seeing that backlash throughout the world from the excluded, the poor and the out-of-work. If we do not construct our trade relationships and economies so that all who participate in them gain from them, and so that children are at school rather than sent out to work for their parents, we shall see a rising tide of protectionism.

Even at this late hour, I urge the Secretary of State to think again as he flies to Singapore, and to join President Clinton in recalling the good name of Wilberforce and those in British history who eradicated evil working conditions. He should tell his ministerial colleagues at the World Trade Organisation next week that he wants child labour on the WTO agenda. In that way, the WTO and all the other forums can be used to eradicate child labour by 2020.

12.21 pm

Mr. Michael Stephen (Shoreham): I welcome the opportunity to contribute to this debate as I am an officer of the all-party export group and an adviser to the Ricardo Engineering group, whose scientists and engineers do excellent work to keep Britain at the forefront of the technological revolution and whose skills and expertise are exported every day to earn foreign currency for Britain.

We need to export for two reasons: first, to earn the foreign currency to pay for the goods and services that we have to import; secondly, to provide a buffer for businesses and employees in this country against the inevitable economic cycles to which all economies are subject.

The world has changed. Only a few years ago, we were the world's workshop and just about everybody else was either our low-cost supplier or our customer. More and more of those countries are now our competitors—and very effective competitors they are, too. They are competitive not just in low-tech industries but in the highest technology imaginable.

There has been a computer revolution in the past 10 years, and more and more of our national effort, brains and expertise are being devoted to computer-related industries rather than to tangible metal-bashing manufacturing industries. As I said in an intervention, that tends to distort the trade figures. There is a difference of opinion as to whether the development and creation of software is a manufacturing or a service activity. That industry is becoming increasingly important in all the developed economies.

The construction industry is a major export earner for Britain and we should salute the efforts that it makes throughout the world. Bidding for a large construction contract in a foreign country is an expensive and risky business, and Britain's construction industry is grateful for the overseas project fund that the Government offer. The OPF contributes 50 per cent. of eligible costs of British companies tendering for major overseas contracts. Those grants are repaid, plus a supplement of at least 20 per cent., if the company succeeds in winning the contract.

That assistance is available only for high-risk marginal projects, for which the companies concerned would not otherwise have bid. A company making an application must show that the contract will generate substantial UK content, usually at least £50 million. The figures for 1992-93 show that for an outlay of £3 million by the OPF, British companies won contracts with a total UK content of no less than £550 million. That is a good investment by any standards.

Unfortunately, the amount of money that my right hon. and learned Friend the Chancellor has been able to devote to the OPF is now not enough to support the potential opportunities that British construction and other major companies have identified in world markets. Even at a time when budgetary constraints are tight, as clearly they are at present, the fund represents not a drain on our resources, but an investment opportunity. I urge my right hon. Friend the President of the Board of Trade to take account of that and to convey the point to the Chancellor.

Asia is a major area of export opportunity for British companies. The aid and trade provision has been enormously helpful to British companies seeking to profit from those markets. Unfortunately, there is a moratorium on Asia because the budget for that part of the world is overspent. I urge the Government to restore the budget as soon as possible, as that is the part of the world where the greatest opportunities exist for profitable business for British companies.

I also urge the Government to shift more of the money available for overseas aid out of multilateral programmes into bilateral programmes, which can be focused much more carefully on those areas where British companies are likely to benefit than is the case with multilateral programmes.

During the debate several hon. Members referred to Britain's relations with Europe. Britain's future in Europe is central to a debate on how Britain earns its living in the world. Conservative Members agree that Britain must be at the heart of Europe. As my hon. Friend the Member for Bournemouth, West (Mr. Butterfill) observed, we were the architects of the single market. My right hon. Friend Lady Thatcher was in the forefront of European leaders arguing for a single market within which all European companies could compete on a level playing field. She did more than any other European leader to create the single market, and her successor, my right hon. Friend the Prime Minister, has continued that crusade.

But we in the Conservative party have some problems with the single market, and we reflect the divisions that exist within our country on that great issue. The press have made us appear to be a divided party, but we are articulating the differing views that exist out there in the country. Our constituents have sent us here to express their views and to debate those great issues.

We have some difficulty with the social chapter, not only because, as has been pointed out, it would be damaging to Britain's competitiveness in the world—as it

[Mr. Michael Stephen]

is already damaging continental Europe's competitiveness in the world—but because we see it as running flatly contrary to the doctrine of subsidiarity. Matters with which the social chapter deals, such as how many hours may be worked in a week, are essentially not matters for supra-national regulation. They are issues for each member state to decide, having regard to its culture and economic conditions. This House must take those decisions on behalf of the people whom we represent.

We also have some difficulty with the European Court of Justice—I speak now as a lawyer. We and the Irish are the only member states whose legal systems are based on common law: all other member states' legal systems are based on the civil law. When a common law lawyer examines the words of a statute or a treaty, he construes them strictly. A civil lawyer does not do that: he looks at the preamble to the Act or the treaty and says, "I know what the small print says, but my job is to interpret the spirit of the treaty which I derive from the preamble."

Therefore, a judge can interpret a treaty to mean just about anything he likes. That is the difficulty that we face: we sign international obligations on the basis of our common law understanding of their meaning, but through a process of creative interpretation the European Court of Justice then imposes on our people obligations to which we have never agreed. That causes serious concerns for all our constituents.

Mr. MacShane: Has not Britain won more cases in the European Court of Justice as a result of that interpretive, purposeful method of lawyering, which benefits Britain more than those European countries which have sought to halt our exports, for example?

Mr. Stephen: It is not a quantitative analysis: we cannot say that because we have won 50 and lost 30 we are necessarily better off. I would rather lose cases that are not firmly based on the wording of the obligation to which we agreed. I want to see certainty in our relationship with the European Union: I do not want to be exposed to a system which is totally unpredictable and will tell me tomorrow that the agreement that I signed yesterday does not mean what I thought it meant. That grave difficulty must be addressed at the intergovernmental conference—although I have no confidence that we shall make any meaningful progress there.

The House and the nation must send a clear message to the European Court of Justice that if it does not take account of the fears that I have expressed it risks losing the confidence of the British people. The same can be said for the European Court of Human Rights. I am glad that my right hon. Friend the Lord Chancellor visited the court recently and, in the tactful manner for which he is renowned, told the judges of our concerns about the way they perform their duties.

There is also a problem with the single European currency. In view of the fudging that is going on in France, Italy and other countries which are trying to squeeze a quart into a pint pot and to conform to economic criteria that they clearly do not satisfy, I do not see how a properly based, workable single currency can be created within the next five years. It is most unlikely that this country will consider it appropriate to join, even on economic grounds. If business men in the City of London or in our constituencies were to say, "You must get into the single currency; it is absolutely vital and we must have it," and if it were clear that we would derive economic benefit from it, I might be prepared to tell my constituents, "Here is a huge economic prize for us: let's forget about historical concepts, cultural differences and constitutional theories of sovereignty and go for it." But I am not in a position to say that. Instead, everyone I speak to—economists, business men and political colleagues—says, "It is not proven whether it would be a benefit to us to join the single currency." Is it worth giving up the sovereignty that would be involved in joining a single currency to reap some intangible and rather peripheral benefits? At present, I am not so persuaded.

No one says that we should not give up some sovereignty. Whenever we enter into an international treaty we cede some sovereignty: we give up our legal right to act in a way that is inconsistent with the treaty. There comes a time, however, when the process of giving away our rights begins to invade the very core of sovereignty. I fear that if we were to join a single currency we would go beyond that point. From what I know about my constituents' views and the country generally, I do not feel that our country is ready to do that. What our children and grandchildren may decide to do is a matter for them, having regard to world economic conditions at the time, but that is not for us to decide.

It appears that of 3.6 million companies in this country, only 100,000 export regularly. Sixty per cent. of medium-sized companies do not export at all. In a recent survey conducted by the Association of British Chambers of Commerce, 45 per cent. of companies stated that they do not export because of fear of the unknown.

That is where the Government, chambers of commerce and organisations such as the Confederation of British Industry and the Institute of Export can help. It is essential that small and medium-sized enterprises are given information about market opportunities. It must be a proactive process. We cannot sit and wait for them to ask for information. Information must be made available to them on the Internet.

Our posts abroad are doing an excellent job to promote Britain throughout the world. I had the great pleasure of meeting the staff of some of them this year in Singapore, Malaysia, Thailand, Syria, Lebanon and Sweden. They all impressed me as people who saw it as their role to promote Britain. They were doing an excellent job and I congratulate them. We must remind them from time to time, however, that they must be proactive. They must get on the phone to British companies or British trade associations and say, "Do you know about this opportunity that is just about to come up?" I can assure the House that that is what the French are doing, and the Americans. To a large extent, the British are doing that as well, but our posts abroad must be reminded of the need to take that approach.

Exporting is an exciting business, but it can be a risky one. A role that the Government can play is to help potential exporters to benefit from the mistakes of those who have already exported. Export clubs are an excellent idea and something that the Government should encourage.

Much training could also be undertaken with the use of modern technology. I should like to see CD training packages provided for small and medium-sized enterprises so that they can educate themselves in their own time using their own computers.

The ECGD does an excellent job, but as an officer of the all-party export group I have heard complaints that it sometimes bases its assessment of a certain country on out-dated information. I hope that my right hon. Friend the President of the Board of Trade will ask the ECGD to examine its database and satisfy itself that it is acting on the latest information.

British banks are much criticised. The criticism is largely unjustified, but there is one area in which they could be more helpful to business. If one compares the terms on which banks are prepared to lend for residential purchase with the terms on which they are prepared to lend for a commercial operation, one finds that even if the loan is for exactly the same amount, on exactly the same security, loans for business purposes will be on much less advantageous terms than those for residential purchases. To my mind, the financing of British business is much more important than the financing of British bricks and mortar, because if our businesses do not succeed and we do not succeed in paying our way in the world we shall not be able to afford bricks and mortar. Banks really do need to get their priorities right.

The best form of investment comes from businesses' own money. That is why I support my right hon. and learned Friend the Chancellor's intention, put into practice in each of his Budgets, to lower taxes on business. I do not approve of gimmicks such as investment allowances, which tend to distort the market: it is much better to give businesses an overall lower rate of taxation. That should apply not just to national taxation, but to local taxation as well.

I am sure that every hon. Member will agree that one of the biggest burdens on small business is the uniform business rate and national insurance contributions, neither of which takes any account of the ability of the business to pay: both have to be paid whether or not the business is making a profit. I welcome my right hon. and learned Friend the Chancellor's recent Budget announcement of further relief to small businesses from business rates, but we must try to shift the burden of taxation from uniform business rate and national insurance contributions, which do not take account of ability to pay, to taxes like corporation tax and income tax which do.

I conclude by congratulating the Government on the general thrust of their economic strategy, which is giving British business more and more opportunity to do what it is best at—doing business free from the restraints of regulation and free from the crushing burden of taxation to which it has been subjected in recent years.

12.42 pm

Mr. Ken Livingstone (Brent, East): Much claptrap is talked in the west about the need for free trade. I am not aware of any current, modern, capitalist economies that ever allowed the principles of free trade, or market principles domestically, to determine their policy when national interests could be best preserved by intervention or tariffs.

Britain built its own tremendous economic advantage at the beginning of the industrial revolution by barring most of our foreign competitors from trading in the British empire. A third of the world was exclusively reserved for trade on our terms. I do not know how Britain can now argue for free trade given its own record. America built its industrial supremacy behind massively high tariff walls so that it could create its own sound domestic industry.

In the middle of the last century, the forerunners of what has since become Germany created high tariff walls because their economists warned them that if there was genuine free trade, German industry could never establish itself against the much stronger American and British competition. In the post-war period, we have seen Japan, informally and formally, operate the most rigorous rigging of the market to exclude western, European and American imports to protect its own domestic base, and it is still doing it on a grand scale.

We heap great praise on South Korea, Taiwan, Singapore and so on, but they have all built their own domestic strength behind tariff barriers. If they simply allowed anyone to import and export they would not be able to establish a sound domestic base.

Still today, nations that praise the concept of the World Trade Organisation—the powerful nations of Britain, America and Japan—insist that that organisation should, effectively, force the rest of the world to buy their high-quality finished products on their terms, but should restrict them in selling their agricultural products to us on equal terms. If we were really interested in free trade, we would allow agricultural imports on a massive scale, but we do not allow that, because Europe, Japan and America know that it would wipe out what remains of our farming industries and employment.

Behind the rhetoric, the reality is that nations intervene whenever possible to protect their domestic markets. It is hypocritical for the west to lecture African and Asian nations that are not economically successful, and insist that they must trade on our terms and cannot intervene to protect their domestic markets, given that every successful capitalist society has built its success on exactly those policies.

I am delighted that the Secretary of State will take part in the World Trade Organisation rally in Singapore, but let us recognise the hypocrisy of it. If we were really serious about free trade, we would shift the balance of protectionist measures in Europe, Japan and America, which prevent third-world countries from achieving their full potential. We would lift the burden of debt that has been saddled on third-world countries by the high interest rate policies of President Reagan, when he took over in the White House in the early 1980s.

Mr. MacShane: Is my hon. Friend aware of the row about the import of bananas into Europe? The German Government insist that bananas produced in Latin American countries, such as Colombia, should be imported at low cost, whereas France and Britain believe that bananas should come from countries where wages are slightly higher. According to my hon. Friend's theory—if I understand him rightly—we should all eat low-cost bananas, whereas bananas from countries where wages are protected should not be allowed into Europe.

Mr. Livingstone: I am merely pointing out the reality. I believe in managing trade. It is nonsense to talk about free trade, because I believe that the world needs to manage trade, otherwise one industry after another in one

[Mr. Livingstone]

nation after another would be completely wiped out by low-cost foreign competition. I realise that the quid pro quo is that rich nations should transfer wealth and investment to poorer nations. I see no point in one industry after another being wiped out all over the west, with the social upheaval that that would create. We need to manage trade, and that requires a consensus to emerge. At the moment, the poor nations of the world have no impact on that debate whatsoever.

I shall deal with the Government's Budget, and what it will do to improve our trading performance. Our exports have grown tremendously since we were evicted from the exchange rate mechanism—it is irrelevant whether we call it black Wednesday or white Wednesday. The simple fact is that that dramatic reduction in the exchange rate opened the way to a huge export boom, which fuelled most of the growth in the British economy until 18 months ago. Unfortunately, in the past year we have seen the real value of the pound go up by 10 per cent., which makes it more difficult for British firms to export.

I would like to get back to a system of fixed exchange rates. The important thing is to fix them at a realistic level, and not to repeat the nonsensical mistake of the Conservative party when it took us into the ERM at a grossly overvalued rate. Perhaps that was not a mistake. *The Economist* and the financial pages of the press in the run-up to the decision of the then Chancellor of the Exchequer, now the Prime Minister, to take us into the ERM at DM2.95, told us that we should join at a rate so high that it would make British industry squeal. It was not a mistake; it was a deliberate policy to use an overvalued pound to force a shake-up of competitiveness in British industry. The result was that 10 per cent. of British industry closed during that period. We lost jobs, and we lost exports. We should state clearly that we want a real rebirth of British industry and a recapturing of trade. I have not seen the Conservative central office briefing to Conservative Members but I look forward to seeing it later. I have not been given a briefing by my own Whips so I am completely unbiased.

People talk about the Government's great trade triumph, but we continue to lose our proportion of world trade year by year. We are not capturing markets or expanding. Conservative Europhobes drone on about the need to move away from European entanglement towards trade with the far east. But the trade statistics show that we are improving our trade with Europe and losing it in the far east. Those who think that Britain has a future outside Europe trading with the far east should look at the figures because they show that we are losing ground in those markets. We benefit substantially from the trade inside the EC, which has had massive growth.

What choice did the Government face in the Budget in terms of continuing to increase exports and strengthen our industrial base? It was that the British economy could be managed either to benefit our industry or the City of London. Consistently over the past 18 years the interests of the City have taken precedence over those of our industrial base. In the Budget the Chancellor committed himself to further increases in interest rates rather than going for increased taxes. That is the balance. He has chosen to manage the economy by constantly using interest rates although that has the most damaging effect on our industrial base.

We are told that in view of the great triumph of the past 18 years a Government borrowing requirement of £19 billion is no problem on top of all the others that we have had. Over the past five years, Government debt has virtually doubled and we are pushing against the 60 per cent. Maastricht ceiling because I do not believe for a minute the Government's figure of £19 billion for next year. The amount will be £22 billion, £23 billion or perhaps even £24 billion, which will take the Government over the 3 per cent. borrowing limit.

As the figures continue to come through, the international money markets will see as the year rolls by that the Government's Budget projections were optimistic and there will be increased pressure for interest rises. Eddie George will trundle backwards and forwards, almost wearing out the carpet in the Chancellor's office, demanding a further increase in interest rates to restore confidence. The alternative way to restore confidence is to recognise that Britain is wildly undertaxed. In tax terms we are 14th of the 15 nations in the EU. My voters will find that breathtaking because individuals in Britain are painfully highly taxed. The rates are punitive, higher than at any time apart from during the war.

There has been a shift in the balance of taxation from the corporate sector to individuals, most of whom—through income tax, VAT and council tax—are paying more tax than they have ever paid. They cannot believe that this is an undertaxed society. However, corporation tax is almost voluntary and, effectively, that is why Britain is undertaxed. We tax much less than any of our major competitors and the rate is lower than in any European nation except Portugal. Has that strategy succeeded? Throughout the debate Conservative Members have said, "Industry will survive and invest if we keep taxes low." Corporation tax is lower than it has ever been in real terms and company profitability is higher than ever in real terms, but have companies invested? They have not: investment is limping along.

The statistics are disturbing. Since the Government came to power in 1979 personal investment as a proportion of GDP has increased by 0.1 per cent. Government investment has decreased by 1 per cent. During this Conservative Administration, company investment—one must say "company investment" because so many companies have moved from the public to the private sector during the period—has declined by 2.2 per cent.

So, having given companies all that they demanded on low taxation, in dramatic reductions of trade union rights and increased working hours, the Government have not produced the result that they set out to achieve. They have presided over a decline, as a proportion of GDP, in investment in the British economy. As Labour party propaganda makes absolutely clear, that is why Britain has slipped from 13th place—when the Government took over—to 18th place.

Britain is about to be overtaken by Ireland. Is it possible to imagine Mrs. Thatcher, in 1979, standing on the steps of Downing street and saying, "Vote for us, and within 20 years Ireland will have overtaken the British economy in terms of per capita GDP"? On current projections of British and Irish economic growth, Ireland will overtake

us within the next three to four years. Out of the 15 members of the European Union, we are still ahead, in GDP per capita, of only Portugal, Greece, Spain and Ireland. Ireland will overtake us in the next two or three years—unless my hon. Friends on the Opposition Front Bench can turn round the situation very damn quickly after next May.

Furthermore, some of the most advanced regions in Spain have equalled British levels of GDP per head. On those trends, soon only Portugal, Greece and Britain will be at the lower level of GDP per head in the European Community. It has been an appalling record of failure, because, on every occasion, the Government have benefited the City and neglected industry. One overlooks the need for industry at one's peril.

I am all in favour of a successful financial sector, and I accept that we should be selling insurance and all those other things. I am delighted that there is a successful service sector and that people work in catering, hairdressing and all of that. But those industries rest on a sound industrial base, and they become vulnerable without a sound, high-tech manufacturing base.

I should like the Government to make a dramatic shift. If they were serious about trade and industry, they would not have passed their most recent Budget. But I am opposed to people who slag off the Government and do not say what they would do in their place. Therefore, I shall spell out exactly how the situation should be turned round and which taxes should be increased. I know that I shall say it at my peril, because, under the Labour party's new code of conduct, a Labour Member will be found guilty of having brought the Labour party into disrepute if he or she is found in possession of a tax policy. Nevertheless, I shall spell one out.

I have not the slightest doubt that it is right that Labour should proceed with its windfall profits tax on the utilities. We are batting that proposal around. I know that my right hon. Friend the shadow Chancellor has not been too specific on its details, but it seems to have slipped into the public domain that we are thinking about a £5 billion tax. However, we have overlooked all those independent city studies that tell us that a windfall tax could produce £10 billion without any discomfort to the companies concerned. Therefore, if we are facing a Government borrowing requirement—which is claimed to be £19 billion next year, but most probably will be closer to £23 billion or £24 billion—a £10 billion windfall profits tax would provide a good start to restoring sound finances in Britain.

What about income tax? I said earlier that the average, ordinary voter in Britain—middle-class and skilled working-class people—are being highly taxed. They are. I am opposed to a tax increase for them, which is why I was quite happy not to oppose the 1 per cent. reduction in the basic rate. I hope that Labour goes further and starts to reduce the tax on some middle-class and skilled working-class families. But higher income earners—people earning over £50,000 a year—are woefully undertaxed. We could easily say that those earning over £50,000 will have to come up with another £3 billion or £4 billion, to make a contribution to restoring the competitiveness of the British economy, because they are the people who have done best in the past 18 years.

A combination of three other taxes would help restore Britain's financial position, and immediately reduce the pressure for interest rate increases. I am not saying that we should increase taxes because it is fun to do so—I am still waiting to hear from my right hon. Friend the shadow Chancellor who in the past taxed and spent just for the fun of it. I am in favour of structuring our tax system to increase investment and industrial competitiveness.

First, I should like there to be a two-tier capital gains tax. Capital gains realised over a short period should be taxed at a higher rate than those left in a company for longer, which would be an incentive for long-term investment. It could turn out to be completely neutral in terms of any tax change if we reduced the tax burden on capital gains in order to encourage long-term investment.

Secondly, we should examine dividends. When Mrs. Thatcher became Prime Minister, dividends were 1.5 per cent. of gross domestic product; they are now running at 6 per cent. A tax on dividends, or dividend controls, could produce literally billions of pounds. If there were a dividend tax structured in such a way as to encourage investment, and if there were a reduction of dividends, we would massively increase our export base potential and increase long-term investment.

Finally, corporation tax has become almost voluntary, which is why Britain is undertaxed. The Government have given the corporate sector exactly what it asked for—weak trade unions, a large pool of unemployed people in order to bring down wage rates, massive profitability and low taxation. There has thus been no investment. There should be a substantial increase in corporation tax, to bring in something of the order of £10 billion, and generous incentives to encourage investment so that companies which increased their current levels of investment—I emphasise the word "increased"—would get most, if not all, of it back.

1 pm

Mr. Tim Smith (Beaconsfield): I hope that you enjoyed that speech, Mr. Deputy Speaker. It was clear that the hon. Member for Brent, East (Mr. Livingstone) not only had not got hold of a copy of the Conservative research department's briefing, but had not obtained any briefing from the Labour party's Front-Bench team either. Had he received any briefing at all, it might well have been from the Referendum party. It struck me that the hon. Gentleman's views on world trade were pretty well 100 per cent. consistent with those of Sir James Goldsmith. Perhaps more people should be aware that the hon. Gentleman and Sir James have views in common on free trade. I certainly disagree with the hon. Gentleman.

I noted in an intervention that the White Paper on trade and investment points at paragraph 12 on page 18 to the relationship between the trade orientation of developing countries and the growth in their living standards. It states:

> "The evidence has persuaded more and more countries that cutting themselves off from the world economy is a recipe for stagnation. Increasingly, developing countries are seeking greater integration by switching from inward-orientated to outward-orientated economic strategies and opening their markets."

In the globalised world economy in which we live today, no country—rich or poor, large or small—has any real choice. We all have an interest in free trade and we shall all benefit from it in the form of rising living standards.

[Mr. Tim Smith]

The White Paper also deals with agriculture, which the hon. Member for Brent, East mentioned. Of course, he is right about agriculture—world markets in agriculture need to be freed up and opened up. The White Paper recognises that and states on page 28:

"Efforts to achieve free and open agricultural markets are particularly important to long-term world prosperity and development; resources are significantly mis-allocated in both the developed and developing world."

I agree with that. I do not believe that we shall have genuinely free world trade until we have free trade in all goods and services, including agricultural products.

I wish my right hon. Friend the President of the Board of Trade every success as he leaves today for the World Trade Organisation ministerial conference in Singapore. Although the hon. Member for Rotherham (Mr. MacShane) was rather inclined to talk about my right hon. Friend scarpering off to the sun, everybody knows that Ministers, like everyone else who travels overseas on business, work extremely hard. I personally know many people who spend a great deal of their working life travelling overseas to sell British goods, to invest there or to encourage investment here. It is not an easy life; international travel is not some kind of holiday. Such people work extremely hard in Britain's interests—as do Ministers who travel overseas—and we should pay tribute to them for the work that they do.

The most significant fact that underlies Britain's improved economic performance since 1979 is the quite dramatic improvement in manufacturing productivity. By whatever measure, we have closed the gap between us and other countries in manufacturing productivity. Of course we have more to do, and we should and must catch up with Germany, but we have bridged more than half the gap already. My hon. Friend the Under-Secretary of State might be able to give me the exact figures, but I believe that we have closed as much as two thirds of the gap. That is the Government's single most significant economic achievement, because it underlies so many of the successes to which my hon. Friends have pointed in the debate.

One factor that has contributed directly to improved manufacturing productivity is inward investment. Inward investors simply would not tolerate the level of manufacturing productivity that prevailed in this country in 1979. They brought with them new techniques and technologies and better-quality management, and insisted that they were introduced not just at the plants that they established in the United Kingdom, but among their suppliers. They were not prepared to source in the United Kingdom unless UK component suppliers also raised their productivity and the quality of their goods to the standards to which the investors were accustomed in the countries from which they came.

Short Brothers plc exemplifies how inward investment has improved manufacturing productivity. It was owned by the Government until about 1988. The Treasury refused to invest in the business and the business ran up huge debts. The shop floor was like something out of the 1930s. The company was bought by Bombardier of Canada, which has since then invested hugely on the shop floor. Today, Shorts has some of the most advanced manufacturing technology in the world.

The most important point for the Northern Ireland economy is that Shorts worked hard to ensure that it was able to subcontract engineering work and buy many of the components that it needed from local manufacturers. It did so to ensure that it was able to meet its requirements, and it has led to an increase in manufacturing productivity in Northern Ireland. Although that activity concerns a small part of the United Kingdom economy, it has been replicated throughout England, Scotland, Wales and, indeed, Northern Ireland, as inward investors have insisted on higher productivity and higher-quality goods.

The hon. Member for Middlesbrough (Mr. Bell) mentioned Northern Ireland, and as I have spent the past couple of days over there, I am glad to be able to say that inward investment into Northern Ireland is still going pretty well—notwithstanding the termination of the ceasefire. Existing investors are increasing their investments. Seagate is investing at Limavady, with the creation of another 760 jobs, and Daewoo, which already invests heavily in the Province, is also increasing its investment, with the creation of a further 330 jobs. I asked Daewoo, a Korean company that invests in the United Kingdom, why it chose to come to the United Kingdom. It told me that it was, first, because this country was part of the single market—it sees it as a platform for exporting to other member states. But it also chose this country because of our labour market.

There are many aspects to the labour market. We have a reliable and skilled work force, and outstandingly good industrial relations compared with those of 18 years ago. We have relatively low non-wage labour costs. The Department for Education and Employment produced an excellent booklet entitled "Jobs", which set out the precise the non-wage labour costs in France, Germany, Spain and the United Kingdom. They are much lower here than in any of those other member states, which is an important consideration for companies that invest here.

It therefore follows that any attempt to impose extra burdens on employers—whether through the social chapter, a minimum wage or any other idea that the Labour party may have for imposing extra costs—must act as a disincentive to inward investors into this country and must make other member states more attractive. That is why any such attempts should be resisted. Companies are also impressed by this country's standard of education and training, the training that can be provided to inward investors and the advantage that we have through our use of the English language.

It may be true that when inward investors first arrive in this country, they are largely assembly operations, importing a large proportion of the components that make up the finished product—a point mentioned by, I think, the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). But once they gain confidence in this country, they start to reduce the level of imports and undertake research and development work. Long-established American companies, such as Ford and General Motors, eventually started to produce products designed exclusively for the European market. That is already starting to happen with our more recent inward investors; it will continue to happen because they have confidence in the market in which they have invested.

In an earlier intervention, I mentioned the remarkable turnaround in our balance of trade with Japan. In his speech, my right hon. Friend the President of the Board

of Trade said that we now have a balance of trade surplus with Japan of, I think, £1 billion. If that is the figure, it shows a remarkable transformation from the position only a few years ago, when we seemed to import almost every high-tech electronic product from Japan and it seemed almost impossible—whether for protectionist reasons or whatever—to export anything to Japan. That position, which is apparent in the far east markets, has been replicated in many other countries.

We are producing an outstandingly good trade performance. Many forecasters would have predicted that, during a period of economic recovery, our trade performance would deteriorate. That has happened previously—as the economy has started to grow, we have sucked in more and more imports and the balance has started to deteriorate. We have now had three or four years of economic growth, yet the balance of trade has not deteriorated—in fact, the balance of payments is roughly in surplus, as would normally be expected. That is an outstanding record.

My sole concern relates to the European single market, which was established nearly five years ago. We are still not making the progress that we ought to be making in some internal markets—I am thinking particularly of insurance, telecommunications and public procurement, but there might be other markets in which more progress ought to be made. Deutsche Telekom has recently been privatised, but I do not believe that that privatisation has been accompanied by the same deregulation of Germany's telecommunications market that in this country accompanied the privatisation of British Telecom.

British companies must be able to compete in continental markets, and German, French and other companies must be able to compete in ours. We have already complied with our half of that deal and we have an extremely open market in telecommunications, but the Government must work hard in Brussels to open up the markets that are still effectively protected and ensure that British companies—many of which are now world leaders because of the opportunities that liberalisation gave them—are able to expand accordingly.

The record on international trade is outstanding, and that is vital because this country is, always has been and always will be hugely involved in international trade. We are the fifth largest exporter, and exports account for a quarter of our gross domestic product. Although it may be true that we have had some difficulty in holding our share of world trade, we have done better than previous Governments in preserving our position. As other economies grow at higher rates of growth from a much lower base, they tend to take a larger proportion of world trade, so it becomes increasingly difficult for a developed country such as ours to maintain the same market share. We nevertheless have a good record, which is why I conclude by wishing my right hon. Friend the Secretary of State every success in his discussions in Singapore.

1.16 pm

Mrs. Barbara Roche (Hornsey and Wood Green): All hon. Members will agree that this has been a good, high quality debate and that many important points have been made by hon. Members on both sides of the House. I hope that the debate will have given the President of the Board of Trade food for thought on his way to Singapore today.

The President of the Board of Trade referred in his opening speech to the whole question of regulation and how deregulation was especially important in relation to small firms, by reducing compliance costs and the burdens on business. I absolutely agree with him. What makes that all the more surprising is that at Question Time on Wednesday the Minister for Small Business, Industry and Energy, who will be winding up today's debate, had to admit that he had introduced three times as many regulations relating to the Department of Trade and Industry as had been revoked.

If we look at the Government's overall record, we find that since 1994 approximately 13 times as many regulations have been introduced as have been replaced. I remind the Minister that 19 Conservative Back Benchers, including a former Minister for Trade, have criticised the Government's laconic record—their words, not mine—on removing the burdens on business.

The Institute of Directors, in its recent report on small business and also as a result of the "Your Business Matters" conference, noted that in the past few years

> "The government has talked a lot about deregulation but has not achieved enough. Around 3,000 regulations have been removed over the past few years but over 10,000 new ones have been introduced."

The Minister may like to dwell on that this afternoon, especially as it was mentioned by the President of the Board of Trade in his opening remarks.

The President mentioned the fact that Britain is a trading nation and the importance of exports, especially to small and medium-sized enterprises. That theme was also echoed in a thoughtful speech by the hon. Member for Shoreham (Mr. Stephen).

The President mentioned the work done by business links. Although we welcome their work, it is at an extremely early stage. In Britain we still have no database of exporters, unlike our competitor countries in the European Union. It will be interesting to hear what the Minister has to say about that.

The hon. Member for Shoreham made the extremely pertinent point that we needed to ensure that our high commissions and embassies abroad were using all the latest technology, were using the Internet and were acting as a selling point for British goods and services. This morning there has been much talk about the Conservative briefing paper that was made available to Conservative Members and also, by a happy coincidence, to Labour Members. In that context, I wondered whether the hon. Member for Shoreham had been privy to several things that we had said in the public arena about exports. It seemed to my hon. Friend the Member for Middlesbrough (Mr. Bell) that the hon. Member for Shoreham was parroting Labour party policy on the subject. We speak about an enterprise zone for exporters—

Mr. Stephen: I assure the hon. Lady that when a good idea appears it does not matter to me where in the House it comes from. All good ideas for the benefit of the nation should be adopted. I do not concede, however, that this idea was originated by the hon. Lady or her colleagues.

Mrs. Roche: I will respond to that intervention in the spirit in which it was made, by saying that I agree with the hon. Gentleman. We are talking about what is

[Mrs. Roche]

in the interests of our country, and good ideas that are in the interest of the whole nation should be warmly welcomed from both sides of the House. However, we are delighted with the hon. Gentleman's endorsement of our policy on exports.

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) asked important questions about investment and about the Invest in Britain Bureau survey. He raised a potentially extremely important point about counterfeit trade, which I am sure will be mentioned in Singapore and which is of great interest to businesses in Britain.

The Tory briefing document was mentioned. The hon. Member for Eastbourne (Mr. Waterson) claimed only to have glanced at it, but proceeded to quote from it in detail. It is an interesting document. Later I shall talk about the skills gap. From the language in which the document is couched and its grammatical format, one might conclude that the writer would benefit from a Labour Government and what we intend to do to improve skills and rebuild our economy.

My hon. Friend the Member for Rotherham (Mr. MacShane) made pertinent points about the condition of the economy and investment from Britain abroad. The 1995 United Nations report showed that $30 million was invested in Britain by foreign firms while $38 million was invested by Britain abroad. When the Minister talks about the amount of outward investment going out from Britain, he may wish to refer to that. My hon. Friend also made some pertinent points about the scandal of child labour and the importance that the United States Government attach to that.

This has been a good debate. It has put firmly on the agenda the importance of inward investment to Britain. We pay tribute to local authorities, regional development organisations, the staff of the Invest in Britain Bureau and others who have helped to achieve the success that we have so far seen. Inward investment is important not only for the jobs that it brings to Britain but for the effect that it has on local economies, including the knock-on effect of workers investing their pay locally, improved opportunities for new and existing supply companies, many of which are small and growing companies, and the possibility of small company spin-offs. The helpful effect that investment can have on small and medium-sized enterprises—truly the backbone of the economy—can be of assistance.

There are certainly questions to be asked about Ministers' actions and record on investment. Listening to the President of the Board of Trade and his Back-Bench colleagues today, one would have no idea of the sharp divisions within the Cabinet on the policies on inward investment. Critics have described the current situation as a Dutch auction, with potential investors being offered financial incentives of as much as £37,000 per employee to move to a particular area.

In the last debate on inward investment two years ago, the hon. Member for Falmouth and Camborne (Mr. Coe)—he is certainly an honourable Member of the House because before he moved to the dizzy heights of the Whips office he was my pair—described the experience of a potential inward investor in his constituency. He said:

"halfway through negotiations with the Department of Trade and Industry in Bristol, he finds himself the subject of an approach from a Welsh council to relocate there, supported by the Welsh Office and underpinned by the local training and enterprise council, two jobcentres and the local councils. He is now in a Dutch auction, with offer and counter-offer being made with public money."—[*Official Report*, 28 October 1994; Vol. 248, c. 1145.]

If we needed further proof, *The Economist* recently described this inter-agency rivalry as:

"A collection of bell boys tripping over each other to grasp a guest's baggage, and then tipping the customer for the pleasure of carting it to his room."

To put it kindly, Ministers have not been singing from the same hymn sheet.

It is well known—again, I look forward to the Minister's response on this—that the Department of Trade and Industry and the Treasury recently backed down in a row with the Scottish Office and the Welsh Office over control of campaigns to attract foreign investment. I understand that the DTI lost its argument that rival bids from the Welsh Secretary and the Scottish Secretary to attract the South Korean electronics company LG group, which eventually agreed to relocate in Newport, gave a rather bad impression to foreign Governments and could lead to the United Kingdom being forced into greater subsidies. Again, I look forward to the Minister's reply.

I gather that the DTI has retired from the lists and given up its attempt to have such bids handled by an interdepartmental agency, even though it is commonly agreed that inward investment appears to be going to those parts of Britain with the best equipped development agencies rather than where it is most needed. When the Defence Secretary was Chief Secretary to the Treasury he said:

"I believe we need to distinguish carefully between enhancing business competitiveness and getting embroiled ourselves in competition with foreign governments to pay market distorting subsidies. Much of our regional spending runs this risk."

The Opposition support inward investment, but an interesting debate is clearly going on within the Government about how they see inward investment. In the present turmoil—the daily dilemma, the "Coronation Street" and "Brookside" that we see enacted in the 1922 Committee and in Cabinet, on the "Today" programme, on "Newsnight" and in the daily pages of our national newspapers—perhaps the Minister can tell us how the Government are faring on inward investment.

As my hon. Friend the Member for Middlesbrough (Mr. Bell) ably pointed out—my right hon. Friend the Member for Derby, South (Mrs. Beckett) also said this—not all inward investment creates new plant and employment. A United States utility buying a British utility counts as inward investment. While it is clearly investment in Britain, it is a bit rich for the Government to count it in the way that they do. The Government should be clear about what they mean by inward investment when they boast about what they are doing.

As was rightly said by a number of hon. Members, including the hon. Member for Bournemouth, West (Mr. Butterfill) in a short but interesting speech, one reason why foreign companies come to Britain is because of the English language. I hope that when the Government

try to take credit for other people's work th[illegible] not also seeking to take credit for our language. M[illegible] Cassell, writing in the *Financial Times* during the summer, said:

"The use of English as the international language of business has always been a critical factor"—

in inward investment in Britain—

"for which even the most brazen politician has been unable to claim responsibility."

I would never think of accusing my opposite number, the Minister for Small Business, Industry and Energy, of being a brazen politician and I am sure that he would not describe himself as such.

We should also look at Britain's own record on investment. As Dr. Lyons, chief executive of DKB International, said recently in *Sunday Business*:

"while such investment is welcome, it begs the question, why can't we do it ourselves?"

The figures on investment in British industry tell a sorry tale. Despite the Chancellor's upbeat forecast last year that investment would rise by 10 per cent., he was forced to admit in the Red Book that manufacturing investment

"fell from the fourth quarter of 1995 to the second quarter of 1996".

It also fell by 14 per cent. in the last quarter compared with the same quarter a year ago and is still 6 per cent. in real terms below the level that it reached in 1979.

Since 1979, the UK has invested less as an average proportion of GDP than any of the other 24 countries of the Organisation for Economic Co-operation and Development. Is it any wonder that when the Government talk about how much our manufacturing sector has caught up in the past few years they do not reveal the incredibly low base to which they let it run down in the 1980s and the fact that they are now attempting to redress that record. I hope that the Minister will deal with that when he replies.

The whole House wants to attract inward investment for Britain, but we must try to envisage our future as we seek to do that. The Confederation of British Industry has identified three weaknesses which hold back Britain's inward investment performance. The first is our "image as poor Europeans"—those are not my words but the CBI's. *[Interruption.]* I hear the President of the Board of Trade and the Minister muttering among themselves. They should take those matters up with the CBI when they next meet it.

The Minister for Small Business, Industry and Energy (Mr. Richard Page): The hon. Lady says that the Government are holding back inward investment into this country. As we literally have the world record, how can she say such a thing?

Mrs. Roche: The Minister must not go on living in the past. The CBI is looking to the future and how we will progress. I have mentioned the interdepartmental rivalry and the scepticism of some of his governmental colleagues about inward investment, which is often acquisition based, rather than entailing the attraction of new plant and machinery and job creation, as the Government like to portray it.

The second factor highlighted by the CBI was Britain's lack of infrastructure, and especially its transport problems. The third factor, and possibly the most important for our competitive edge, was our skills base and the qualifications of the work force. Those are clearly key issues.

As the CBI stated that

"the UK's continued participation in the Single Market is of major importance to manufacturing investors, guaranteeing access to large markets. For companies making decisions about the location of a European Head Office, the country's ability to be at the centre of economic and political development of Europe is of critical importance. This may detract companies from choosing the UK".

This week's shenanigans do nothing for our image as good Europeans, but they will continue this weekend and every day of the short time that the present wretched Government remain in office.

Our congested and crumbling transport infrastructure is a huge problem for business. As I travel around Britain meeting business people, they tell me that that is one of their main difficulties.

The CBI is not alone in identifying Britain's low-skill economy as a problem for inward investors. Last month the *Financial Times* described Britain's

"worrying skills gap which inward investors have been quick to experience."

As I go around the country employers tell me about bright young boys and girls whom they would like to take on but who do not have basic literacy and numeracy skills. The Labour party is determined that Britain will have an educated and skilled work force. It is no wonder that employers are concerned, when one third of teenagers cannot reach even the basic NVQ level 2 for literacy and numeracy, and Britain ranks with Turkey near the bottom of the European league for the numbers of 17 and 18-year-olds staying on in full-time higher education. When the President of the Board of Trade visits Singapore, he will have an opportunity to see how skills training is undertaken there and to bring back some valuable lessons.

If hon. Members want evidence from inward investors, perhaps they should heed the words of the chief executive of Siemens' UK company. Mr. Jurgen Gehrels made some important comments on the skills base. He said that any belief that the way forward for Britain was as a

"low skill and therefore low wage economy"

was totally unfounded.

Mr. Tim Smith: Can the hon. Lady name one hon. Member or one serious political commentator who has ever suggested that the way forward was for Britain to be a low-skill, low-wage economy?

Mrs. Roche: I would name every hon. Member on the Conservative Benches. The entire purport of the Government's economic policy is to imply that Britain can compete as a low-wage, low-skill economy. Mr. Gehrels, whom I quoted, speaking on behalf of one of our major inward investors, said that that was the wrong road for Britain to go down.

Britain deserves a Government who can put matters right. We deserve a Government who will encourage inward investment and create a structure that supports business operations. We pay tribute to the Invest in Britain Bureau—an initiative established in 1977 by a Labour Government. Labour local authorities have played a decisive role in attracting inward investment. For example, Labour-controlled local authorities in the

[Mrs. Roche]

north-east have encouraged inward investment to replace industry that has been devastated by years of Conservative economic mismanagement. Siemens' investment in north Tyneside and Nissan's move to Tyne and Wear are good examples of such investment. That is why our programme of skills training for young people is so important. Our university for industry, "learn as you earn" accounts and high quality apprenticeships and traineeships will transform the skills of the British people.

Labour will create the right economic environment for attracting inward investment and encouraging long-term domestic investment. Our economy will not be modernised properly until Britain's investment record improves. As businesses up and down the country are discovering, Labour is serious about business. Under Labour, Britain will truly be open for business.

1.40 pm

The Minister for Small Business, Industry and Energy (Mr. Richard Page): The President of the Board of Trade began his speech by comparing the world attitude to the United Kingdom in the 1970s with its attitude today. I came to the House in 1976 and I remember travelling abroad and meeting foreign Members of Parliament and industrialists who regarded us almost with pity, coupled with puzzlement that a great nation could behave in such an incredible fashion—I refer to the strikes, 26 per cent. inflation and the fact that we were viewed as the sick man of Europe.

As a Minister, virtually every week I see some overseas delegation—this week it was a delegation from India, last week from the Kansai region of Japan and the week before that a Swedish delegation. Every delegate asks, "Please tell us how you are doing it? What can we learn to take back to our countries?" That is the judgment that counts—not that of the Opposition or the media, but the world's judgment. It is why overseas companies are flocking to the United Kingdom to take advantage of the Government's open and free approach to trade and commerce. Those companies are producing quality British goods at a competitive price and selling them extensively throughout the world. It has reversed the down-trend that has plagued us for decades.

Trade and inward investment are two sides of the same coin. For Britain to have the right formula to spawn good business, we must have the right policy. When our trade and investment policy is right, business has the right attitude and assistance to enable it to succeed. My right hon. Friend referred to his aims for the Singapore ministerial meeting, and I am sure that all hon. Members wish him success. Success in opening up free trade will bring success for British industry which will be translated into jobs throughout the length and breadth of this country.

My right hon. Friend referred also to some of our inward investment successes. I shall mention only a small fraction of those as I do not have time to recite the whole list. BMW is not the only company to recognise the advantages of investing in the west midlands. Unipart, for example, recently announced another investment in Coventry that will create 150 new jobs in that area. In July this year, Unipart, Honda and its Japanese affiliates announced a joint venture programme worth £63 million. Another 150 jobs will be created at the new technology site at Coventry business park which will manufacture precision-engineered body components and sunroof assemblies for Honda. Those parts will be used on all new models of Honda vehicles manufactured at the Swindon plant and sold progressively across Europe from 1998.

The list continues. Indeed, it is a roll call of success. As sponsor Minister for Yorkshire and Humberside, I go to the region regularly. Whenever I go there I open more factories and more extensions. There is more growth and I announce more jobs coming into the region.

In October, K and L Microwave, an American company, announced plans to invest £4.6 million in a factory at Bridlington, east Yorkshire. This investment will create more than 170 new jobs over the next five years. Companies from Korea and Germany have also decided to invest in the region over the past 12 months.

My right hon. Friend the President of the Board of Trade, in his few words, said that he felt that there were two other announcements coming today. Literally hot off the press—this will be good news for the hon. Member for Bridgend (Mr. Griffiths)—is the news that Sony will be announcing an expansion of its operations at Bridgend. It will be a £50 million investment, and promises the creation of almost 1,000 new jobs.

The 11 Members who represent Glasgow will be delighted to know that Polaroid will set up an international shared service centre in Glasgow which will create another 150 new jobs over the next three years. It is success, success and success.

Our success in attracting such investment is a tribute to the dedicated work of the Invest in Britain Bureau, regional development officers and the efforts of staff in overseas posts. I am glad that the hon. Members for Middlesbrough (Mr. Bell) and for Hornsey and Wood Green (Mrs. Roche) both paid tribute to the work that is done by our overseas posts. We, the Government, see at close hand what they do. They have achieved magnificent results over past years and I am confident that they will do even better in the future.

That is only part of it. We must also have the ability to take advantage of inward investment. That means that we must have a good supply system from our smaller and medium-sized companies. That is why we have set up 10 regional supply offices in England. The organisation was set up in April 1995, and it is starting to produce more and more work for small and medium-sized businesses when they become involved in a supply chain that comes from inward investment.

The RSOs have an in-depth knowledge of their local supply base. They work closely with purchasers to identify precise purchasing needs and to match those needs with validated suppliers. The RSOs, therefore, can give independent and expert help on sourcing. They will help companies that are looking to set themselves up in operations in England. They will continue to help after their involvement is up and running.

I shall give an example. Samsung was looking to set up operations in the north-east. The local RSO helped to compile profiles on potential suppliers and organised some extremely well-attended seminars to brief local firms on how to do business with Samsung. As a result local firms won supply contracts worth £2.4 million.

There is another example of a United States company that was looking to set up a plant in the UK. It was helped by the east midlands RSO. That led to suppliers in the

region securing business worth £2.7 million. There is a similar story involving the west midlands RSO, which has projects that have amounted to supply opportunities worth £3 million.

As a result of a great deal of activity inward investment has undoubtedly been able to source from the United Kingdom components that otherwise would have been imported. That has benefited inward investment companies and the UK economy. That is vital because we have a company profile that I wish to see changed.

We have a few large, well-run companies, but thereafter we come down to a broad base of about 3.6 million small companies. We must create larger small businesses. We must create a middle ground so that we have a company profile that is more of a triangle rather than an upturned golf tee. That is what I, as the Minister with responsibility for small businesses, want to happen. I have a keen interest in the work that we must do to encourage small businesses to export.

In business development in general, not just in terms of promoting export success, the role of the business link is crucial and is becoming ever more so. Business links act as local one-stop shops where businesses can go to access all the support programmes offered by the Government. To quote the Trade and Industry Select Committee:

"the establishment of Business Links is likely to be seen as one of the most important reforms of the 1990's. The creation of the network within a short space of time is a considerable achievement, and the potential for improving competitiveness is enormous".

Out of 87 partnerships nationwide, 48 now have their own export specialists. Export development counsellors enable business links to give tailored support to companies that have the motivation and ability to succeed in export markets. At present, 53 export development counsellors are in post and we have received bids for a further 20. We will grant those bids. Those counsellors will be recruited from the private sector, and they will have practical first-hand experience of exporting. EDCs see business people locally. They are familiar with local commerce and industry and speak business people's language.

Export development counsellors not only add value in their own right, through the specialised advice that they provide to companies, but help companies to plug into the whole range of overseas trade services, whether from DTI market desks or commercial posts overseas.

One of the best ways to make a case is to quote firm examples. Last December, Aston Fittings, a small company in Birmingham, contacted its EDC at its local business link. At the time, it was exporting very little but wanted to expand. After discussions with the company's director, Mr. Brown, the EDC suggested a three-pronged attack, making best use of all the resources available: to commission a market information inquiry from the relevant post to look into Malaysia and Indonesia; attend a DTI trade mission to Iran; and attend any FCO commercial duty officer visits that were relevant.

Following on from the market information inquiry, Mr. Brown contacted the companies listed and now exports regularly to Malaysia and Indonesia. The amounts involved are not vast, as it is only a small company—only £75,000 between them—but business is building. Aston Fittings hopes that exports to these two locations will exceed £120,000 in the next 12 months.

Having been on the DTI mission to Iran, Mr. Brown made several useful contacts, and Aston Fittings now has several regular export contracts with orders valued at more than £20,000 each and growing.

Two months ago, Mr. Brown was asked to meet a visiting officer from Kuwait. The officer gave him contacts in Qatar and Kuwait, as a direct result of which Mr. Brown has subsequently appointed distributors in both areas.

Since contacting its local business link, that one company, has had some £20,000-worth of help towards new CNC equipment, a £10,000 regional selective assistance grant and a £10,000 regional enterprise grant.

The business link was also able to direct the company to a local scheme run by Aston university—the teaching company scheme—whereby the company can employ a graduate for three years at approximately £10,000 per annum, the balance being paid for by the scheme. That is just one example of the way in which business links operate throughout the country.

Thousands of Mr. Browns are helped every year, and their increased export success is instrumental in ensuring the continued growth of our economy. Jobs will be created by small businesses growing into bigger businesses, thanks to our export policy. We want small companies to develop, to export, to train, to spread best practice, all on their own, and help to set standards and take their rightful place in the supply chain. My hon. Friend the Member for Ludlow (Mr. Gill) quite rightly stressed the importance of home-grown investment. I want United Kingdom companies to take advantage of the supply chain opportunities created by inward investment. It is no good hundreds of companies creating work and making a particular product, if small businesses do not take advantage of that supply chain, and do not supply those companies with goods and products that can, in turn, be sold abroad.

I shall deal with some of the points raised during the debate. I look the hon. Member for Middlesbrough (Mr. Bell) straight in the eye when I say that he made his usual, delightful, friendly but rambling speech. At one point he referred to Chairman Mao, gave a little touch of Browning at another, and ended up with scampering mice. He tried to muddy the waters when he dealt with our success on inward investment. I shudder to think what message he was trying to send to any would-be investor in this country. In a moment of desperation he tried to pray in aid De Lorean as a Labour success with inward investment. Looking him straight in the eye, I have to say that that was a bridge too far.

Mr. Bell: We rewrite history quickly, even within hours. I certainly did not say that.

Mr. Page: The hon. Gentleman led us to believe that De Lorean was a gleaming jewel in the crown of Labour policy on inward investment.

I can help the hon. Gentleman on inward acquisitions and their effect on the volume shown by the figures. Inward investment acquisitions represented 13 per cent. of last year's total. That will add 1,178 new jobs—I am suspicious of the exactitude of that calculation—to the 16,797 jobs that will be safeguarded by those acquisitions.

The hon. Gentleman's enthusiasm for the social chapter was evident. Businesses up and down the country will take note of what he said. Continental employers know

[Mr. Page]

just what burdens that puts on business, and how those burdens destroy competitiveness. They are pleading with their Government to get rid of them. Hans-Olaf Henkel, president of the BDI, the German employers federation, said:

"we have too rigid labour laws. We have too high social costs and taxes. We work the shortest week in Europe. The German government spends 50 per cent. of GDP as opposed to 42 per cent. in Britain. No wonder we have a problem."

He is absolutely right.

A week ago, I was in the north of England. A British company had bought a German company, had taken all the equipment from that company, and had established it in the north. The 100 jobs that will be created there will be lost to Germany, because of the high costs of operating in Germany. By his enthusiasm for the social chapter, the hon. Gentleman promises, with unerring accuracy, what will cause the most damage. The Labour party is in favour of imposing those burdens.

The Labour party would sign up to the social chapter immediately. It would enthusiastically accept the working time directive. It would roll over, and say yes to the burdens on business that the social chapter and the working time directive would impose. Coming down the bulging pipeline is the directive to shift the burden of proof in sex discrimination cases. An employer will have to prove that he or she has not discriminated against any individual. Apart from being a huge burden on business, that is a breathtaking breach of natural justice as practised in this country.

EU Commissioner Flynn is up front about his social action agenda. As a first step, he wants to remove the derogations that we have succeeded in including in the working time directive. As a result, offshore workers would be unable to work in the way that they are used to, and, dare I say it, in the way that they want to work.

Labour claims that it can pick and choose from the social chapter, that it can take what it wants and reject what it does not like. It is either misinformed or is being misleading because that cannot be done. The proposals that I have mentioned are covered by qualified majority voting and Britain, under a Labour Government, would be powerless to stop them. The social chapter is not an a la carte menu: the tariff must be paid in its entirety or not at all. If it is accepted the bill would be high and it would send our inward investors running for cover, as would the minimum wage. That is another dish on Labour's menu without prices. Labour menaces British employers with it but it is too ashamed to say at what level the minimum wage would be set. However Labour knows that it would cost jobs.

My hon. Friend the Member for Bournemouth, West (Mr. Butterfill) said that he had a fixed constituency engagement and would have to leave before the end of the debate. He came to the House clutching his Library brief rather than a Conservative central office brief—both of which are good, solid documents. My hon. Friend hammered out the realities, which bear repeating time and again. Some 43 per cent. of investment into the European Union is to the United Kingdom while Germany gets 3 per cent. Which country has the social chapter and which has a free and open approach? As my hon. Friend said, 9.5 per cent. of total world investment comes to this sceptred isle. We should be proud of that and blazon forth the accolade at every opportunity.

My right hon. Friend the President of the Board of Trade will be far too busy to send the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) a postcard from Singapore. If I endeavoured to answer the hon. Gentleman's host of questions, time would soon run out. He was right to ask about the effect of inward investment on our manufacturing base. In addition to my comments about regional supply and how it will help small and medium-sized businesses to grow, I can tell the hon. Gentleman that one fifth of manufacturing output and two fifths of our exports are produced by overseas-owned manufacturers. Some 40 per cent. of our manufactured exports are by companies that have come to this country. That is an astounding figure and it reinforces the importance of the Government's inward investment policy and justifies it.

My hon. Friend the Member for Bournemouth, West rightly spoke about the powerful message in the much-quoted research brief. I looked at my hon. Friend as he was speaking and saw no reason at all why he should not still be here in 2020 giving the House an update on present programmes. He mentioned another matter that is not often quoted. In this country we have a hang-up about taking pride in our successes. Inward investment is a huge success and we should be prepared to say so time and again. Let us shout it from the rooftops.

The hon. Member for Rotherham (Mr. MacShane) is a civilised man. He was able to complete the quotation that his hon. Friend the Member for Middlesbrough could not remember. In his few comments, he allowed his journalistic training to take over.

Mr. Tim Smith: He is a rat.

Mr. Page: The hon. Member for Rotherham is a Chinese rat; he is not a British rat. However, his journalistic training took him a little too far. Calling us the "Albania of Europe" was slightly extreme.

The hon. Member for Rotherham said that we are on a "rollercoaster of inflation". For a few moments, my breath was taken away. I was elected to the House in 1976, in a by-election in Workington. The only reason why that rock-solid Labour seat was returned to a Conservative Member is that the then Labour Government had established a 26 per cent. inflation rate. For the past four or five years, we have had the lowest and most stable inflation rate for decades, yet the hon. Gentleman refers to it as a "rollercoaster". As I said, it is journalistic exaggeration.

The hon. Member for Rotherham took refuge in figures of a selective if not—dare I say it—a dodgy nature. He was critical of the Government's performance on inflation. He then raised, and skated round, the issue of a minimum wage. He prayed in aid what was happening in the United States, and the "massive rise" in the minimum wage level there.

Mrs. Roche: No, he did not.

Mr. Page: He did, although I am sure that he did so accidentally. I have it in my notes. He accidentally omitted to mention that the "massive rise" in the United States took its minimum wage to £2.84. Wow—what a large increase! I should have liked for him to come clean and to tell us exactly what the Labour party's minimum

wage would be. I am waiting to hear that answer. I see that he is counting up his figures, but I can tell him that the figure for the United States is $4.75, which would translate to £2.84.

Mr. MacShane: I did not want to speak again in this debate, but I must correct that error. The figure is $5.15. When it was set, the exchange rate would have made the value in sterling about £3.10—if the Minister wants the exact figure. Since then, however, sterling has been shooting upwards, making it even more difficult for our exporters.

Mr. Page: As I understand it—I should again like to help the hon. Gentleman—that is the figure that will apply from September 1997; it is not the current figure. However, regardless of whether the pound has appreciated, the rate is set at a very low figure in the United States. I leave it to the hon. Gentleman to remember, when next he wishes to pray in aid the United States minimum wage, just how low that rate is—it is low enough to be irrelevant—and to have the courage to quote the Labour party's policy on a minimum wage.

My hon. Friend the Member for Shoreham (Mr. Stephen)—unfortunately, I had to pop out of the Chamber while he made his speech—mentioned the importance and value of the aid and trade provision. He rightly said that we should concentrate ATP on bilateral trade. About half of our £2 billion aid budget is bilateral. The other half, obviously, is multilateral, which enables us to fulfil many of our international obligations.

The hon. Member for Brent, East (Mr. Livingstone) is not a political soulmate of mine—or of most Conservative Members. But his call for higher taxation was—in civil service language—"courageous, brave and breathtaking." He was absolutely right to mention our level of trade with the rest of the European Union and how important that trade is for our industries. Many hon. Members could firmly take on board that message.

My hon. Friend the Member for Beaconsfield (Mr. Smith) made the case for free trade. In doing so, he touched on a vital point that had not been mentioned before in the debate: the issue of productivity, and of how inward investment is made in the United Kingdom, improving quality and productivity. That is absolutely vital if we are to take our place in the world markets on a competitive basis. I am glad to be able to tell him that, whereas we were something like 100 per cent. or half as unproductive as the Germans, the latest figures show that the gap has closed. We have improved by some 80 per cent. or 40 per cent., depending on where one puts the baseline. My hon. Friend's figures are therefore already out of date—we have already started to move up the tables.

I deal now with the remarks of the hon. Member for Hornsey and Wood Green (Mrs. Roche), my alter ego in terms of the small business world. She spoke about deregulation, and I concur with much of what she said. Small businesses do suffer from over-regulation, but the Government are doing what they can to remove any burdens. The deregulation unit is doing sterling work in trying to ensure that any regulations are the least burdensome possible.

We live in an increasingly complex world, however. While something in the region of 1,000 regulations will be gone by the end of this year, we have to have some regulations. In response to a question on Wednesday, I mentioned the regulation to stop carcinogenic materials going into babies' dummies and the regulation to make sure that gas and electrical appliances are safe. However, in order to show the spirit of co-operation that I bring to all things, if the hon. Member for Hornsey and Wood Green would like to tell me of any regulations that she would like removed, I would be only too willing to give them my active consideration. In view of her comments about extra regulations, she must have a huge list of them which will no doubt be on my desk at 9 am on Monday.

Mr. Stephen: You'll be lucky.

Mr. Page: I always travel in hope.

The hon. Member for Hornsey and Wood Green was slightly confused about our policy on inward investment and the fact that we give parts of the country a choice. We do not believe in the corporate state or in telling companies that they have to go to a certain area and cannot go anywhere else. If the hon. Lady looks back in time to a period under a Government who did get involved in directing companies to which areas they should go, she will find a list of failures.

Most of the problems in the steel industry were caused by the steel companies being directed to go to certain parts of the country. The failure of the Bathgate plant shows how the motor industry was interfered with. The same is true of the Fort William pulp mill and the Invergordon smelter. I remind the House of the huge success of the policy of giving direction when the Government of the day got involved in the National Enterprise Board—what a disaster. I do not believe that a single project made any money.

This has been a valuable debate. I hope that hon. Members will take away one key message—the recipe for success is to let enterprise flourish at home and abroad. That is how we will keep our economy dynamic and competitive and help British companies become world beaters in overseas markets, and it is why we shall keep the world's investors knocking at our door. Our agenda for trade liberalisation is a vital component of that. When my right hon. Friend the President of the Board of Trade goes to Singapore today, I, the House and the country will be looking to him to press that agenda and advance our goal of global free trade. I am confident that British business, now set free, will be able to do the rest.

Mr. Bowen Wells (Lord Commissioner to the Treasury): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

SCOTTISH GRAND COMMITTEE

Ordered,

That the Order of the House [15th November] be amended, by leaving out paragraph (2) and inserting—

'(2) at the meeting of the Committee on Monday 9th December—

(a) notwithstanding the provisions of Standing Order No. 94D(2)(b) (Scottish Grand Committee (ministerial statements)), proceedings on any ministerial statement which may be made relating to E. coli in Scotland shall be brought to a conclusion not later than three-quarters of an hour after their commencement and proceedings on any ministerial statement which may be made relating to public expenditure in Scotland shall be brought to a conclusion not later than half an hour after their commencement;

(b) proceedings on the substantive Motion for the Adjournment of the Committee shall lapse at a quarter past Two o'clock; and

(c) notwithstanding the provisions of paragraph (3) of Standing Order No. 94E (Scottish Grand Committee (bills in relation to their principle)), the Chairman shall put any Question necessary to dispose of any Motion which may then be made in relation to the Scottish Legal Services Ombudsman and Commissioner for Local Administration in Scotland Bill at a quarter past Three o'clock, if not previously concluded'.—*[Mr. Wells.]*

PROTECTION FROM HARASSMENT BILL

Ordered,

That, in respect of the Protection from Harassment Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*[Mr. Wells.]*

CONSOLIDATED FUND BILL

Ordered,

That, at the sitting on Tuesday 10th December, any Consolidated Fund Bill ordered to be brought in and read the first time shall be proceeded with as if the Second Reading thereof stood as an Order of the Day, and Standing Order No. 54 (Consolidated Fund Bills) shall apply.—*[Mr. Wells.]*

Emergency Medical Arrangements (Edgware)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Wells.]*

2.14 pm

Sir John Gorst (Hendon, North): The Government's plans for dealing with emergency arrangements in the Edgware district came on to the agenda shortly after the 1992 general election, and they have been there ever since. The issue has broadened from one relating to the facilities provided by a hospital to the local population, and now encompasses the whole question of how individual Members of Parliament can represent the unanimous wishes of their constituents to Ministers. Above all, it raises the question: what can a Member of Parliament do if, having received assurances from Ministers, and made them public, he discovers that such assurances will not be honoured or have been seriously distorted?

The matter goes to the heart of the relationship between a Member of Parliament and the Government of the day. Over broad swathes of public policy, Members of Parliament are expected to defer to the power of the Executive because of the Executive's greater knowledge, superior resources and wider strategic grasp. On the other hand, it has always been acknowledged that, in understanding and interpreting local sentiment, a Member of Parliament has a unique authority—one that no Department can ever match. When, in addition to that, Members of Parliament have negotiated a settlement with a Minister that safeguards their constituents, it is no light matter to discover that the Executive proposes to misconstrue—let alone ignore—the terms of that settlement.

No Member of Parliament can retain a shred of legitimacy with his constituents if he is prepared to accept such a one-sided relationship. To do so would render the constituency Member of Parliament a redundant species. One might as well have a bureaucrat, nominated by the Government—a cipher who would see it as his duty to sacrifice the interests of his constituents to the convenience of the Executive.

The facts of the matter that I am raising are plain. From 1992 to 1994, I argued privately with local health authority officials against their plans for Edgware general hospital. The plans enjoyed no local support whatever—and that is universally conceded. I also took delegations to see Ministers, and I had a comprehensive Adjournment debate on the subject on 18 March 1994. I left no stone unturned to explain the special features that justified the pleas being made to Ministers.

At that stage, Ministers took refuge in the doctrine of the unripe time. Repeatedly, over many months, Ministers claimed that the matter had not reached their level for a decision and they would not intervene. Then, in the spring of 1995, after less than a week's reflection, brushing aside all protests and arguments put to her, the then Secretary of State, my right hon. Friend the Member for South-West Surrey (Mrs. Bottomley), sanctioned the closure of the accident and emergency department. The time had become ripe to ignore my constituents' wishes and needs completely. Naturally, I then voted against the Government.

When a new Secretary of State was appointed, my hon. Friend the Member for Harrow, East (Mr. Dykes) and I, who have never accepted the foolish decision, headed another delegation to Richmond house. My right hon. Friend the Secretary of State was reassuring and emollient; he promised to look again. The necessary adjustments, although significant and vital for my constituents, required only a modest change by the Government.

Six months elapsed. Nothing seemed to be happening; so my hon. Friend the Member for Harrow, East and I, conscious of the rapid approach of the safe waters of the summer recess—safe waters, that is, for the Government—had another meeting with the Secretary of State. This time, we received specific assurances and promises: there would be a casualty department capable of saving lives. In June this year, we had at last obtained promises that a potentially life-saving casualty unit would replace the existing A and E department when it closes early next year. Alas, that is not, unfortunately, the end of the story. Less than another six months later, we are now told something entirely different. We are informed that we are back to a MATS—a minor accident treatment service—unit. We are back to a service that will do little more than bandage cuts and bruises.

I cannot see how, in honour, the Government can deny any of this. Indeed, I assume that they will be reduced to claiming that my hon. Friend and I have deluded ourselves; that we have got into a semantic muddle; that, although promised merely a MATS unit, we mistakenly supposed that the Secretary of State was promising us a casualty unit; or, least plausible of all, that if a MATS unit is sufficiently embellished with frills, such as GPs, longer hours and extra funds, it somehow upgrades itself—in short, that it becomes something that it is not. I am afraid that none of that will wash. The range of our discussions would make such an elementary confusion illogical and implausible.

I do not rest my argument purely on an appeal to logic. I made careful and detailed notes of what the Secretary of State promised us in our talks with him during that evening of 11 June. I propose to quote from the notes that I made immediately after the meeting, only pausing to say that the Secretary of State will, no doubt, have his own record of the meeting. One of his officials was present and taking notes. I have little doubt that, if the two versions were published, they would prove to be virtually identical.

From my notes, the crucial point of the discussion is clear. What I noted is as follows:

"Having referred throughout to 'emergency service', 'emergency unit' and so on the Secretary of State concluded by saying that 'casualty department' was his preferred phrase to describe what we had been discussing. It was best understood by everyone. He also favoured the phrase because it distinguished between an A and E Trauma Centre and a MATS Unit".

I shall repeat the last passage:

"the Secretary of State concluded by saying that 'casualty department' was his preferred phrase to describe what we had been discussing . . . because it distinguished between . . . Trauma Centre and a MATS Unit".

Not only did the Secretary of State promise us a casualty unit; he was also thoughtful enough to caution us against any possible confusion between a casualty unit and a MATS unit. Indeed, that distinction appears again and again in subsequent letters that I have sent to him.

On 3 August, I wrote:

"May I emphasise once again: a MATS unit dealing with minor injuries would be completely unacceptable and contrary to what was understood between us in June. MATS units are not for saving lives: emergency casualty units are."

Two months later, on 4 October, I wrote:

"All along Hugh Dykes"—

my hon. Friend the Member for Harrow, East—

"and I have made it clear that we are arguing for a casualty service which is capable of handling emergencies".

On 25 November, I reiterated that point:

"Throughout our discussions on 11th June we talked about an emergency unit: about an 'enhanced emergency unit'—but never about 'enhancing a minor accident unit'. Both Hugh Dykes and I agree that enhancing a MATS unit with doctors and more hours cannot possibly be construed as turning it into an emergency unit in the sense we discussed with you."

Only in the past few days has the Secretary of State taken the trouble to dispute that. A cynical observer might say that, if one is leading someone up the garden path, one does not tell that person what lies at the end of it—but I acquit my right hon. Friend of such deviousness. Nevertheless, I am still at a loss to find a convincing explanation for the yawning gap between his perception and ours.

The position is, therefore, blindingly clear. My hon. Friend the Member for Harrow, East and I asked for a casualty unit and we were promised a casualty unit by the Secretary of State. We were told that the Secretary of State drew the clearest possible distinction between a casualty unit and a MATS unit; yet we now have a MATS unit, and not the casualty unit that we were promised.

There can no confusion about the fact that that is a straightforward example of breaking a pledge. It is not something to be brushed aside as a matter only of my injured feelings. Naturally, my constituents are indignant too—and so they should be. They have been misled and it would not be surprising if many of them thought that their Conservative Member of Parliament had deliberately deceived them.

How do the Government wish me to defend myself? Do they wish me to say that I told my constituents what I believed to be the truth, but that the Conservative Government deliberately took my hon. Friend and me for a ride? Do they want me to tell my constituents that, despite the fact that they understand as clearly as does the Secretary of State the difference between a MATS unit, which they do not want, and a casualty unit, which they do, they should put up with the former because they cannot expect the Secretary of State to keep his promises in the face of administrative pressure on him not to do so?

This matter is one of the gravest concern to our whole system of constituency representation, because, unless the Government can tell me that they are prepared to honour the pledges they made to my constituents through me, I must take the view that the mutual obligations that exist between us are at an end. The Government will have abrogated them unilaterally. They will have done so to the discredit of every Back Bencher in the House—and to their own shame.

2.28 pm

Mr. Hugh Dykes (Harrow, East): I am grateful for the opportunity to speak in this debate. To follow my hon. Friend the Member for Hendon, North (Sir J. Gorst) is an honour and it gives me great pleasure to be able to do so—pleasure in the sense of being able to pay tribute to him for having taken the lead in this campaign and for having responded to the finest duties that a local Member of Parliament can carry out for his constituents. That is the extent of the pleasure—the rest of it and the Government's response throughout have been nothing but pain.

I shall probably be regarded as thick-skinned—one has to be in order to be a politician in these febrile and turbulent times—in respect both of national policies and of many local and constituency issues, but I agree with every word that my hon. Friend said in this important Adjournment debate. We have had a good number of such debates in this painful period. I pay tribute to his leadership; I have taken a lesser role. We have doggedly stuck to our objectives in this matter, with full justification.

I feel profound disillusionment, and bitterness and resentment, at the crass and incompetent reactions of my right hon. and hon. Friends the Health Ministers, whatever the reason for them—it remains a mystery. My bitterness, disillusionment and resentment at such prolonged incompetence, despite the force of our arguments, of the local campaign and of justified objective medical opinion in respect of the insistence that there should be a casualty department—

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Wells.]*

Mr. Dykes: The resentment that I feel is reinforced by the latest letter that we have received—yesterday evening, I believe—from the Secretary of State. I shall not weary the House by going through it in detail. There is no need to do so, because, although it has two pages, it says nothing; I shall place it in the Library as a record of a wonderful "Yes, Minister" response. I remember the validity of some of those underlying arguments about the behaviour of civil servants and Ministers, despite the humour of the programme.

Sir John Gorst: May I draw my hon. Friend's attention to the fact that, in the last sentence of the letter, there is a little bit of hope? The Secretary of State writes:

"I trust that following your adjournment debate tomorrow we shall be able to make some progress on these issues."

Mr. Dykes: I am grateful to my hon. Friend. That would be so, but for the preceding paragraphs, because they are the most wonderful officialese attempt to resist any of our reasonable requests. I quote from the third paragraph on the second page:

"Against that background"—

the long-running argument on the subject—

"I have sought to respond to the concerns expressed to me on behalf of local people by all the MPs of the area".

We had several of our colleagues with us at the start of the campaign, but the pressures made them melt away, for one reason or another. I hope that they will rejoin us. The letter continues:

"as well as by other representative voices from the community. The demonstrator project which I have detailed represents a significant commitment of central resources to the Edgware area, and a serious attempt by the NHS to respond to the concerns which have been expressed."

That and other parts of the letter are outrageous, unacceptable and untrue and they do not meet the wishes of the local population and of their two parliamentary representatives, and, I believe, of all the local councillors and almost all the members of the community health council in my hon. Friend's constituency—but it is not my constituency, so I must be careful not to misquote.

I fully share my hon. Friend's indignation. In his letter to me of 20 November, he kindly asked to take the lead in this campaign, as he has done ably in the past. I respect that and I respect his need to be in the vanguard of the campaign, in response to legitimate local public opinion. The idea that we should be deaf to local opinion and contemptuously dismiss it on the national and local scene is an absurd notion of our collective and individual role in politics.

As my hon. Friend did in his letter to the Secretary of State of 25 November, I draw attention to the crucial reference in the notes that he took, thoroughly and with great skill. I testify to the absolute exactitude of those notes and thank my hon. Friend for taking them and for allowing me to have the original copies. He wrote in section 4 of the additional notes:

"Throughout our discussion,"

the hon. Member for Harrow, East

"and I"—

my hon. Friend—

"made it clear we were asking for something more than a 'minor accident treatment service', even if it was less than a full-scale 'accident and emergency Department'."

The Secretary of State

"accepted this, and we talked about 'acute needs', 'motorway accidents', 'heart attacks', 'severe allergies', and so on.

The phrase 'enhanced emergency unit' was used repeatedly, so I think he got the message as to what we were after. Indeed, he was emphatic that he would be able to agree to this. The only reservation he expressed was that a serious motorway accident would be most likely"—

logically, of course—

"to go straight to the nearest A & E unit in an ambulance, and we accepted that."

I earnestly repeat, although I will not spell out, what my hon. Friend the Member for Hendon, North has just said in his detailed speech. Indeed, his speech was a detailed submission in the high court of Parliament, because all that he said was evidential and it is on the record as what was agreed.

We have shown some good will, despite the resentment and disappointment since the summer and the feeling that the Government were going back, cynically or perhaps for some other reason which has still not been explained, into old territory and promising only a very limited facility, not that in the original undertaking. Those prolonged discussions between me, my hon. Friend, the Secretary of State and other Ministers in the Department ended in deadlock on Tuesday night. That was the end of the road

as far as we were concerned, unless the Government were prepared to make a proper, thorough, comprehensive, written response to our reasonable requests.

There are pressures on the local community from other elements in politics—legitimately or not, as other people may judge. This is an opportunity for the Government and the Department of Health, because the Opposition have merely said that they will review the closure of the existing accident and emergency unit. They do not go significantly beyond that. The issue shows the value of the Government thinking again about the cynical departure from their pledge of 11 June.

My hon. Friend the Member for Hendon, North and I tabled almost identical parliamentary questions for priority written answer on 3 December. My right hon. Friend the Secretary of State replied that the health authority had proposed that

"The casualty service at Edgware, originally planned as a nurse-led service open 13 hours a day, should instead open 24 hours a day and be staffed by doctors;"—[*Official Report*, 3 December 1994; Vol. 286, c. 29.]

That is not a casualty unit in the genuine sense of the word, only a minor accident treatment service unit. I believe that I am right in saying that a new MATS unit has recently been opened nearby at Wembley. The last thing we need is two MATS units and fully qualified doctors on duty 24 hours a day to treat people coming in for cuts and bruises—the walking wounded with mild wounds indeed. This makes me extremely angry and I expect a proper, honest and thorough response from my hon. Friend the Minister today.

I am sorry that the Secretary of State or perhaps even the Minister of State is not here to answer the debate; but I admit that this is a Friday Adjournment debate, so we accept the Under-Secretary of State for Health, my hon. Friend the Member for Orpington (Mr. Horam)—provided that he comes up with the goods and gives us a proper answer.

I have sent my right hon. Friend the Secretary of State a letter today. I hope that he will receive it today, but he may do so later because of the Friday delays in the internal delivery service between Departments and the House. The letter insists and asks with justification—those two verbs go together—that the Government respond to the request of my hon. Friend the Member for Hendon, North. It is not necessary to read it out, but I say two crucial things about it. The letter belongs to him, as it had a private and confidential notation. It is therefore his property. To allay any residual doubts about what was undertaken in the summer, why does my right hon. Friend the Secretary of State not publish the letter to my hon. Friend and me of 11 June, which promised a casualty emergency services facility? I wait for my hon. Friend the Minister to respond on that specific point. I hope that he will do so today or as soon as possible.

I wish to give my hon. Friend the Minister time to respond to the weighty points that we have made on behalf of our local public. We are waiting for a clear answer today, not further procrastination, bureaucratic postponement or further studies agreeing with the district health authority, which has behaved so badly. We are waiting for action and a decision now.

In that context, the Minister may be tempted to repeat the implausible and dubious assertion that the Secretary of State cannot do much once the local entities and agencies—the district health authorities and the others—have come to their decision, after the legal process of consultation. That is not so and I remind my hon. Friend the Minister that the Secretary of State has the necessary reserve powers in the legislation, if circumstances justify invoking them. I believe that these circumstances justify doing so.

The proposal for a MATS unit is totally unacceptable. The congestion in that area makes the distance of the new Barnet facilities, the Northwick Park hospital and the Royal Free hospital too far for people with life-threatening emergencies to be conveyed there in time. It is an extremely congested zone with many elderly residents, so we need the emergency facilities to remain at Edgware, albeit in their new form if the existing A and E unit closes—may I say, in parenthesis, that I recommend that the Government consider postponing the closure of that A and E unit anyway?

Section 17 of the National Health Service Act 1977, as amended by the Health Authorities Act 1995, provides the Secretary of State with reserve powers to take the action necessary. Sections 1 and 3 of the 1977 Act emphasise that the Secretary of State has the legal duty to provide a comprehensive service to meet local needs. I emphasise that section 13 empowers the Secretary of State to devolve functions to health authorities, but the specific provisions of section 17 empower him or her to make directions specifying how those functions are to be carried out—in other words, how the services are to be provided, with detailed specifications. Section 17(2) highlights the duty of any health authority to comply with the Secretary of State's directions, which can be as detailed as the circumstances require.

Time is now getting short. There are already disturbing signs of a collapse—or at least a severe fall—in morale among members of staff at that hospital, an erosion of the quality of services for which Edgware general was famous, and a deepening psychological crisis within the accident and emergency unit. It is therefore the duty of any Government, particularly if they assert repeatedly that the national health service is safe in their hands, to do something about that. We await the Government's response.

2.41 pm

The Parliamentary Under-Secretary of State for Health (Mr. John Horam): As my hon. Friend the Member for Harrow, East (Mr. Dykes) said, we have had a number of Adjournment debates on this matter. As he will recall, I have already replied to one of those, which he initiated. Until today, however, I had not had the pleasure of replying to an Adjournment debate initiated by my hon. Friend the Member for Hendon, North (Sir J. Gorst), but I know of his continuing concern about the issue.

My hon. Friend the Member for Hendon, North dealt, centrally, with the issue of emergency medical care. I should like to consider for a moment the original consultation carried out by Barnet and Brent and Harrow health authorities in 1994. My hon. Friend started the debate by mentioning the history of the project. We have been considering that consultation exercise, on which the changes in service at Edgware were based.

[Mr. John Horam]

The consultation document made some important points. It said that there is a growing acknowledgement that fewer centres, with a larger population base and a higher number of emergency cases attending them, provide an improved service. That is not just what Barnet and Brent and Harrow health authorities thought; it is what the evidence shows.

That evidence is substantial. A report by the Royal College of Surgeons in 1988, called "The Management of Patients with Major Injuries", said:

"there are far too many small units treating serious injuries and we consider that smaller departments should be closed or have their ability to treat major injuries restricted."

In March 1995, the Department of Health published a review of the literature on accident and emergency departments and clinical outcomes. I am sure that both my hon. Friends are equally concerned about clinical outcomes. The review stated that

"existing research . . . has been enough to mould a consensus, shared by many professional staff and by health authority managers, that larger accident and emergency departments offer better care to seriously ill or injured patients."

That was the context for proposing that there should be a new accident and emergency department at Barnet general hospital, and that the accident and emergency department at Edgware general hospital should close when the new unit opened. The then Secretary of State for Health approved that proposal in April 1995. Since then, matters have moved forward.

Sir John Gorst: All that my hon. Friend says is fair, but one important thing that he leaves out is the social factor. The facilities were to be removed from an area that was deprived in many ways—in terms of income, old age and an immigrant population—but the most important factor was the transport that would take people in an emergency to a nearby A and E department. That problem is not solved by anything that my hon. Friend has said.

Mr. Horam: I shall deal with transport in a moment. My hon. Friend the Member for Harrow, East also raised the matter in the debate that he initiated.

I have described the situation with regard to Barnet general hospital. Edgware will have a new type of local hospital—one that provides a wide range of services for local people. Its services will include a casualty service. The unit at Edgware will be open 24 hours a day. It will have doctors in attendance.

Those are not the features of the original proposals put forward by Barnet health authority, which were for a nurse-led service open only 13 hours a day. Thus, the original proposals have been revised and improved, which represents a real commitment to listening and responding to local wishes. The proposals are in line with my right hon. Friend's assurances to both my hon. Friends. The words were explicitly mentioned in the letter of June this year, which my hon. Friend the Member for Hendon, North mentioned.

I should say to my hon. Friend the Member for Harrow, East that, although I cannot speak for my right hon. Friend in this debate on this particular matter, I do not believe that he would have any objection to publishing the June letter.

Mr. Dykes: The letter refers—I can give the paragraph reference, if my hon. Friend wishes—to the provision of a casualty service and specifically not to a minor accident treatment service.

Mr. Horam: Indeed, the letter uses the word "casualty". My hon. Friend refers to the distinction that I have just made—the uprating of the existing proposals along the lines that I described.

Sir John Gorst: My hon. Friend the Minister has made an important change in the position because of what he has just said to my hon. Friend. As recently as the night before last, the Secretary of State declined absolutely to permit the letter to be published. Is my hon. Friend now saying that my right hon. Friend has had second thoughts? That is an important factor in demonstrating to a wider public exactly what we were promised.

Mr. Horam: As I said, I cannot speak for my right hon. Friend in this debate, and I have not been privy to any conversations that might have taken place between my two hon. Friends and my right hon. Friend. I do not know what was said on those occasions, but I am saying off the cuff that I do not believe that my right hon. Friend would object to the publication of the letter on his own account. I am merely stating that opinion.

Obviously, transport is a matter of concern—in a sense, access to services is as important as the services themselves. Under the new arrangements, no Barnet resident will need to travel more than six miles to an A and E department. The Wellhouse trust provides a bus service for patients, visitors and staff between the Barnet and Edgware sites. The service, which supplements existing public transport links, will be maintained and improved.

In addition, the Department of Health has commissioned a survey to provide reliable information about journey times and optimum travel routes for people travelling by car from the Edgware hospital catchment area to each of the hospitals that they may need to travel to—that is, Barnet, Northwick Park and the Royal Free. The survey will also provide comparative information about public transport travel times. The survey data will be used to assist the health authorities in providing information to the public about travel times and optimum modes and routes of travel for Edgware residents to the other hospitals.

There has also been work by a project group comprising the health authorities, trusts and local authorities along with London Regional Transport, community health councils and disability groups. The group has identified areas for action in both public transport and special needs transport. A particular aim is to ensure that there are reasonable public transport routes for people who may have difficulty changing buses. As a result of the group's work, discussions are taking place with London Regional Transport with a view to implementing improved bus services between

Edgware and Barnet. Work in that area is progressing. I stress that the public transport services will be in addition to the existing Wellhouse trust free bus service from Edgware to Barnet.

The group will undertake a further review and evaluation of the adequacy of transport services in the six months after implementation of the planned changes—including a survey of the transport needs of hospital users and visitors and their level of satisfaction—which will provide an opportunity to initiate more action if that is required. I also draw to my hon. Friends' attention the fact that health authorities are spending no less than £320,000 on improving the London Ambulance Service in their area. I understand that they will provide two extra ambulances and crews to help meet demand in the immediate area.

I have already mentioned that Edgware will have a new type of hospital, and I shall now enlarge on that statement.

Mr. Dykes: My hon. Friend has accepted that there should be a full casualty service, and we are grateful to him for making that promise on the record. In order to avoid any future doubts and procrastination, will he list specifically the conditions that will be treated by the new casualty emergency service at Edgware general when the old unit is closed?

Mr. Horam: I am about to do precisely that.

The hospital will include general out-patient services and a diagnostic and therapy service—for example, radiology. It will also provide day surgery; a breast-screening service; elderly and rehabilitation services; and a range of mental health services, including in-patient units, outreach and assessment services, a base for community mental health teams and a brain injury rehabilitation unit. There will also be children's services, including specialist out-patient clinics and an education and information centre.

That is not all. As my hon Friends know, Barnet health authority is submitting an application for central funding for a demonstrator project at Edgware general hospital, with a number of key elements. First, the casualty service will be open 24 hours a day—I have mentioned that already—and, secondly, a low-risk maternity unit will be provided to allow mothers to give birth close to home. Thirdly, there will be a GP-type admissions unit to provide in-patient beds, to meet the immediate needs of elderly people living locally.

Mr. Dykes: What injuries will be treated by the casualty unit? What services will it provide?

Mr. Horam: It will provide a normal casualty service. My hon. Friend should understand that it is not an A and E department: it will treat the injuries normally dealt with by a casualty service.

Mr. Dykes: What does that mean?

Mr. Horam: As I am not a doctor, it is difficult for me to distinguish between which injuries will be treated by a casualty service and which will be treated at an A and E department. I think that my hon. Friends will be aware, however, that an A and E department would be dealing with trauma, life-threatening accidents and emergencies of that sort while a casualty service would be dealing with something less. That is the distinction that we are making.

Mr. Dykes: We are going backwards.

Mr. Horam: We are not going backwards.

I refer again to the assurances that were given by my right hon. Friend the Secretary of State to my hon. Friends. My right hon. Friend said clearly in June that a casualty service would be supplied with doctor cover. That was the essence of the promise, and that is exactly what we are talking about. My hon. Friends will be aware that that was set out in a statement made by Barnet health authority on 25 September. The statement was welcomed by my hon. Friend the Member for Hendon, North. He will recall the press statement that he issued at that time, in which he specifically welcomed the casualty service that Barnet health authority then stated clearly would be provided. That is the health authority service that I am talking about.

Sir John Gorst: Will my hon. Friend give way?

Mr. Horam: I do not want to mislead my hon. Friends in any way.

My hon. Friend the Member for Harrow, East asked specifically what the service would include. It will include precisely what was indicated in the statement of 25 September.

Sir John Gorst: The statement in which I welcomed the casualty department to which my hon. Friend is referring was before it was made perfectly clear by the local health authority that it would not be dealing with anything other than MATS placements. That made all the difference in the world. I was still operating on the assumption that my right hon. Friend the Secretary of State had defined things as we understood them on 11 June.

Mr. Horam: My understanding and my clear view, as someone looking at the matter from outside, as it were—obviously there have been conversations and discussions between my hon. Friends and my right hon. Friend for some time—is that what is being said here is exactly in line with the assurances given by my right hon. Friend. It would be wrong—

Mr. Dykes: Will my hon. Friend give way?

Mr. Horam: I have little time left. I have two more points to make before I shall give way to my hon. Friend.

First, the assurances that were given in June are exactly what is being delivered and what was intended by the health authority statement of 25 September. My right hon. Friend sticks by that. Secondly, my hon. Friend the Member for Hendon, North referred to the letter that both my hon. Friends received from my right hon. Friend only yesterday or today, as the case may be. I shall quote two specific sentences. My hon. Friend quoted one paragraph,

[Mr. Horam]

I think somewhat unfairly, and I shall quote, as I said, two other sentences.

At the bottom of the first page, the letter reads:

"I anticipate receiving the formal application from the health authority"—

that is, Barnet health authority. That was in the few weeks before the proposals that we have been discussing. The letter continues:

"When it arrives I would of course be happy to discuss the proposals further with you in order to ensure that the demonstrator project reflects as accurately as possible the wishes of local people."

Secondly, my right hon. Friend adds:

"In addition, therefore, to discussing the details of the demonstrator project with you, I would also like to discuss how these arrangements for the enhancement of healthcare in the Edgware area should be implemented . . . I trust that following your adjournment debate tomorrow we shall be able to make some progress on these issues."

Mr. Dykes: In the spirit of co-operation—I thank my hon. Friend for his remarks—will he guarantee and undertake now that what we decide in any further discussions will be done immediately and will not be restricted to the district health authority's list of the items that it would cover in a minor accident treatment service, but will be a full emergency facilities casualty unit?

Mr. Horam: I cannot commit my right hon. Friend to that now in the final two minutes of an Adjournment debate. My hon. Friend is an old enough hand to know that that is beyond my power. Clearly, that is something that we shall want to raise with my right hon. Friend. I was pleased at least that my hon. Friend the Member for Hendon, North said that in using the word "hope", and attaching it to the final sentence of the letter, there is an opportunity for further discussion on this extremely important matter.

Both my hon. Friends made the point strongly that there is a unique role for a local Member in these circumstances. I hope that they will understand that, even though I am currently a member of the Government, I, too, well understand the role of a local Member of Parliament in a situation such as this, and understand the position that they have adopted. I hope therefore that they will see that what my right hon. Friend is saying will enable them to discuss the matter further. I hope that they can accept that in the spirit in which it is offered.

Question put and agreed to.

Adjourned accordingly at one minute to Three o'clock.

Written Answers to Questions

Monday 25 November 1996

PRIME MINISTER

Records (Royal Palaces)

Mr. Mackinlay: To ask the Prime Minister what steps would be required to reclassify those records held at Windsor castle and other royal palaces that relate to constitutional events as public records; and if he will recommend such a change. [5660]

The Prime Minister: Such changes would require an amendment to the Public Records Act 1958, which defines pubic records. The Government have no plans to seek such an amendment.

Arms Export

Mrs. Clwyd: To ask the Prime Minister if he will transfer responsibility for enforcing monitoring controls on arms exports to countries violating human rights to a Department with no responsibility for promoting exports. [5880]

The Prime Minister: While the Department of Trade and Industry is the export licensing authority, responsibility for enforcement of export licensing controls lies with Her Majesty's Customs and Excise. The issue of where in Government responsibility for export licensing should lie is one of the matters on which views were sought in the consultative document. "Strategic Export Controls" (Command Paper 3349), presented to Parliament in July by my right hon. Friend the President of the Board of Trade. The consultation closed on 31 October. When the results of the consultation have been fully considered, the Government will inform Parliament of our conclusions, including those on the issue of the location of the export licensing authority.

Public Interest Exemptions

Mrs. Clwyd: To ask the Prime Minister if he will appoint an officer directly answerable to Parliament to investigate the use by Ministers of the public interest exemption. [6002]

The Prime Minister: I refer the hon. Member to the Government's response to the Public Service Committee's report on ministerial accountability and responsibility, published on 7 November 1996. This makes it clear that if Ministers decline to provide a full answer in response to a parliamentary question, they should give reasons in line with the code of practice on access to government information. I do not believe that it would be appropriate for an officer directly answerable to Parliament to investigate ministerial judgments on the use of the public interest test as this would cut across the direct line of accountability of Ministers to this House.

Mrs. Clwyd: To ask the Prime Minister if he will institute a procedure whereby his office is informed on every occasion that a Minister declines to give information to Parliament on grounds of public interest. [6001]

The Prime Minister: No. Individual Ministers are responsible for the answers that they give to the House on matters which fall within their area of official responsibility.

Open Government

Mrs. Clwyd: To ask the Prime Minister (1) if he will make it his policy that the code of practice on Government information is legally enforceable; [6004]

(2) if he will introduce a freedom of information Act. [6005]

The Prime Minister: I refer the hon. Member to the Government's response to the Parliamentary Commissioner for Administration Select Committee's second report on open government, published on 7 November 1996. This makes it clear that the non-statutory approach taken by the code of practice on access to government information has proved an effective mechanism for ensuring greater openness.

HOME DEPARTMENT

Prison Population

Mr. Soley: To ask the Secretary of State for the Home Department what was the prison population for each year from 1990; and what estimate he has made of the prison population for the next three years. [128]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. Clive Soley, dated 25 November 1996:

The Home Secretary has asked me to reply to your recent Question about the prison population in each year from 1990; and what estimate he has made of the prison population for the next three years.

Projections of the long-term trends in the prison population to the year 2004 were published in Home Office statistical bulletin 4/96, a copy of which is available from the Library. Estimates updated in September for 2 years ahead, based on recent trends in the prison population, indicate that the average population in 1996/97 could be 56,800, rising to an average of 61,200 in 1997/98. Information for 1990/91 to 1995/96 is given in the attached table. Information on the average population by calendar years is published in "Prison statistics, England and Wales" (table 1.5 of the 1995 edition), a copy of which is available from the Library.

Average prison population[1] in England and Wales by financial years

Financial year	*Average for the year*	*Lowest month end figure*	*Highest month end figure*
1990–91	45,185	43,314	45,649
1991–92	46,472	45,204	47,746
1992–93	44,628	40,606	47,738

Average prison population[1] in England and Wales by financial years

Financial year	Average for the year	Lowest month end figure	Highest month end figure
1993–94	45,895	43,391	48,778
1994–95	49,471	47,611	51,594
1995–96	51,644	49,949	53,740

[1] Includes prison population held in police cells. This ended in June 1995.

Prison Service (Redundancies)

Mr. Spellar: To ask the Secretary of State for the Home Department, pursuant to his answer of 7 November, *Official Report*, column *641*, to the hon. Member for Birmingham, Selly Oak (Dr. Jones) on Prison Service redundancies, what is the expected full cost in redundancy payments and pension commitments for around 1,300 staff who will be asked to leave under the voluntary early retirement and severance scheme. [4053]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. John Spellar, dated 25 November 1996:

The Home Secretary has asked me to reply to your recent Question about the expected costs in redundancy payments and pension commitments for staff leaving the Prison Service under the VERSE scheme.

The total cost of the offers and potential offers to 1348 applicants for 1996–97 is £27,619,734. The total future costs for 1997–98 to 2006–7 is £18,589,859.

These costs are split between the Office of Public Service (OPS) and the Prison Service. The OPS share for 1996–97 amounts to £19,494,730 with the Prison Service contributing £8,125,004. The costs in future years are £3,584,494 to OPS and £15,005,365 to the Prison Service.

Prison Escapes

Mr. Porter: To ask the Secretary of State for the Home Department how many escapes by convicted prisoners took place in transit (i) between prisons and (ii) between courts and prisons, in the last year for which figures are available and for the year before contractorisation of the prisoner transport system *(a)* in total prison numbers and *(b)* as a proportion of the prison population moved in each year. [3391]

Miss Widdecombe *[holding answer 12 November 1996]:* Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. David Porter, dated 25 November 1996:

The Home Secretary has asked me to reply to your recent Question asking how many escapes by convicted prisoners took place in transit between prisons and between courts and prisons, in the last year for which figures are available and for the year before contractorisation of the prisoner transport system in total prison numbers and as a proportion of the prison population moved in each year.

The information you requested is not available in the form that you require. Information on the total numbers of prisoners moved annually is not collected centrally and can only be provided at disproportionate cost. We do keep central records of escapes, but before this year did not always record whether the escort was between prisons or between courts and prisons. The attached table shows escapes by convicted prisoners which took place in transit between prisons and between courts and prisons. But in 1992–93 there were two escapes from escorts where central records do not show the destination.

Contracting out of escorts has been phased in over a number of years. There are eight contract areas, the first was contracted out on 5 April 1993 and the final and only remaining area will start on 1 April 1997. These contractors, however, deal mainly with unconvicted prisoners.

Category A escorts, inter–prison escorts, funeral escorts, hospital escorts and home visits are currently still carried out by the public sector.

KPI escapes by convicted prisoners

Year	Between prisons	Between prison court
1992–93[1]	12	3
1995–96[2]	2	2

[1] The last full financial year prior to the privatisation of escorts in Area 7 (East Midlands and Humberside) in 1993–94, the start of a rolling programme of contracting out.
[2] The last complete financial year.

Firearms

Mr. Gallie: To ask the Secretary of State for the Home Department (1) how many handgun licences are currently registered in England and Wales; [4348]

(2) how many handgun licences have been registered in each year in England and Wales since 1966. [4350]

Miss Widdecombe: Information on the number of handgun licences, as distinct from all firearms certificates, is not routinely collected in England and Wales.

However, a special exercise recently conducted showed that at the beginning of 1996 approximately 54,280 firearm certificates current in England and Wales allowed the holder to possess a handgun.

Mr. Gallie: To ask the Secretary of State for the Home Department (1) how many offences involving the discharge of a firearm took place in each year since 1966 in England and Wales; [4355]

(2) how many offences involving the carrying of a firearm took place in each year since 1966 in England and Wales. [4349]

Miss Widdecombe: Detailed statistics on offences involving firearms have been published annually in "Criminal Statistics, England and Wales". However, the level of detail and the coverage have varied over the years. The following table gives the available information:

Offences involving firearms, England and Wales, 1967–1995

	Number of offences in which firearms were used	Number of offences in which firearms were carried but not presented or used	Number of offences in which firearms were fined
1967	792	71	n/a
1968	878	83	n/a
1969	1,308	109	n/a
1970	1,358	104	n/a
1971	1,734	127	n/a
1972	2,070	85	n/a
1973	2,466	101	n/a

Offences involving firearms, England and Wales, 1967–1995

	Number of offences in which firearms were used	*Number of offences in which firearms were carried but not presented or used*	*Number of offences in which firearms were fined*
1974	2,828	116	n/a
1975	3,850	149	n/a
1976	4,632	223	n/a
1977	5,302	186	n/a
1978	5,672	232	n/a
1979	6,547	270	n/a
1980	6,587	185	n/a
1981	8,067	315	n/a
1982	8,400	221	n/a
1983	7,961	218	n/a
1984	8,376	207	n/a
1985	9,742	125	6,908
1986	9,368	177	6,443
1987	9,002	208	5,793
1988	8,524	259	5,338
1989	9,502	363	5,551
1990	10,373	332	5,771
1991	12,129	261	5,984
1992	13,305	255	6,687
1993	13,951	290	7,012
1994	12,977	186	7,642
1995	13,104	n/a	7,986

Mr. Churchill: To ask the Secretary of State for the Home Department how many legally held firearms are known to have been used in the commission or furtherance of criminal acts in each of the last 10 years to March 1996. [4380]

Miss Widdecombe *[holding answer 18 November 1996]:* Information as to whether firearms used in offences are legally held has not, in the past, been routinely collected centrally in England and Wales.

A special exercise has recently been conducted to find out whether the guns used in homicide were licensed or not.

This covered the years 1992 to 1994, and out of a total of 196 homicides, information was available in 152 cases to show that 22 cases or 14 per cent. involved the use of a firearm legally held by the suspect.

Al Fayed Brothers

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department how much the Government have spent on *(a)* legal assistance and *(b)* other costs arising from the applications by Mohamed and Ali Al Fayed for British citizenship. [4824]

Mr. Kirkhope: Up to 28 October 1996, the Home Office's legal costs were £53,915.41. Details of internal Home Office administrative and other costs are not available as they have not been recorded separately.

Mr. Prentice: To ask the Secretary of State for the Home Department what considerations led him to indicate his intention of lodging an appeal in the House of Lords against the decision in the Appeal Court on the citizenship applications of Mohammed and Ali Al Fayed. [4823]

Mr. Kirkhope: I decided to appeal to the House of Lords because the case raises an important point of law concerning the operation of the British Nationality Act 1981 which needs to be settled.

Mr. Alex Carlile: To ask the Secretary of State for the Home Department if he will give an estimate of the costs of both parties payable by the Home Office following the recent decision of the Court of Appeal in R. *v.* the Secretary of State for the Home Department ex parte Al Fayed. [5270]

Mr. Kirkhope: Up to 28 October 1996, the Home Office's legal costs were £53,915.41. I have no means of estimating what the costs of the appellants might be.

Thorn Cross

Mr. Hoyle: To ask the Secretary of State for the Home Department what is the prison officer to inmate ratio and the cost per inmate place at Thorn Cross. [4299]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. Doug Hoyle, dated 25 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question about the officer to inmate ratio and cost per inmate place at Thorn Cross young offender institution.

Thorn Cross has three inmate populations: juveniles, young adults and the high intensity training programme.

The personal officer to inmate ratio is 1:5.5 for the juveniles, 1:6.5 for the young adults, and 1:3.5 for the high intensity training programme.

The current available information on cost per inmate place is £17,163 for the establishment as a whole and £27,600 for the high intensity training programme.

Doncaster Prison

Mr. Redmond: To ask the Secretary of State for the Home Department how many reoffenders have been discharged from HMP Doncaster since it was opened in 1994; what percentage this is of all reoffenders; and what is the breakdown of the figures by category of crime. [5180]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. Martin Redmond, dated 25 November 1996:

The Home Secretary has asked me to reply to your recent Question about the number of reoffenders who have been discharged from Doncaster prison since it was opened in 1994; what percentage this is of all reoffenders; and what is the breakdown of the figures by category of crime.

The requested information is not yet available centrally. The most recent information on reconviction rates for discharged prisoners was published in "Prison Statistics, England and Wales, 1994", column 3087, a copy of which is held in the Library. This shows reconviction rates within a two year follow-up period for sentenced prisoners discharged in 1992.

As Doncaster prison was opened in June 1994, information on reconviction rates for Doncaster will become available when follow-up studies of prisoners discharged during 1994 and 1995 are undertaken.

Asylum Seekers (Zaire)

Mr. Gerrard: To ask the Secretary of State for the Home Department what consideration he has given in recent weeks to declaring Zaire a country in which there has been a fundamental change in circumstances under the Asylum and Immigration Act 1996. [5289]

Mr. Kirkhope: My right hon. and learned Friend has no present plans to declare that Zaire has undergone a major upheaval such that we would not seek to return people there for the time being. Most of Zaire is unaffected by the conflict in the east of the country.

Fire Safety

Mr. Cox: To ask the Secretary of State for the Home Department if he will make a statement on the role of Her Majesty's inspectorate of the fire service in respect of the development of fire-related European standards and methods for building products; how many offices are at present involved in this test work; and at what level. [5579]

Mr. Sackville: The role of Her Majesty's fire service inspectorate in respect of the development of fire-related European standards and test methods for building products is to provide technical advice to the fire safety unit of the fire and emergency planning directorate of the Home office. In addition, some inspectors make technical representation on behalf of the Department at relevant European standards meetings.

Currently, there are three grade 2 inspectors and one assistant inspector, grade 1, who attend appropriate European standards committees on behalf of the Department.

The fire service inspectorate also liaises with other Government Department representatives in relation to European technical committees dealing with fire matters which fall outside the policy responsibility of the FEPD.

Prisons (Costs)

Mr. Worthington: To ask the Secretary of State for the Home Department if he will list the annual cost of keeping a prisoner in each type of English and Welsh prison. [5154]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. Tony Worthington, dated 25 November 1996:

The Home Secretary has asked me to reply to your recent Question about the annual cost of keeping a prisoner in each type of English and Welsh prison.

The net operating cost per prison place in England and Wales in 1995–96 is given in the attached table.

Type of establishment	*Net operating cost per place per annum £000*
Local prison/adult remands	22.8
Contracted-out prisons	17.4
Dispersal prisons	31.4
Category B prisons	20.9
Category C prisons	16.4
Open prisons (male)	13.8
Young offender institutions (closed) (male)	17.5
Young offender institutions (open) (male)	16.7
Remand centres (male)	21.5
Female establishments (local)	27.1
Female establishments (closed)	25.6
Female establishments (open)	15.7

Dogs (Tail Docking)

Mr. Morley: To ask the Secretary of State for the Home Department if he will commission research into the docking of dog tails for non-veterinary reasons. [5592]

Mr. Sackville: There are no plans to do so.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6028]

Mr. Howard: My officials take administrative decisions every day which affect many members of the public, whether United Kingdom citizens of not. There are also many systems for appeal or challenge, but no list of them has ever been compiled or could be compiled, except at disproportionate cost.

Bradford Commission

Mr. Madden: To ask the Secretary of State for the Home Department on what dates *(a)* he and *(b)* officials in his Department received a copy or copies of the Bradford commission report. [5984]

Mr. Kirkhope: Officials received copies of the report on 21 November.

Prison Service (Quantum Project)

Mr. Hinchliffe: To ask the Secretary of State for the Home Department (1) what terms of reference were given to the Prison Service agency quantum project; [4071]

(2) if he will list each of the contractors and consultants engaged since the start of the Prison Service agency quantum project; [4072]

(3) what is his latest estimate of the Prison Service agency quantum project; [4073]

(4) if he will list the contractors and consultants engaged by the Prison Service information technology group since the setting up of the Prison Service agency in 1993; [4074]

(5) what assessment has been made of the likely impact on employment levels in each prison establishment of project quantum. [4075]

Miss Widdecombe *[holding answer 19 November 1996]:* Responsibility for these matters has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. David Hinchliffe, dated 25 November 1996:

The Home Secretary has asked me to reply to your recent Questions about the Quantum Project: what terms of reference were given; what contractors/consultants have been employed by the Prison Service Information Technology Group and a list of those employed since the start of the Quantum project; the latest estimate of the cost of the project; and what assessment has been made of the likely impact on employment levels in each prison.

The terms of reference for the project are: to investigate the feasibility of utilising the UK Government's Private Finance Initiative (PFI) to provide improved information systems within the Prison Service. This will be done by inviting private sector companies to consider the clerical and information processing functions relating to personnel, finance and inmates as well as the core IT infrastructure and applications.

A list of contractor and consultancy firms engaged by the Prison Service IT Group since the setting up of the Prison Service Agency in 1993 is shown in the attached list A.

A list of contractor and consultancy firms engaged to work on the Quantum Project since it started is shown in the attached list B.

It is not possible to provide an accurate estimate of the cost of the Prison Service Agency Quantum Project until the final scope has been decided.

In the same way, I am not in a position to make an assessment of the effect on Prison Service jobs of the implementation of Quantum because the final scope of the project has yet to be decided. I am anticipating making that decision after a study has been undertaken by suppliers during the second quarter of 1997.

LIST A

Contractor/consultancy firms employed by the prison service IT Group since agency status in 1993

Interskill (formerly VNG Nationwide/Winway)
Software Personnel plc
Capita Recruitment Services
Certes Computing Ltd. (Previously Alpha-Rac)
Daymount Computing Ltd.
CSS Trident
S. Com Computer Systems Engineers Ltd.
DBI Associates Ltd.
Hays Accounting Personnel
Hewitson Walker
Inline PKG
SQA Software Quality Assurance Ltd.
Hoskyns
Triad
ABT International
Frost Berkley Associates
Hunterskill
Myriad
ICS Ltd. (Independent Computer Solutions)
Cornwell Affiliates Ltd.
Hoskyns Group Plc
Accountancy Personnel
ACT Ltd.
PA Consulting
Ernst & Young
William J. Cooper Associates
Sema Group
Oscar Faber
Logica
John Matchett Ltd.
Computacentre
Bull Information Systems
Windsor Consulting
ADS Technologies
CIAS
Tetra Ltd.
KPMG
Redra Ltd.
Lorien Personnel
Ess-Comm
Frost Berkley
Computer People

LIST B

Contractor/consultancy firms employed to work on the Quantum Project

French Thornton
Hedra
Kermon Ltd.
KPMG
Oscar Faber
DBI Associates Ltd.
Axsis Consultants Ltd.

Prisons (Smuggling)

Mr. Alex Carlile: To ask the Secretary of State for the Home Department (1) how many finds of *(a)* drugs or *(b)* other contraband there have been in which *(a)* lawyers, *(b)* probation officers, *(c)* chaplains and *(d)* relatives of inmates have been implicated during the last 12 months in prisons in England and Wales; and if he will make a statement; [4776]

(2) how many finds of contraband have there been in the wiring of the bras of *(a)* prisoners' partners and *(b)* professional visitors to gaols in England and Wales during the last 12 months; and if he will make a statement; [4673]

(3) how many lawyers sand probation officers have been apprehended attempting to take drugs or other contraband into gaols in England and Wales, in each of the last 10 years for which figures are available; and if he will make a statement; [4674]

(4) what changes there have been in search procedures in gaols in England and Wales during the last 12 months; and if he will make a statement. [4676]

Miss Widdecombe *[holding answer 20 November 1996]:* Responsibility for these matters has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. Alex Carlile, dated 25 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Questions about searching, and particularly the searching of visitors to prisons.

The statistical information you have requested is not available. However, I can provide figures for the number of visitors arrested for smuggling drugs in to prisons in the last five years. These do not differentiate between domestic and professional visitors.

Year (1 November to 31 October)	*Number of visitors arrested*
1991–2	229
1992–3	341
1993–4	521
1994–5	1,040
1995–6	1,289

The Woodcock and Learmont reports drew attention to some very serious weaknesses in prison security, particularly in high security prisons. These included weaknesses in the degree to which we searched visitors.

It was recommended that all visitors to prisons holding category A prisoners should receive a rub-down search in accordance with the procedures set out in the Security Manual, copies of which are available in the Library. Official visitors (such as members of the Board of Visitors and governors) and professional visitors (such as lawyers and probation officers) are included in this requirement.

Changes in search procedures in the last twelve months include:

Visitors to prisoners held in SSUs who are taking part in a closed visit are no longer rub-down searched on leaving the SSU.

All staff responsible for searching staff and visitors in the highest security prisons have been trained in X-ray procedures and given refresher training in rub-down searching techniques.

In prisons holding category A prisoners where new facilities have been installed, all staff are searched on entry.

Passive drug detection dogs have been introduced in six prisons.

Full Sutton Prison

Mr. Bayley: To ask the Secretary of State for the Home Department how much was spent at Her Majesty's prison, Full Sutton on replacing locks following the discovery in the week beginning 11 November of an impression of a master key in a prisoner's cell. [5254]

Miss Widdecombe *[holding answer 21 November 1996]:* Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from David Scott to Mr. Hugh Bayley, dated 25 November 1996:

The Home Secretary has asked me, in the absence of the Director General, to reply to your recent Question about the cost of replacing locks at Full Sutton following the discovery of an impression of a key in a prisoner's cell.

The cost of materials needed to replace all the Class 1 locks at Full Sutton was £17,173.68.

EDUCATION AND EMPLOYMENT

Lecturers

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment how many part-time lecturers were employed in the higher education sector *(a)* nationally and *(b)* in the west midlands in each year since 1992; and what was the percentage change on the previous year. [4966]

Mr. Forth: The available information is as follows:

Part-time academic staff[1] numbers in the higher education sector

	1992–93	*1993–94*	*1994–95*
England			
Part-time staff	5,864	6,622	10,239
Per cent. increase over previous year	5.6	12.9	[2]n/a
West Midlands			
Part-time staff	476	503	718
Per cent. increase over previous year	11.7	5.7	[2]n/a

[1] Includes those engaged on research only.

[2] Not available. Because of differences in the coverage of the survey used to collect the 1994–95 figures, they cannot be directly compared with the figures for earlier years.

Mr. Cunningham: To ask the Secretary of State for Education and Employment how many *(a)* full-time and *(b)* part-time lecturers were employed in the higher education sector (i) nationally and (ii) in the west midlands in 1979. [4968]

Mr. Forth: The available information is as follows:

Academic staff[1] in former UFC-funded universities only[2] academic year 1979–80

	Full-time	*Part-time*
England	33,239	1,166
West Midlands	3,094	n/a

[1] Includes those engaged on research only.

[2] Information on academic staff in rest of the HE sector for 1979–80 is not held centrally.

n/a = not available.

Mr. Cunningham: To ask the Secretary of State for Education and Employment (1) how many *(a)* full-time and *(b)* part-time lecturers were employed in the further education sector (i) nationally and (ii) in the west midlands in 1979; [4963]

(2) how many *(a)* full-time and *(b)* part-time lecturers were employed in the further education sector (i) nationally and (ii) in the west midlands in each year since 1992; and what was the percentage change on the previous year. [4967]

Mr. Paice: Comprehensive information on the number of full and part-time further education lecturers is not available. The total full-time equivalents of these lecturers in England in the years specified are shown in the following table although, as explained in the footnotes, the figures are not on the same basis for all years. Information is not available separately for the west midlands.

Academic year	Full-time equivalent lecturers (thousands) in LEA maintained FE colleges, excluding sixth-form colleges and colleges of HE[1]	providing FE in FE or HE institutions, including sixth-form colleges	percentage change from previous year[2]
1979–80	66.0	—	—
1992–93	65.6	67.7	-2
1993–94	—	67.8	0
1994–95	—	69.2	+2

Notes:
[1] Colleges of HE were LEA maintained prior to 1988, but not subsequently. The 1979–80 figure in this column therefore includes lecturers in colleges of HE, but the 1992–93 figure does not, so the two are not directly comparable.
[2] The percentage change in 1992–93 is calculated from the information in the first column, for which the 1991–92 figure—not shown—is 66.9 thousand. The percentage changes in 1993–94 and 1994–95 are calculated from the information in the second column.

Mr. Cunningham: To ask the Secretary of State for Education and Employment how many full-time lecturers have been employed in the higher education sector *(a)* nationally and *(b)* in the west midlands in each year since 1992; and what was each figure as a percentage change on the previous year. [4901]

Mr. Forth: The available information is as follows:

Full-time academic staff[1] numbers in the higher education sector

	1992–93	1993–94	1994–95
England:			
Full-time staff	66,289	68,862	83,445
Percentage increase over previous year	3.6	3.9	[2]
West Midlands:			
Full-time staff	5,799	6,001	6,710
Percentage increase over previous year	2.4	3.5	[2]

[1] Includes those engaged on research only.
[2] Not applicable. Because of differences in the coverage of the survey used to collect the 1994–95 figures they cannot be directly compared to the figures for earlier years.

Students

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment how many *(a)* full–time students and *(b)* part–time students have entered the higher education sector (i) nationally and (ii) in the west midlands in each year since 1992; and what was each figure as a percentage change on the previous year. [4899]

Mr. Forth: The available information is as follows:

Undergraduate entrants to higher education

	1992–93	1993–94	1994–95	1995–96
England				
Full-time entrants	298,070	321,308	325,649	334,189
Per cent. change over previous year	16.2	7.8	1.4	2.6
Part-time entrants[1]	135,403	135,830	145,901	157,994
Per cent. change over previous year	–0.5	0.3	7.4	8.3
West Midlands				
Full-time entrants	25,902	28,854	31,860	33,686
Per cent. change over previous year	11.4	10.4	5.7	5.3

Undergraduate entrants to higher education

	1992–93	1993–94	1994–95	1995–96
Part-time entrants[1]	17,053	16,781	21,021	20,133
Per cent. change over previous year	3.2	–1.6	25.3	–4.2

[1] Includes mainstreamed continuing education from 1994–95.

Youth Counselling and Information Services

Mr. Don Foster: To ask the Secretary of State for Education and Employment what her Department spent on youth counselling and information services; what proportion of the budget this represented in *(a)* 1979–80, *(b)* 1983–84, *(c)* 1987–88, *(d)* 1992–93 and *(e)* 1995–96; and if she will make a statement. [5274]

Mr. Paice: Set out in the following table are details of departmental expenditure on the youth service for the years in question and as a proportion of the Department's total education budget. Departmental funding of the National Youth Agency and its predecessor up to 1991, the National Youth Bureau, includes support for the provision of youth information services. The Department's programme of grants to national voluntary youth organisations includes some support for the provision of counselling and information services for young people.

Year	Total youth service expenditure (a) £	Total departmental expenditure (b) £	(a) as a percentage of (b)
1979–80	983,000	2,157,000	0.05
1983–84	2,849,000	3,054,000	0.09
1987–88	3,727,000	5,103,000	0.07
1992–93	4,477,000	7,014,000	0.06
1995–96	[1]5,000,000	10,851,000	0.05

Sources:
Appropriation accounts and the departmental report 1996.
Note:
[1] *Estimate.*

Higher Education

Mr. Don Foster: To ask the Secretary of State for Education and Employment how many students graduated from undergraduate-level higher education in *(a)* England and Wales and *(b)* London in (i) 1979–80, (ii) 1990–91 and (iii) 1995–96. [5277]

Mr. Forth: The latest available information covering first degree graduates only is as follows:

First degree graduates

	[1]1979–80	[2]1990–91	[3]1994–95
England and Wales	55,309	118,672	183,912
Greater London	8,579	22,923	34,369

[1] Former UFC universities only.
[2] Former UFC universities, former polytechnics, HEIs and FEIs.
[3] Former UFC universities, former polytechnics and HEIs.

Mr. Foster: To ask the Secretary of State for Education and Employment what percentage of those completing full-time compulsory education in *(a)* England and Wales and *(b)* London continued in full-time education in (i) 1979–80, (ii) 1990–91 and (iii) 1995–96. [5275]

Mr. Robin Squire: The percentage of 16-year-olds in full-time education is as follows:

Academic year	*1979–80*	*1990–91*	*1994–95*[1]	*1995–96 (provisional)*
England and Wales	[2]n/a	59	71	71
England	42	59	71	71
London	[3]n/a	61	76	n/a

[1] 1994–95 is the latest year for which figures for London are available.

[2] Data for 1979–80 are not available for Wales. In 1980–81 the percentage was 46 in Wales, while it was 43 in England.

[3] Figures are not available for London on the same basis. In 1979, 43 per cent. of 15-year-olds in maintained schools in inner London continued full time in maintained schools or in further education, and 47 per cent. stayed on in outer London.

n/a = not available.

Fovant School

Mr. Key: To ask the Secretary of State for Education and Employment when she will publish her decision on the future of Fovant school near Salisbury. [3967]

Mr. Robin Squire: Proposals affecting the school are under consideration. A decision will be made as soon as possible.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Education and Employment how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) her Department and (2) executive agencies of her Department for each year since 1992. [5424]

Mr. Robin Squire: The information is not available in the format requested. The numbers of permanent and casual staff employed by the Department and the Employment Service Agency from 1992 onwards can be found in annexe F of the Department's annual report, Cm3210, a copy of which is in the Library.

Teachers (Early Retirement)

Mr. Pickthall: To ask the Secretary of State for Education and Employment what is her estimate of the effect of the proposals for changes to early retirement provisions for teachers on the age profile of the profession. [5536]

Mrs. Gillan: My right hon. Friend expects that more experienced teachers will stay in teaching and therefore numbers in the age range 50 to 60 will rise if the proposals on early retirement are implemented. The number of teachers leaving the profession in their forties may increase as a result of the improved severance payments available to this age group. In the long term, she expects these changes to produce a smoother age profile for teachers, to that the required number of entrants to the profession remains broadly constant over time.

First Aid Training (Pupils)

Mr. Pearson: To ask the Secretary of State for Education and Employment what representations she has received concerning first aid training for pupils in *(a)* primary and *(b)* secondary schools; and if she will make a statement. [5582]

Mrs. Gillan: The Department has received five letters this year relating to the teaching of first aid in schools.

There is scope within national curriculum science for the teaching of first aid. Opportunities also exist within the wider curriculum, for example through programmes of personal, social and health education, for schools to provide information about first aid.

Assisted Places Scheme

Mr. Jamieson: To ask the Secretary of State for Education and Employment if she will list the independent schools receiving funds from the assisted places scheme that have had a full publicly available report by Ofsted or Her Majesty's inspectors in the past five years. [5597]

Mrs. Gillan: Inspections by Ofsted, to monitor the educational provision at independent schools and to ensure that minimum standards are being met in accordance with the Education Acts, do not normally lead to a published report, but the findings are submitted to the Department so that any necessary action can be taken to remedy any deficiencies. In the last five years, 294 schools participating in the assisted places scheme in England were inspected by Ofsted/HMI on that basis. In addition, Ofsted undertakes a programme of inspections on a sample of independent schools leading to full published reports. The following 14 participating schools were the subject of such published reports in the last five years:

(List of schools participating in the assisted places scheme with full inspection reports published in the last five years)

Abingdon School
Brentwood School
City of London Freemen's School
Croydon High School
King's School, Macclesfield
King Edward's School, Birmingham
Lady Eleanor Holles School
Merchant Taylors' School, Northwood
Merchant Taylors' School for Girls, Crosby, Liverpool
Moreton Hall School, Oswestry
Queen Elizabeth's Hospital School, Bristol
Roedean School
Shrewsbury School
Westminster School

Mr. Jamieson: To ask the Secretary of State for Education and Employment if she will list the independent schools benefiting from funds from the assisted places scheme, showing the number and percentage of children gaining five or more A-C passes in GCSE for the past five years. [5594]

Mrs. Gillan: The information requested is contained in a table of several pages which I have placed in the Library.

School Exclusions

Mr. Hall: To ask the Secretary of State for Education and Employment how many *(a)* primary and *(b)* secondary pupils (i) were permanently excluded from school and (ii) had fixed-term exclusions from school in 1995–96; and how many of those in (i) returned to mainstream education. [5585]

Mr. Forth: This information is not available centrally.

The Department will be collecting figures for permanent exclusions in the school year 1995–96 as part of the annual schools census in January. These figures will be available later in 1997.

Selective and Modern Schools

Mr. Jamieson: To ask the Secretary of State for Education and Employment if she will list the *(a)* grammar schools, *(b)* schools that partially select pupils and *(c)* secondary modern schools in England and Wales, indicating the county where they are situated and whether they are grant maintained. [5598]

Mr. Robin Squire: The following tables list the maintained schools in England which classify themselves as selective or modern in the 1996 performance tables. For information on other schools which select pupils, I refer the hon. Member to the replies that I gave on 12 November, *Official Report*, column *134* and on 13 November, *Official Report*, column *276*.

My right hon. Friend the Secretary of State for Wales has responsibility for education matters in Wales.

Selective schools

LEA name	*School name*	*Institution type*
Barnet	Queen Elizabeth's School	GM
Barnet	St. Michael's Catholic Grammar School	GM
Barnet	The Henrietta Barnett School	VA
Bexley	Bexley Grammar School	County
Bexley	Townley Grammar School for Girls	County
Bexley	Chislehurst and Sidcup Grammar School	County
Bexley	Bexley-Erith Technical High School for Boys	GM
Bromley	Newstead Wood School for Girls (GM)	GM
Bromley	St. Olave's and St. Saviour's Grammar School	GM
Enfield	The Latymer School	GM
Kingston upon Thames	The Tiffin Girls' School	County
Kingston upon Thames	Tiffin School	GM
Redbridge	Ilford County High School	County
Redbridge	Woodford County High School	County
Sutton	Wilson's School	GM
Sutton	Nonsuch High School for Girls	GM
Sutton	Sutton Grammmar School for Boys	GM
Sutton	Wallington High School for Girls	GM
Sutton	Wallington County Grammar School	GM
Birmingham	Sutton Coldfield Girls' School	County
Birmingham	Handsworth Grammar School	GM
Birmingham	King Edward VI Handsworth School	GM
Birmingham	King Edward VI Five Ways School	GM
Birmingham	King Edward VI Camp Hill Girls' School	GM
Birmingham	King Edward VI Camp Hill School (Boys)	GM
Birmingham	King Edward VI Aston School	GM
Birmingham	Bishop Vesey's Grammar School	VA
Walsall	Queen Mary's High School	GM
Walsall	Queen Mary's Grammar School	GM
Wolverhampton	Wolverhampton Girls' High School	GM
Wirral	Wirral County Grammar School (Girls)	County
Wirral	West Kirby Grammar School for Girls	County
Wirral	Calday Grange Grammar School	GM

Selective schools

LEA name	*School name*	*Institution type*
Wirral	Wirral Grammar School for Boys	GM
Wirral	St. Anselm's College	GM
Wirral	Upton Hall Convent School FCJ	GM
Trafford	Altrincham Grammar School for Girls	County
Trafford	Stretford Grammar School	County
Trafford	Urmston Grammar School	County
Trafford	Sale Grammar School	County
Trafford	Altrincham Grammar School for Boys	GM
Calderdale	The North Halifax Grammar School	GM
Calderdale	Crossley Heath School	GM
Kirklees	Heckmondwike Grammar School	GM
City of Bristol	Cotham Grammar School	County
City of Bristol	Fairfield Grammar School	County
North Yorkshire	Ripon Grammar School	County
North Yorkshire	Ermysted's Grammar School	VA
North Yorkshire	Skipton Girls' High School	VC
Berkshire	Reading School	GM
Berkshire	Langley Grammar School	GM
Berkshire	Herschel Grammar School	GM
Berkshire	Slough Grammar School	GM
Berkshire	Kendrick Girls' Grammar School	GM
Berkshire	St. Bernard's Convent School	VA
Buckinghamshire	John Hampden Grammar School	County
Buckinghamshire	Burnham Grammar School	County
Buckinghamshire	Aylesbury High School	County
Buckinghamshire	Dr. Challoner's High School	County
Buckinghamshire	Sir Henry Floyd Grammar School	County
Buckinghamshire	Chesham High School	County
Buckinghamshire	Beaconsfield High School	GM
Buckinghamshire	Royal Grammar School	GM
Buckinghamshire	Aylesbury Grammar School	VC
Buckinghamshire	The Royal Latin School	VC
Buckinghamshire	Wycombe High School	VC
Buckinghamshire	Dr. Challoner's Grammar School	VC
Buckinghamshire	Sir William Borlase's Grammar School	VC
Devon	Torquay Grammar School for Girls	County
Devon	Churston Grammar School	County
Devon	Devonport High School for Girls	County
Devon	Plymouth High School for Girls	County
Devon	Colyton Grammar School	GM
Devon	Torquay Boys' Grammar School	GM
Devon	Devonport High School for Boys	GM
Dorset	Bournemouth School	GM
Dorset	Budmouth Technology College	GM
Dorset	Parkstone Grammar School (Girls)	GM
Dorset	Bournemouth School for Girls (GM)	GM
Dorset	Poole Grammar School	GM
Essex	Westcliff High School for Boys	GM
Essex	Chelmsford County High School for Girls	GM
Essex	King Edward VI Grammar School (GM)	GM
Essex	Westcliff High School for Girls	GM
Essex	Southend High School for Girls	GM
Essex	Colchester Royal Grammar School	GM
Essex	Southend High School for Boys	GM
Essex	Colchester County High School for Girls	GM
Gloucestershire	Sir Thomas Rich's School	County
Gloucestershire	High School for Girls	County
Gloucestershire	Ribston Hall High School	GM
Gloucestershire	Marling School	GM
Gloucestershire	Stroud High School	GM
Gloucestershire	Pate's Grammar School	GM
Gloucestershire	The Crypt School	GM
Kent	Tunbridge Wells Girls' Grammar School	County
Kent	Tunbridge Wells Grammar School for Boys	County
Kent	Weald of Kent Grammar School	County
Kent	Invicta Grammar School	County
Kent	Chatham Boys' Grammar School	County
Kent	Fort Pitt Grammar School	County
Kent	Highsted School	County
Kent	Highworth Grammar School for Girls	County
Kent	The Harvey Grammar School	County
Kent	Dover Grammar School for Girls	County
Kent	Clarendon House Grammar School	County
Kent	The Grammar School for Girls Wilmington	GM
Kent	Wilmington Grammar School for Boys	GM
Kent	Dartford Grammar School	GM
Kent	Dartford Grammar School for Girls	GM
Kent	Simon Langton Grammar School for Boys	GM
Kent	Cranbrook School	GM

Selective schools

LEA name	*School name*	*Institution type*
Kent	The Skinners' School	GM
Kent	Rainham Mark Grammar School	GM
Kent	Oakwood Park Grammar School	GM
Kent	Sir Roger Manwood's School	GM
Kent	Chatham Girls' Grammar School	GM
Kent	The Folkestone School for Girls	GM
Kent	Tonbridge Grammar School for Girls	GM
Kent	Barton Court Grammar School	GM
Kent	The Rochester Girls' Grammar School	GM
Kent	Queen Elizabeth's Grammar School	GM
Kent	Dover Grammar School for Boys	GM
Kent	Dane Court Grammar School	GM
Kent	Chatham House Grammar School for Boys	GM
Kent	Gravesend Grammar School for Boys	GM
Kent	Gravesend Grammar School for Girls	GM
Kent	The Judd School	VA
Kent	Maidstone Grammar School	VC
Kent	Maidstone Grammar School for Girls	VC
Kent	Borden Grammar School	VC
Kent	The Norton Knatchbull School	VC
Kent	Sir Joseph Williamson's Mathematical School	VC
Kent	Simon Langton Girls' School	VC
Lancashire	Bacup and Rawtenstall Grammar School	GM
Lancashire	Lancaster Royal Grammar School	GM
Lancashire	Lancaster Girls' Grammar School	GM
Lancashire	Clitheroe Royal Grammar School	GM
Lincolnshire	Kesteven and Grantham Girls' School	County
Lincolnshire	Kesteven and Sleaford High School	County
Lincolnshire	Boston High School for Girls	County
Lincolnshire	Spalding High School	County
Lincolnshire	Queen Elizabeth's High School	County
Lincolnshire	Skegness Grammar School	GM
Lincolnshire	Queen Elizabeth's GM Grammar School	GM
Lincolnshire	The King's School	GM
Lincolnshire	Carre's Grammar School	GM
Lincolnshire	King Edward VI School	GM
Lincolnshire	Caistor Grammar School	GM
Lincolnshire	Queen Elizabeth's Grammar School—Horncastle	GM
Lincolnshire	Boston Grammar School	GM
Lincolnshire	Spalding Grammar School	VA
Lincolnshire	Bourne Grammar School	VC
Shropshire	Newport Girls' High School	County
Shropshire	Adams' Grammar School	GM
Somerset	Brymore School	GM
Warwickshire	Stratford upon Avon Grammar School for Girls	County
Warwickshire	Rugby High School for Girls	GM
Warwickshire	Alcester Grammar School	GM
Warwickshire	King Edward VI Grammar School	VA
Warwickshire	Lawrence Sheriff School	VA
Wiltshire	South Wiltshire Grammar School for Girls	GM
Wiltshire	Bishop Wordsworth's Grammar School	GM

Source:
1996 secondary school performance tables.

Modern Schools

LEA name	*School name*	*Institution type*
Bexley	Blackfen School for Girls	County
Bexley	Welling School	County
Bexley	Thamesmead Community College	County
Bexley	Cleeve Park School	County
Kingston upon Thames	Coombe Girls' School	County
Kingston upon Thames	Chessington Community College	County
Kingston upon Thames	Southborough School	County
Kingston upon Thames	Tolworth Girls' School	County
Kingston upon Thames	Richard Challoner School	GM
Kingston upon Thames	Holy Cross Convent School	GM
Kingston upon Thames	Beverley School	GM

Modern Schools

LEA name	*School name*	*Institution type*
Wirral	Pensby High School for Boys	County
Wirral	Pensby High School for Girls	County
Wirral	Hilbre High School	County
Wirral	Bebington High School	County
Wirral	South Wirral High School	County
Trafford	Flixton Girls' High School	County
Trafford	Lostock High School	County
Trafford	Wellacre Boys' High School	County
Trafford	Green Lane High School	County
Trafford	Stretford High School	County
Trafford	New Wellington School	GM
Trafford	Ashton-on-Mersey School	GM
Trafford	Jeff Joseph Sale Moor Technology College	GM
Trafford	Blessed Thomas Holford Catholic High School	GM
Trafford	St Antony's RC High School	VA
North Yorkshire	Ripon City School	County
North Yorkshire	Upper Wharfedale School	County
North Yorkshire	Aireville School	County
Berkshire	Churchmead School	County
Berkshire	Baylis Court School	County
Berkshire	Langleywood School	County
Berkshire	Wexham School	County
Berkshire	The Westgate School	GM
Berkshire	Slough and Eton CofE School	VC
Buckinghamshire	Buckingham School	County
Buckinghamshire	The Hatters Lane School	County
Buckinghamshire	The Grange School	County
Buckinghamshire	Princes Risborough School	County
Buckinghamshire	The Misbourne School	County
Buckinghamshire	Quarrendon Upper School	County
Buckinghamshire	Mandeville Upper School	County
Buckinghamshire	Holmer Green Upper School	County
Buckinghamshire	Cressex School	County
Buckinghamshire	Burnham Upper School	County
Buckinghamshire	Wycombe West School and Collegiate Centre	County
Buckinghamshire	The Beaconsfield School	County
Buckinghamshire	Sir William Ramsay School	County
Buckinghamshire	The Wye Valley School	County
Buckinghamshire	The Amersham School	County
Buckinghamshire	Chesham Park Community College	County
Buckinghamshire	The Chalfonts Community College (GM)	GM
Buckinghamshire	The Cottesloe School	GM
Buckinghamshire	Waddesdon Church of England School	GM
Buckinghamshire	Great Marlow School	GM
Dorset	Carter Community School	County
Dorset	The Martin Kemp-Welch School	County
Dorset	Ashdown School	County
Dorset	Kingsleigh School	County
Dorset	Portchester School	County
Dorset	Summerbee School	County
Dorset	Glenmoor School for Girls	County
Dorset	Winton School	County
Dorset	Oakmead College of Technology	County
Dorset	Avonbourne School	GM
Essex	The Prittlewell School	County
Essex	Eastwood County High School and VI Form Cen.	GM
Essex	The Thorpe Bay School	GM
Essex	Belfairs Community College	GM
Kent	Northfleet School for Girls	County
Kent	Swadelands School	County
Kent	Vinters Boys' School	County
Kent	The Astor of Hever School	County
Kent	Holmesdale Community School	County
Kent	Chapter School	County
Kent	Temple School	County
Kent	The Sir William Nottidge Technology School	County
Kent	Astor School	County
Kent	Archers Court School	County
Kent	The King Ethelbert School	County
Kent	Ellington High School	County
Kent	The Hereson School	County
Kent	Woodlands High School	County
Kent	Walderslade Girls' School	County
Kent	Walmer School	County
Kent	Hartsdown School	County
Kent	Greenacre School	County

Modern Schools

LEA name	*School name*	*Institution type*
Kent	Mid-Kent School for Girls	County
Kent	The Ramsgate School	County
Kent	The Towers School	County
Kent	Rainham School for Girls	County
Kent	Wilmington Hall School	County
Kent	Castle Community School	County
Kent	Chatham South School	County
Kent	The Channel School	County
Kent	The North School	County
Kent	Sittingbourne Community College	County
Kent	Medway Community College	County
Kent	Thamesview School	GM
Kent	Wrotham School	GM
Kent	Aylesford School	GM
Kent	Oldborough Manor Community School	GM
Kent	Senacre Technology College	GM
Kent	The Canterbury High School	GM
Kent	The Robert Napier (GM) School	GM
Kent	Meopham GM School	GM
Kent	The Malling School	GM
Kent	Hugh Christie Technology College	GM
Kent	The Wildernesse School	GM
Kent	The Westlands School (GM)	GM
Kent	The Charles Dickens School	GM
Kent	Southfields	GM
Kent	St. George's CofE School	GM
Kent	Herne Bay High School (GM)	GM
Kent	Hillview School for Girls	GM
Kent	The Thomas Aveling School	GM
Kent	Montgomery GM School	GM
Kent	Upbury Manor High School	GM
Kent	The Hayesbrook School	GM
Kent	Pent Valley School, GM Comprehensive	GM
Kent	Sandwich Technology School (GM)	GM
Kent	The Holy Cross RC High School	VA
Kent	Christ Church CofE High School	VA
Lancashire	Skerton High School	County
Lancashire	Ribblesdale County High School	County
Lancashire	Bowland County High School	County
Lancashire	Hornby County High School	County
Lincolnshire	Lafford High School	County
Lincolnshire	The Middlecott School	County
Lincolnshire	The Peele County Secondary School	County
Lincolnshire	John Spendluffe School	County
Lincolnshire	Banovallum School	County
Lincolnshire	Tennyson High School	County
Lincolnshire	The Middlefield School	County
Lincolnshire	The Gartree (GM) School	GM
Lincolnshire	The Castle Hills GM Community School	GM
Lincolnshire	Gleed Girls' GM School	GM
Lincolnshire	The Giles School	GM
Lincolnshire	St. Bede's Catholic School	VA
Lincolnshire	The Thomas Cowley High School	VC
Lincolnshire	William Lovell CofE School	VC
Warwickshire	Henley-in-Arden High School	County
Warwickshire	Kineton High School	County
Warwickshire	Stour Valley Community School	County
Warwickshire	Stratford upon Avon High School	County
Warwickshire	Bilton High School	County
Warwickshire	Alcester High School	County
Warwickshire	The Avon Valley GM School	GM
Warwickshire	Studley (GM) High School	GM
Warwickshire	Harris CofE High School	SA
Warwickshire	Bishop Wulstan RC High School	VA
Wiltshire	Downton School	County
Wiltshire	Wyvern College	GM
Wiltshire	St. Joseph's RC School	VA
Wiltshire	St. Edmund's CofE Girl's School	VC

Source:
1996 secondary school performance tables.

Youth Training

Mr. Hain: To ask the Secretary of State for Education and Employment if he will list for each year since its inception the amount spent or estimated to be spent on youth training at *(a)* cash prices and *(b)* 1996–97 prices. [6015]

Mr. Paice: The information requested is given in the following table:

Year	*Expenditure (£ million)*	*Expenditure at 1995–96 prices (£ million)*
1990–91	823.40	[1]979.2
1991–92	746.30	[2]834.1
1992–93	617.00	661.70
1993–94	640.10	667.30
1994–95	647.00	662.70
1995–96 (provisional)	634.70	634.70
1996–97 (planned)	763.50	746.70

[1] Expenditure for 1990–91 is for Great Britain.
[2] Expenditure for 1991–92 is for England and Wales.

Training Schemes

Mr. Hain: To ask the Secretary of State for Education and Employment if she will list for the latest year for which statistics are available the average cost of each place on training for work schemes and the total number of people on training for work schemes. [6014]

Mr. Paice: The cost per place in 1995–96 on training for work was £7,300. The total number of participant places was 68,719. This provided for 213,862 opportunities at a cost of £2,400 per opportunity.

Mr. Hain: To ask the Secretary of State for Education and Employment if she will list for each year since its inception the amount spent or estimated to be spent on training for work schemes at *(a)* cash prices and *(b)* 1996–97 prices. [6013]

Mr. Paice: In April 1993, training for work replaced employment training and employment action. The information requested is given in the following table and relates to the amount in England.

	1993–94 outturn	*1994–95 outturn*	*1995–96 provisional outturn*	*1996–97 planned*
Expenditure (£ million)	760.2	692.7	503.9	485.4
Expenditure at 1995–96 prices (£ million)	792.5	709.5	503.9	474.7

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for Education and Employment if she will list those administrative decisions of her Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6024]

Mr. Robin Squire: This information can be supplied only at disproportionate cost.

School Deficits

Mr. Gordon Prentice: To ask the Secretary of State for Education and Employment how many primary and secondary schools in each education authority in England *(a)* are in deficit or *(b)* are projected to fall into deficit in the current year. [5998]

Mr. Robin Squire: In relation to the first part of the question, I will write to the hon. Member in the new year when the Department has completed its detailed examination of the local management of schools outturn statements produced by local education authorities for the financial year 1995–96. Information about projected deficits is not collected by the Department

Grant-maintained Schools

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will list the number of grant-maintained schools in each local education authority area in England; and for each local education authority what is the percentage of secondary school children in the grant-maintained sector. [5900]

Mr. Robin Squire: The following table shows the number of primary, secondary and special grant-maintained schools in each local education authority in England, and the proportion of pupils in maintained secondary schools who attend grant-maintained schools.

LEA Area	*Number of GM schools*	*Secondary GM pupil per cent.*
Barking	0	0.0
Barnet	12	52.0
Barnsley	0	0.0
Bath and NE Somerset	2	16.1
Bedfordshire	17	21.8
Berkshire	24	21.2
Bexley	8	25.2
Birmingham	22	24.0
Bolton	4	16.5
Bradford	14	11.9
Brent	16	87.5
Bromley	23	93.1
Buckinghamshire	20	26.7
Bury	1	0.0
Calderdale	16	65.5
Cambridgeshire	23	39.6
Camden	3	22.6
Cheshire	8	4.1
City of Bristol	0	0.0
City of Kingston Upon Hull	0	0.0
Cornwall	1	0.0
Corporation of London	0	0.0
Coventry	0	0.0
Croydon	12	51.7
Cumbria	41	38.3
Derbyshire	29	32.3
Devon	8	9.8
Doncaster	1	5.2
Dorset	17	24.4
Dudley	7	26.3
Durham	0	0.0
Ealing	9	46.1
East Riding of Yorkshire	4	0.0
East Sussex	0	0.0
Enfield	6	31.5
Essex	149	71.6
Gateshead	0	0.0
Gloucestershire	50	70.4
Greenwich	1	0.0
Hackney	1	0.0
Hammersmith	1	20.9
Hampshire	32	20.1
Haringey	0	0.0
Harrow	1	6.8
Hartlepool	0	0.0
Havering	4	26.4
Hereford and Worcester	7	7.8
Hertfordshire	40	34.9
Hillingdon	22	84.7
Hounslow	2	14.0
Isle of Wight	0	0.0
Isles of Scilly	0	0.0
Islington	0	0.0
Kensington and Chelsea	3	20.3
Kent	96	56.9
Kingston upon Thames	6	47.4
Kirklees	2	5.7
Knowsley	1	7.7
Lambeth	18	59.4
Lancashire	15	8.4
Leeds	2	2.5
Leicestershire	9	8.0
Lewisham	1	0.0
Lincolnshire	56	48.7
Liverpool	5	10.5
Manchester	1	0.0
Merton	1	10.4
Middlesbrough	0	0.0
Newcastle upon Tyne	0	0.0
Newham	1	4.0
Norfolk	32	23.5
North East Lincolnshire	0	0.0
North Lincolnshire	0	0.0
North Somerset	0	0.0
North Tyneside	1	1.6
North Yorkshire	1	0.0
Northamptonshire	24	21.0
Northumberland	2	2.3
Nottinghamshire	5	3.6
Oldham	0	0.0
Oxfordshire	1	0.0
Redbridge	1	6.9
Redcar and Cleveland	0	0.0
Richmond upon Thames	0	0.0
Rochdale	8	15.8
Rotherham	0	0.0
Salford	1	4.1
Sandwell	2	9.4
Sefton	0	0.0
Sheffield	11	7.4
Shropshire	9	18.6
Solihull	1	0.0
Somerset	6	2.1
South Gloucestershire	0	0.0
South Tyneside	0	0.0
Southwark	11	26.7
St. Helens	0	0.0
Staffordshire	10	6.5
Stockport	0	0.0
Stockton on Tees	0	0.0
Suffolk	0	0.0
Sunderland	0	0.0
Surrey	36	35.1
Sutton	11	58.9
Tameside	3	17.4
Tower Hamlets	1	7.0
Trafford	5	34.1
Wakefield	0	0.0
Walsall	11	36.8
Waltham Forest	4	18.8
Wandsworth	11	74.7
Warwickshire	14	20.2
West Sussex	1	0.0
Westminster	0	0.0
Wigan	0	0.0
Wiltshire	42	45.0
Wirral	4	15.4
Wolverhampton	3	16.1
York	0	0.0
England	1,147	19.2

Pre-School Provision

Mr. Blunkett: To ask the Secretary of State for Education and Employment what was *(a)* the number and *(b)* the percentage of three and four-year-olds in pre-school provision in each local eduction authority and nationally in January. [5867]

Mr. Robin Squire: Information on pupils aged three and four in maintained nursery schools and nursery classes in maintained primary schools in England in January 1996 is shown in the following table.

Pupils aged three and four in maintained nursery schools and nursery classes in maintained primary schools in each Local Education Authority area in England January 1996

	Number of three and four-year-olds	*Percentage of population at 31 December 1995*
Camden	1,049	25
Greenwich	3,344	50
Hackney	2,242	33
Hammersmith and Fulham	1,731	44
Islington	1,908	37
Kensington and Chelsea	851	27
Lambeth	2,433	31
Lewisham	2,753	37
Southwark	3,065	41
Tower Hamlets	3,345	61
Wandsworth	2,387	33
Westminster	1,246	32
Barking and Dagenham	2,101	46
Barnet	2,544	31
Bexley	1,533	25
Brent	2,600	36
Bromley	183	3
Croydon	2,148	23
Ealing	3,821	46
Enfield	1,682	22
Haringey	2,769	44
Harrow	1,029	19
Havering	552	10
Hillingdon	3,383	50
Hounslow	2,396	40
Kingston upon Thames	1,334	39
Merton	2,711	54
Newham	4,575	52
Redbridge	1,430	22
Richmond upon Thames	863	21
Sutton	1,949	40
Waltham Forest	2,817	39
Birmingham	11,217	35
Coventry	2,085	24
Dudley	3,207	39
Sandwell	4,556	53
Solihull	1,872	37
Walsall	4,388	59
Wolverhampton	3,912	54
Knowsley	2,957	63
Liverpool	6,160	46
St. Helens	1,620	33
Sefton	2,882	40
Wirral	2,251	26
Bolton	3,172	42
Bury	1,625	32
Manchester	7,307	53
Oldham	2,452	37
Rochdale	2,243	35
Salford	3,663	55
Stockport	2,188	29
Tameside	2,596	40
Trafford	2,640	45
Wigan	2,167	25
Barnsley	2,957	47
Doncaster	3,654	44
Rotherham	3,347	47
Sheffield	5,729	42
Bradford	6,550	44
Calderdale	1,945	35
Kirklees	4,475	41
Leeds	8,980	46
Wakefield	4,813	54
Gateshead	1,926	37
Newcastle upon Tyne	2,799	38
North Tyneside	2,671	55
South Tyneside	2,226	55
Sunderland	3,678	44
Avon	5,267	21
Bedfordshire	5,254	32
Berkshire	6,987	32
Buckinghamshire	3,342	18
Cambridgeshire	2,254	12
Cheshire	5,569	22
Cleveland	10,017	63
Cornwall	1,689	15
Cumbria	3,470	28
Derbyshire	9,815	39
Devon	3,153	13
Dorset	800	5
Durham	7,325	47
East Sussex	1,963	12
Essex	3,389	8
Gloucestershire	22	0
Hampshire	2,021	5
Hereford and Worcester	2,179	12
Hertfordshire	9,900	36
Humberside	9,369	39
Isle of Wight	170	6
Kent	2,467	6
Lancashire	8,163	21
Leicestershire	5,090	20
Lincolnshire	2,349	16
Norfolk	1,409	8
North Yorkshire	3,928	22
Northamptonshire	3,332	20
Northumberland	3,112	43
Nottinghamshire	14,125	51
Oxfordshire	3,377	20
Shropshire	2,325	21
Somerset	607	5
Staffordshire	7,336	27
Suffolk	3,306	19
Surrey	3,238	12
Warwickshire	2,108	17
West Sussex	1,281	8
Wiltshire	792	5
England[1]	364,271	28

[1] Includes Corporation of London and Isles of Scilly.

DEFENCE

European Union

Mr. MacShane: To ask the Secretary of State for Defence what has been the cost in the last 12 months of sending Ministers and officials to meetings to Brussels and elsewhere in Europe in connection with his Department's handling of EU business. [4942]

Mr. Soames: Costs of attendance at EU-related meetings are not held centrally, and could be provided only at disproportionate cost.

Mr. MacShane: To ask the Secretary of State for Defence what percentage of his Department's time and resources are spent dealing with administrative and policy matters connected with British membership of the European Union. [4952]

Mr. Soames: The percentage of my Department's time and resources spent dealing with EU business could be calculated only at disproportionate cost, but could be expected to be negligible.

Rosyth Dockyard

Mr. Temple-Morris: To ask the Secretary of State for Defence what progress has been made on the sale of the Rosyth royal dockyard. [5177]

Mr. Arbuthnot: Since the announcement in October 1993 of the Government's intention to sell the royal dockyards, a series of separate negotiations has been conducted with Babcock International Group for the proposed sale of Rosyth royal dockyard.

I am pleased to say that negotiations with Babcock have been concluded and we intend to sign the sale contract shortly, subject only to acceptable final contract terms and conditions. That agreement represents good value for money for the taxpayer and will generate savings of £100 million over 10 years. It will also give Babcock and its employees the prospect of achieving a secure long-term future for the dockyard. To assist in that, the Government have allocated a significant programme of ship refit work to the yard, lasting well into the next decade. The forthcoming refits of the carriers HMS Invincible and HMS Ark Royal and the nuclear-powered submarines HMS Sceptre and HMS Spartan, among others, will take place at Rosyth. My Department is today issuing a consultation document to the trades unions about the impact of the sale on MOD employees.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Defence how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5425]

Mr. Arbuthnot: Some information is held centrally on numbers of jobs in the Department and its agencies and this is listed in the table. Totals for temporary jobs are included in the numbers of casual staff. Details of all the full-time or part-time jobs held on renewable or unrenewable fixed-term contracts are not held centrally and could be provided only at disproportionate cost.

	Permanent full time	*Permanent part time*[1]	*Casual full time*	*Casual part time*[1]
Total MoD—all civilian staff				
1 April 1992[2]	136,686.0	2,768.0	1,550.0	n/a
1 April 1993	126,720.0	2,505.5	2,261.0	145.0
1 April 1994	119,190.0	2,368.0	2,352.0	196.5
1 April 1995	113,365.0	2,775.0	2,816.0	236.3
1 April 1996	107,125.0	2,733.5	3,374.0	266.2
Total MoD—non-industrial staff				
1 April 1992[2]	88,799.0	1,883.0	910.5	n/a
1 April 1993	86,133.0	1,751.5	1,318.0	70.0
1 April 1994	81,127.0	1,634.0	1,302.0	67.5
1 April 1995	77,869.0	1,937.0	1,698.0	116.23
1 April 1996	75,169.0	1,976.0	2,179.0	174.0
Total MoD—industrial staff				
1 April 1992[2]	47,887.0	885.0	639.5	n/a
1 April 1993	40,587.0	754.0	943.0	75.0
1 April 1994	38,063.0	734.0	1,050.0	129.0
1 April 1995	35,496.0	838.0	1,118.0	120.0
1 April 1996	31,956.0	757.0	1,195.0	92.2

Notes:

[1] Part timers counted as 0.5 for 1992, 1993 and 1994. For 1995 and 1996, part timers count as the proportion of full time hours worked.

[2] For 1 April 1992, casual part time numbers are included in casual full time figures.

Source:

DASA (Civilian and Tri-Service).

	Permanent full time	*Permanent part time*[1]	*Casual full time*	*Casual part time*[1]
Executive agencies of MoD—all civilian staff				
1 April 1992[2]	29,593.0	545.5	223.0	n/a
1 April 1993	29,517.0	398.5	339.0	29.0
1 April 1994	26,131.0	394.5	424.0	34.5
1 April 1995	31,783.0	620.0	503.0	52.5
1 April 1996	44,429.0	821.5	1,369.0	78.7
Executive agencies of MoD—non-industrial staff				
1 April 1992[2]	19,919.0	358.5	144.0	n/a
1 April 1993	19,934.0	343.0	225.0	28.0
1 April 1994	17,970.0	335.5	280.0	25.0
1 April 1995	21,628.0	478.0	375.0	27.8
1 April 1996	30,895.0	651.4	908.0	57.7
Executive agencies of MoD—industrial staff				
1 April 1992[2]	9,674.0	187.0	79.0	n/a
1 April 1993	9,583.0	55.5	114.0	1.0
1 April 1994	8,161.0	59.0	144.0	9.5
1 April 1995	10,155.0	142.0	128.0	24.7
1 April 1996	13,534.0	170.1	461.0	21.0

Notes:

[1] Part timers counted as 0.5 for 1992, 1993 and 1994. For 1995 and 1996, part timers count as the proportion of full time hours worked.

[2] For 1 April 1992, casual part time numbers are included in casual full time figures.

Source:

DASA (Civilian and Tri-Service).

Implementation Force

Mr. Key: To ask the Secretary of State for Defence if he will make a statement on his latest estimate of the costs of the United Kingdom's military contribution to the NATO-led implementation force in the former Yugoslavia. [6254]

Mr. Portillo: The latest estimates of the costs for the ground operations of the NATO-led implementation force in the former Yugoslavia are that £60 million was spent in 1995–96, and that £160 million will be spent in this financial year. In addition, we estimate that £24 million will be spent in this financial year for Operation Decisive Edge, the air component of the implementation force.

Subject to parliamentary approval, the Government have agreed that £244 million will be provided from the reserve in 1996–97 to meet these costs.

We estimate that a further £120 million may be required in future years, including for repair of equipment deployed and restocking of stores and spares. If the defence budget is unable to absorb those extra costs without detriment to the rest of the defence programme, I shall seek access to the reserve.

TRADE AND INDUSTRY

Nuclear Power Industry

Mr. Meacher: To ask the President of the Board of Trade what action has been taken by the Atomic Energy Authority to decontaminate Reay castle on the site of the AEA's Dounreay Nuclear Research Establishment following the experiment conducted there. [5070]

Mr. Page: This is an operational matter for the United Kingdom Atomic Energy Authority.

Mr. Meacher: To ask the President of the Board of Trade what assessment he has made of the advantages of appointing additional non–specialist members to the board of Nirex. [5067]

Mr. Page: No assessment of such appointments has been considered necessary.

Small Firms (Exports)

Mrs. Roche: To ask the President of the Board of Trade what estimates he has made of the percentage of small and medium enterprises which export *(a)* in the United Kingdom and *(b)* in each EU country; and what is the EU average. [5685]

Mr. Page: My Department has not made estimates of the percentage of small and medium enterprises that export, either for the United Kingdom, or for other EU countries.

Business Links

Mrs. Roche: To ask the President of the Board of Trade what plans he has to ensure that business links' databases are compatible. [5686]

Mr. Page: The business link IT strategy group has defined a mandatory standard format for core contact data, to be held on business links databases, on its target market. This standard has been published to all business links in an IT briefing paper, OSSIT 8 version 2.

Mrs. Roche: To ask the President of the Board of Trade what changes he plans to make to the accreditation procedure for business links. [5687]

Mr. Page: I am asking the Accreditation Advisory Board to conduct a full review of the accreditation requirements at its January 1997 meeting. The board will then advise me urgently on any changes or enhancements that it believes are required in the light of the first six months' operation of the accreditation arrangements.

Mrs. Roche: To ask the President of the Board of Trade what training is undertaken by personal business advisers in business links. [5442]

Mr. Page *[holding answer 21 November 1996]:* For the purposes of accreditation, business links are required to ensure that personal business advisers spend a minimum of 60 hours a year on training and professional development and that their managers regularly review and agree the training and development needs of each team member.

My Department has also sponsored the development of a modular framework for continuing professional development, which most PBAs are engaged in.

Mobile Telephones

Mr. Atkins: To ask the President of the Board of Trade what action he proposes to take to prevent the *(a)* sale and *(b)* use of devices for the cloning of mobile telephones; and if he will make a statement. [5532]

Mr. Ian Taylor: Following the publication of the industry and Government study group recommendations on mobile phone fraud and crime last year, I am very pleased to see that my hon. Friend the Member for South Dorset (Mr. Bruce) introduced a private Member's Bill on telecommunications fraud on 20 November. I understand that this Bill will implement the study group's recommendation for legislative changes to the current offences on telecommunications fraud, and therefore be highly relevant to the problems of cloned mobile telephones referred to by my hon. Friend.

Industrial Relations

Mr. Llew Smith: To ask the President of the Board of Trade if he will set out the definitions of *(a)* risks to life, health or safety, *(b)* threats to national security, *(c)* serious damage to property or to the economy and *(d)* significant disruption of everyday life or activities in the whole or part of the country he has adopted in drafting paragraph 2.5 of chapter 2 of his Green Paper on Industrial Action and Trade Unions, Cm. 3470. [5986]

Mr. John M. Taylor: The Green Paper proposes removing immunity from industrial action with disproportionate or excessive effects and invites comments on the suggestion that this term might be defined by reference to the criteria set out in paragraphs 2.5 to 2.7 of the paper. The Government will consider, in the light of comments on the Green Paper, whether any terms need to be further defined when the when the legislation is drafted.

Institute of Patentees and Inventors

Mr. Ingram: To ask the President of the Board of Trade (1) what plans he has to provide financial support to the Institute of Patentees and Inventors; and if he will make a statement; [5694]

(2) what support he has provided for the Institute of Patentees and Inventors in the last three years. [5693]

Mr. Ian Taylor: The year 1996–97 is the first year of a three-year grant of £10,000 per annum from the DTI to the Institute of Patentees and Inventors. The grant will run to 1998–99, subject to the institute meeting the conditions of the grant. At the end of this period, the Department will review the position with the institute.

Research

Mr. Ingram: To ask the President of the Board of Trade how many public sector research establishments there were in *(a)* 1979 and *(b)* at the last available date; and how many staff were employed. [5692]

Mr. Ian Taylor: Information on the total number of public sector research establishments is not centrally held. The 1994 efficiency scrutiny of public sector research establishments covered 50 civil establishments, employing around 31,000 staff. Of this total, six establishments have since been privatised—National Engineering Laboratory, AEA Technology, Laboratory of the Government Chemist, Transport Research Laboratory, Natural Resources Institute and National Institute of Agricultural Botany. Additionally, the National Physical Laboratory, while remaining Government owned, is now contractor operated. The remaining establishments, employing around 21,000 staff, are included under the current programme of prior options reviews; decisions on the future of each establishment are taken on a case-by-case basis. My right hon. Friend the President of the Board of Trade announced the timetable of the reviews on 26 January 1996 and the initial results on 22 May 1996.

Freelance Inventors

Mr. Ingram: To ask the President of the Board of Trade what section of his Department is responsible for dealing with freelance inventors; and if he will make a statement. [5695]

Mr. Ian Taylor: Within the DTI headquarters, policy responsibility for issues relating to lone inventors currently rests with the technology and innovation (policy and budget) directorate within the wider technology and standards directorate. The day-to-day concerns of lone inventors are best addressed through the innovation and technology counsellors in the business links, who have the knowledge and access to information networks to advise on how to solve any problems that they may have.

John Innes Centre

Mr. Patrick Thompson: To ask the President of the Board of Trade what discussions (i) he and (ii) his officials have had with trustees of the John Innes Foundation about the future of the John Innes centre. [4796]

Mr. Ian Taylor *[holding answer 19 November 1996]:* No discussions, so far as I am aware, have taken place with trustees of the foundation, but I cannot rule out the possibility that the subject may have arisen coincidentally in conversation. The trustees have made no formal representations to the Department.

Mine Shafts

Mr. Berry: To ask the President of the Board of Trade, pursuant to paragraph 19 of the Government observations on the seventh report from the Trade and Industry Committee—Session 1995–96—on former mine shafts, to what part of the United Kingdom the cost of "some millions of pounds" refers. [5262]

Mr. Page *[holding answer 21 November 1996]:* The reference is to the estimated cost of a comprehensive check of the Coal Authority's database, which covers the coal mining areas of Great Britain.

Arms Trade

Mr. Foulkes: To ask the President of the Board of Trade what proposals he has to introduce to combat the trafficking or brokering of arms to countries involved in conflict situations; and if he will make a statement. [5369]

Mr. lang *[holding answer 21 November 1996]:* The extent to which any new legislation should seek to control trafficking in undesirable goods or the brokering of such deals is one of the matters on which my Department's consultative document, "Strategic Export Controls" (Cm. 3349) presented to Parliament in July, sought views. The consultation period closed at the end of October and the Department is currently considering the responses and follow-up action to the consultation. Current procedures in relation to trafficking in arms are also being examined by the interdepartmental committee set up in response to the allegations that UK companies have been linked to the selling of arms to Rwandan extremists in Zaire. The committee's work on this area will contribute to the wider review of strategic export controls, which is already under way.

Mil-Tec

Mr. Tony Lloyd: To ask the President of the Board of Trade on how many occasions and when Mil-Tec Corporation Ltd. applied or export licences to (1) Rwanda and (2) Zaire since April 1994; and what was the Government response. [5293]

Mr. Lang *[holding answer 21 November 1996]:* No such application has been submitted by Mil-Tec Corporation Ltd. since 1 April 1994.

LORD CHANCELLOR'S DEPARTMENT

Employment Contracts

Mr. Hain: To ask the Parliamentary Secretary, Lord Chancellor's Department how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5414]

Mr. Streeter: The tables attached give details of the information requested for staff employed in the Lord Chancellor's Department headquarters and associated offices, and in the executive agencies for which the Lord Chancellor is accountable to Parliament.

All the figures given for fixed-term appointments include staff on both renewable and unrenewable contracts. The Lord Chancellor's Department does not use the term "temporary job", any jobs of a temporary nature would be considered suitable for casual or fixed-term appointment.

	Full-time	Part-time	(Fixed-term) full-time	(Fixed-term) part-time
LCD headquarters and associated offices				
1992	1,045	43	4	1
1993	1,114	48	21	1
1994	1,161	46	38	1
1995	829	38	32	1
1996	820	44	23	5
Public trust office				
1992	548	37	0	0
1993	530	34	0	0
1994	515	33	1	0
1995	526	29	1	0
1996	527	30	1	0
Court service				
1992	9,330	1,679	0	0
1993	9,110	1,823	0	0
1994	8,804	1,846	0	0
1995	8,817	1,778	0	0
1996	8,419	1,708	0	[1]700

[1] Figure refers to Court Ushers. Prior to 1996 these staff were employed locally and no central records were kept.

No central record of the numbers of casuals employed was kept before 1996. The figures for 1996 were 53 for LCD headquarters and associated offices; 12 for the Public Trust Office; and 509 for the Court Service.

	Full-time	Part-time	(Fixed-term) full-time[1]	(Fixed-term) part-time[1]	Casual full-time	Casual part-time
Public Record Office						
1992	405	51	—	—	3.5	[2]—
1993	396	64	—	—	17	14
1994	414	72	—	—	19	13
1995	412	40	—	—	18	9
1996	428	42	—	—	21	6

[1] Full–time figures include a small proportion (not exceeding 8 per cent.) of fixed term jobs. Separate figures were not kept and the information could only be obtained at disproportionate cost.

[2] Figures not broken down separately. Part–time figures included in full time posts.

	Full-time	Part-time	(Fixed-term) full-time	(Fixed-term) part-time	Casual
HM land registry					
1992	8,452	1,398	10	0	5
1993	7,972	1,531	9	0	4
1994	7,534	1,611	1	0	0
1995	7,123	1,693	1	0	1
1996	6,795	1,744	1	0	0
Northern Ireland court service					
1992	660.5	[1]—	1	0	[2]—
1993	650	25.5	1	0	[2]—
1994	644	37	1	0	25
1995	614	42	0	1	27
1996	592	51	1	1	25.5

[1] Figures not broken down separately. Part-time figures included in full time posts.

[2] Information not recorded.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6020]

Mr. Streeter: This information could be provided only at disproportionate cost.

ENVIRONMENT

Air Pollution

Mr. Norman Hogg: To ask the Secretary of State for the Environment what assessment his Department has made of the contribution made by transport to air pollution in British cities. [4031]

Mr. Clappison: A comprehensive assessment of the contribution made by transport to urban air pollution can be found in the consultation draft of the United Kingdom national air quality strategy, published in August 1996, a copy of which has been placed in the Library of the House of Commons.

Employment Contracts

Mr. Hain: To ask the Secretary of State for the Environment how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and (f) jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5420]

Sir Paul Beresford: It is not possible to assemble all of the information immediately. However, I will write to the hon. Member shortly and place a copy of the table in the Library of the House.

Construction Skills Certification Scheme

Mr. Raynsford: To ask the Secretary of State for the Environment what criteria his Department will apply in assessing the performance of the construction skills certification scheme. [5739]

Mr. Robert B. Jones: The scheme is a construction industry initiative and it is for the industry to evaluate its success. However, my Department will wish to be kept informed of the numbers joining the scheme, the construction trades it represents and its success in linking with relevant skills and safety training qualifications.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for the Environment if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6025]

Sir Paul Beresford: In any case where the Department is exercising a public law function, its decisions are subject to judicial review in the courts, or statutory appeal on similar grounds. This applies whether or not the person affected by the decision is a UK citizen. Information on the administrative decisions in question could be provided only at disproportionate cost.

Building Research Establishment

Mr. Raynsford: To ask the Secretary of State for the Environment what estimates have been given to prospective purchasers of the Building Research Establishment about future income levels underwritten by the Government. [5735]

Mr. Robert B. Jones: This information is commercially confidential.

Mr. Raynsford: To ask the Secretary of State for the Environment what was the total income of the Building Research Establishment in each of the past three financial years; and what proportion of that income came in each year from *(a)* Government and *(b)* other public sector sources. [5736]

Mr. Jones: The total income of BRE in £000 was as follows:

	Research and technical consultancy UK Government	*[2]Non-exchequer*	*[1]Other*	*Total*
1993–94	36,314	3,091	1,761	41,166
1994–95	36,345	3,403	1,701	41,449
1995–96	36,503	3,419	559	40,481

[1] "Other" income includes that from publication sales and seminars and from tenants whether from public or private sector customers.
[2] "Non-exchequer" income includes non-Government public sector and European funding as well as that from the private sector.

For both of these categories a breakdown between Government and other public sector sources could be made only at disproportionate cost.

Mr. Raynsford: To ask the Secretary of State for the Environment what is his estimate of the current value of *(a)* the buildings, *(b)* the plant and machinery and *(c)* the land occupied by the Building Research Establishment at (i) Garstang and (ii) its other out-stations. [5737]

Mr. Jones: This information is commercially confidential.

Mr. Raynsford: To ask the Secretary of State for the Environment if he will list the organisations that have expressed an interest in acquiring the Building Research Establishment. [5738]

Mr. Jones: I refer to the answer that I gave to the hon. Member for East Kilbride (Mr. Ingram) on 18 November, *Official Report*, column 390.

Bradford Commission

Mr. Madden: To ask the Secretary of State for the Environment on what date copies of the Bradford Commission report were received by officials in the integrated Government office in Leeds. [5983]

Sir Paul Beresford: Officials collected copies of the report on 20 November, the day of publication.

Mr. Madden: To ask the Secretary of State for the Environment on what date, in what capacity and in what form the chair of the inquiry into the wider implications of public disorders in Bradford expressed *(a)* support and *(b)* opposition to any bid from Bradford under the single regeneration budget (i) to Ministers and (ii) to officials, including officials at the integrated Government office; and if he will make a statement. [5985]

Sir Paul Beresford: The chair of the Bradford Commission has at no time made any comment to either Ministers or officials in support of, or in opposition to, any Bradford single regeneration budget challenge fund bid.

OVERSEAS DEVELOPMENT ADMINISTRATION

Publicity

Mr. Miller: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish the cost of producing and printing the latest series of leaflets illustrating the range of activities funded by the British overseas aid programme; and if he will list the publicity budget for the Overseas Development administration for each year since 1990. [5286]

Dr. Liam Fox: The latest series of leaflets replace a number of other publications which have been phased out following a reassessment of the Department's publicity programme. There will be a total of 150,000 leaflets in the initial series covering 30 topics. The cost of producing and printing these, including the initial design, will be approximately £72,000.

The ODA's publicity budget covers development education—which accounts for approximately 50 per cent. of the annual budget-exhibitions, the British Overseas Development newspaper, the ODA roadshow and the Internet as well as publications.

Expenditure since 1990 has been as follows:

1990–91: £638,000

1991–92: £961,000

1992–93: £1,012,000

1993–94: £1,200,000

1994–95: £1,355,000

1995–96: £1,270,000.

Rwandan Refugees (Zaire)

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what meetings his Department has held with representatives of Hutu and Tutsi groups from Rwanda in respect of the problems of exiles in Zaire. [5164]

Dr. Liam Fox: Our ambassador in Kigali is in regular contact with Rwandan Ministers, both Hutu and Tutsi, about refugees in Zaire. Members of our diplomatic missions in other capitals have had meetings with organisations such as the "Forces of Resistance for Democracy", who describe themselves as representing the interests of Hutu refugees.

Sudan

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the prevalence of donations of food aid in Sudan being conditional on conversion to Islam; and if he will make a statement. [4655]

Dr. Liam Fox: The ODA is not aware of any cases of such a link being made with respect to food aid that it has provided for Sudan, but there are persistent reports of such a link being made in other cases in Sudan.

WALES

Environment Annual Report

Mr. Meacher: To ask the Secretary of State for Wales what considerations led to the omission from his Department's annual report on the environment in Wales a reference to *(a)* the environmental impact of the Wylfa nuclear plant, *(b)* the decommissioning of the Trawsfynydd nuclear plant and *(c)* the implications for the Welsh environment of military test ranges. [4713]

Mr. Jonathan Evans: The environmental impact of Wylfa and Trawsfynydd nuclear power stations is covered in other official publications. Assessment of the environmental implications of military test ranges is a matter for my right hon. Friend the Secretary of State for Defence.

Teachers

Mr. Barry Jones: To ask the Secretary of State for Wales how many primary and secondary school teachers there are in Wales employed by local education authorities as *(a)* full-time and *(b)* part-time teachers. [4935]

Mr. Jonathan Evans: The information requested is shown in the following table:

The number of school teachers in Wales employed by local education authorities, 1995–96[1]

Local education authority	*Primary*		*Secondary*	
	Full-time	*Part-time (FTE)*	*Full-time*	*Part-time (FTE)*
Clwyd	1,514	176	1,374	77
Dyfed	1,627	113	1,576	81
Gwent	1,975	41	1,830	74
Gwynedd	948	66	1,079	57
Mid Glamorgan	2,598	64	2,679	59
Powys	542	15	547	25
South Glamorgan	1,902	92	1,556	90
West Glamorgan	1,698	112	1,516	33
Wales	12,804	678	12,156	496

Berwyn Mountains SSSI

Mr. Martyn Jones: To ask the Secretary of State for Wales (1) what meetings are required between the Countryside Commission for Wales and individual landowners to agree *(a)* areas and *(b)* patterns of burning each year under the management agreement on the Berwyn mountains site of special scientific interest; and if he will make a statement; [4834]

(2) how many holdings on the Berwyn mountains in north Wales have concluded section 15 management agreements with the Countryside Commission for Wales; what is *(a)* the total acreage and *(b)* the aggregated cost of these agreements for the most recent year for which figures are available; and if he will make a statement; [4838]

(3) how many landowners subject to section 15 management agreements on the Berwyn mountains site of special scientific interest are required to record the numbers and distribution of animals and birds on the areas under agreement; what annual reports are required; how many reports have been received; and if he will make a statement; [4836]

(4) how many section 15 management agreements on the Berwyn mountains site of special scientific interest require owners to control foxes, carrion crows or magpies; and if he will make a statement; [4840]

(5) under how many section 15 management agreements on the Berwyn mountains site of special scientific interest, the shooting of black grouse is specifically excluded; and if he will make a statement; [4821]

(6) how many meetings took place between Countryside Commission for Wales staff and landowners on the Berwyn mountains site of special scientific interest to agree burning patterns in *(a)* 1993, *(b)* 1994 and *(c)* 1995; and if he will make a statement; [4833]

(7) what prescriptions for the burning of heather have been set under section 15 management agreements on the Berwyn mountains site of special scientific interest; on how many holdings such prescriptions have been set; and if he will make a statement; [4835]

(8) if landowners subject to section 15 management agreements on the Berwyn mountains site of special scientific interest are required to submit annual returns on the numbers of pest species controlled; and if he will make a statement; [4839]

(9) how many *(a)* foxes, *(b)* carrion crows and *(c)* magpies have been controlled under the requirements of section 15 management agreements on the Berwyn mountains site of special scientific interest; and if he will make a statement. [4837]

Mr. Jonathan Evans: The negotiation, implementation and monitoring of management agreements for the Berwyn mountains site of special scientific interest under section 15 of the Wildlife and Countryside Act 1981 is the responsibility of the Countryside Council for Wales. I have asked the chief executive, Mr. Paul Loveluck, to arrange for a reply, and for a copy of his letter to be placed in the Library of the House.

River Dee Crossing

Mr. Barry Jones: To ask the Secretary of State for Wales what assessment his Department has made of the

consequences of the completion of the River Dee crossing on traffic in Deeside; and if he will make a statement. [4938]

Mr. Gwilym Jones: Flintshire county council is responsible for the River Dee crossing.

Women Professors

Mr. Barry Jones: To ask the Secretary of State for Wales what estimate he has made of the number of women holding professorships in the higher education sector in Wales. [4937]

Mr. Jonathan Evans: In 1994–95, the Higher Education Statistics Agency recorded 23 women holding professorships at higher education institutions in Wales.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Wales how many *(a)* full–time jobs, *(b)* part–time jobs, *(c)* full–time jobs which are on (i) renewable and (ii) unrenewable fixed–term contracts, *(d)* part–time jobs which are on (i) renewable and (ii) unrenewable fixed–term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5430]

Mr. Hague: The information is shown in the following table:

As at	*31 March 1992*	*31 March 1993*	*31 December 1994*	*31 December 1995*	*21 November 1996*
(a) Full Time	2321	2237	2053	1943	1764
(b) Part Time	206	143	248	194	167
(c) FTA	n/a	n/a	n/a	122	138
(d) Casual	135	182	232	132	203

The table provides data for Welsh Office and executive agency Cadw. To disaggregate the data would be a disproportionate cost.
1. Part–time staff were counted as a whole time person until 1994 and from April 1995 they were calculated as full time equivalents based on their working hours.
2. Fixed–term Appointments—this information is not available prior to 1995.
3. Generally all fixed–term appointments are renewable.
4. Casual and temporary posts are classified as casual.

Pupil Exclusions

Mr. Hall: To ask the Secretary of State for Wales how many *(a)* primary and *(b)* secondary pupils (i) were permanently excluded and (ii) had fixed–term exclusions from school in 1995–96; and of those in (i) how many returned to mainstream eduction. [5586]

Mr. Jonathan Evans: Information is available for permanently excluded pupils only. Returns provided by local authorities indicate that in the 1995–96 academic year, 65 children were excluded from primary schools and 455 from secondary schools. Of these, 130 returned to mainstream education. It is not possible to break down this figure between primary and secondary pupils.

South East Wales Ambulance NHS Trust

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had with the chairman of the South East Wales Ambulance NHS Trust concerning the losses made in running coach holidays to Spain and shopping day trips to France in trust vehicles; what departmental guidance exists covering such business ventures; what reference to the district auditor has been made with respect to such ventures; and if he will make a statement. [5997]

Mr. Hague: None. Income generation schemes do not need my approval, but statutory auditors may inspect them and a copy of the latest guidance has been placed in the Library.

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 19 November, *Official Report*, column *496*, about expenditure by public bodies, if he will indicate the principal three methods used within the variety of arrangements referred to ensure effective monitoring and control of capital expenditure and how they were used with respect to the new Mamhilad headquarters of the South East Wales Ambulance NHS trust; what monitoring took place of the overspend prior to 29 January; and what intelligence gathering method his Department has to detect *(a)* deliberate understatement of capital cost and *(b)* unreported overspend on capital cost. [5991]

Mr. Hague: Capital expenditure on all health schemes is monitored quarterly against amounts set out in the full business case approved by my Department before a project starts and cannot be exceeded. In the case of the ambulance trust, the Mamhilad project had only just begun by 29 January 1996. The Department would have become aware of any overspend through the quarterly monitoring process. The statutory auditors examine compliance with statutory and other procedures.

Secondees and Consultants

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 19 November, *Official Report*, column *497*, if he will list the employers who have provided the secondees to his Department. [5990]

Mr. Hague: The employers who have provided secondees are as follows:

University of Wales, Aberystwyth
Gwent Health Authority
Bro Taf Health Authority
Dyfed Powys Health Authority
North Wales Health Authority
Rhondda NHS Trust
Swansea NHS Trust
Bridgend and District NHS Trust
Gwent Community Health NHS Trust
Welsh Health Common Services Authority

One person is seconded from Eversheds to the private finance panel executive and works as part of the Welsh Office private finance unit.

Cardiff Bay Barrage

Mr. Morgan: To ask the Secretary of State for Wales if he will give details of the water budget agreed for the intake of water for the impounded lake behind the Cardiff bay barrage; what water abstraction rights he has agreed for the Blackweir offtake for the Cardiff dock feeder with the Cardiff Bay development corporation, the National

Rivers Authority and Associated British Ports; and what impact those water abstraction rights have been assessed to have on prospective water quality and availability in the projected lake behind the barrage. [5996]

Mr. Hague: The details of the water budget are an operational matter for the corporation and I will ask the chief executive to write to the hon. Member and will arrange for a copy of his response to be placed in the Library.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for Wales if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6038]

Mr. Hague: This information could be obtained only at disproportionate cost.

Millennium Celebrations

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 18 November, *Official Report*, column *428*, what appraisal he has made of the outcome of the lunch he attended for the millennium celebrations; how much support he obtained from the Welsh business community in relation to *(a)* Welsh presence at the Greenwich exhibition and *(b)* celebrations within Wales; what funds were used for the lunch; and if he will place in the Library a list of those attending the lunch. [6073]

Mr. Hague: I have made no such appraisal. I have received a number of expressions of interest in Welsh participation in the millennium exhibition. The lunch was sponsored and paid for out of private funds. It would not be appropriate to place in the Library a list of those attending this private function.

Play Wales (Funding)

Mr. Morgan: To ask the Secretary of State for Wales what representations he has had in relation to the funding of Play Wales from 1 April 1997; what consultations he has had with the Welsh Local Government Association concerning future funding arrangements for it; what consideration he has given to the possibility of funding Play Wales after 1 April 1997 via a grant to the Welsh Council for Voluntary Action; and if he will make a statement. [5989]

Mr. Hague: I have had several representations about the funding of Play Wales, including over 50 during the consultation on "Redefining the Relationship". These include letters from the Welsh Local Government Association which have been taken into account. I have considered the possibility of funding Play Wales via a grant to the Wales Council for Voluntary Action but concluded that the position should remain as I announced on 15 October, *Official Report*, column *866*.

The Welsh Local Government Association's decision, that Play Wales should not receive a top-slice of revenue support grant in 1997–98, and the consequences of that decision, are matters for the association.

SCOTLAND

Glasgow Southern Orbital Road

Mr. Stewart: To ask the Secretary of State for Scotland what representations he has received concerning proposals for a Glasgow southern orbital road; and if he will make a statement. [4264]

Mr. Michael Forsyth: In addition to the representations made by the hon. Member for Eastwood, 37 letters have been received, mainly from residents of Eaglesham, about the need to bypass the village and construct a Glasgow southern orbital route. East Renfrewshire council submitted an outline bid to the 1998–99 transport challenge fund for the Glasgow southern orbital route M77—Newton Mearns—to East Kilbride which would effectively bypass Eaglesham. The application has been placed on the shortlist for consideration in the second stage of the competition and the council has been asked to send a full appraisal and any other information in support of the application to the scottish office by 27 January 1997. Departmental and council officials recently met to discuss the project.

Glasgow Royal Infirmary

Mr. Galbraith: To ask the Secretary of State for Scotland (1) what is the reason for the delay in starting lung transplants at Glasgow royal infirmary; [4779]

(2) what plans he has to start lung transplants at Glasgow royal infirmary; and if he will make a statement. [4780]

Lord James Douglas-Hamilton: We are currently considering a needs assessment on the introduction of lung and heart/lung transplantation in Scotland. A decision will be announced in due course. Our main concern is to ensure the best outcomes for Scottish patients who require these types of transplantation.

Mr. Galbraith: To ask the Secretary of State for Scotland when funding will be available for the new maternity unit at Glasgow royal infirmary; and if he will make a statement. [4781]

Lord James Douglas-Hamilton: A business case was approved by the Scottish Office in April 1996 which allowed the Glasgow Royal Infirmary University NHS Trust to begin work on the procurement process for the new maternity unit. The trust will explore private finance options for this development and have begun work on this process. As the trust is also considering other important capital developments, it has decided to manage these as one project, and so additional planning work has been necessary. The trust aims to undergo the major part of the private finance initiative process in the first half of 1997.

Mr. Worthington: To ask the Secretary of State for Scotland what were the legal and administrative costs incurred by the Scottish health service central legal office and the royal infirmary in the court case between Mr. Higgins and the royal infirmary, Glasgow; and what was the value of the item upon which the dispute was founded. [4905]

Lord James Douglas-Hamilton: This is entirely a matter for the Glasgow Royal Infirmary University NHS trust. The hon. Member may wish to contact the chief executive, Mr Nigel Clifford, for details.

Rottenrow Maternity Hospital

Mr. Galbraith: To ask the Secretary of State for Scotland how much money he estimates will be realised from the sale of the site of Rottenrow maternity hospital. [4782]

Lord James Douglas-Hamilton: Glasgow Royal Infirmary University NHS trust has provided an estimate of the marketable value of this property. This is commercially sensitive information which it would be inappropriate to disclose in advance of concluding any sale agreement. I can, however, assure the hon. Member that the trust will seek to maximise the proceeds from the sale of this site.

Legal Aid

Mr. Stewart: To ask the Secretary of State for Scotland what is his most recent estimate of the current annual cost of criminal legal aid in Scotland; and what were the equivalent figures for one, two and three years ago.[5130]

Lord James Douglas-Hamilton: The latest estimate of the annual cost of criminal legal aid in Scotland for 1996–97 is £76.6 million.

The equivalent cost for the last three years is set out in the list.

1993–94: £72.8 million

1994–95: £76.2 million

1995–96: £74.4 million.

Women

Ms Janet Anderson: To ask the Secretary of State for Scotland what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5480]

Lord James Douglas-Hamilton: The Scottish Office has had in place guidelines on policy appraisal for equal opportunities since 1992. We are currently updating these guidelines in the light of the guidance published by my right hon. Friend the Secretary of State for Education and Employment in July this year.

This guidance requires officials to identify policy issues which might impact differentially on women and men, and other groups, to assess whether this is justified in policy terms, and to adjust the policy if it is not.

Prisons (Costs)

Mr. Worthington: To ask the Secretary of State for Scotland if he will list the annual cost of keeping a prisoner in each type of Scottish prison. [5153]

Lord James Douglas-Hamilton: The subject of the question relates to matters undertaken by the Scottish Prison Service. I have asked its chief executive, Mr. E. W. Frizzell, to arrange for a reply to be given.

Letter from E. W. Frizzell to Mr. Tony Worthington, dated 25 November 1996:

Lord James Douglas-Hamilton has asked me to reply to your question about the annual cost of keeping a prisoner in each type of Scottish prison.

The average cost per prisoner place at HM Prisons in Scotland in 1995–96 was £24,019 for secure prisons and £17,221 for open prisons. This has been calculated as total net expenditure (excluding capital, Headquarters and other central costs) divided by the average number of places available.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Scotland how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5429]

Lord James Douglas-Hamilton: The numbers of full-time and part-time staff, full-time and part-time staff on fixed-term appointments, and full-time and part-time casual staff employed each year since 1992 are shown in the tables.

We do not hold statistics which categorise fixed-term appointments as renewable or unrenewable, but the great majority are open to being made permanent or to extension. w also do not distinguish between "temporary" and "casual" employees.

All permanent staff in post in the Scottish Office and its executive agencies at 1 April

	1992		1993		1994		1995		1996	
Department	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
Scottish Office Core	5,012	271	4,779	288	4,691	289	4,054	292	3,653	283
Historic Scotland	619	23	631	22	622	28	605	37	558	27
Scottish Fisheries Protection Agency	215	1	226	1	246	8	235	6	236	7
Scottish Agricultural Science Agency	135	7	137	10	132	12	136	11	125	15
Scottish Office Pensions Agency	—	—	161	7	171	9	156	10	164	11
Student Awards Agency for Scotland	—	—	—	—	—	—	133	4	121	4
Scottish Office Total (Excl SPS)	5,981	302	5,934	328	5,862	346	5,319	360	4,857	347
Scottish Prison Service	—	—	4,596	58	4,464	141	4,166	139	4,381	158

All staff in post in the Scottish Office and its executive agencies on fixed term appointment at 1 April

Department	1992		1993		1994		1995		1996	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Scottish Office Core	28	1	88	2	255	15	283	14	367	23
Historic Scotland	37	—	30	—	45	6	81	10	122	8
Scottish Fisheries Protection Agency	—	—	11	—	58	5	54	3	42	3
Scottish Agricultural Science Agency	3	—	4	—	6	1	15	—	20	—
Scottish Office Pensions Agency	—	—	—	—	5	—	6	—	16	—
Student Awards Agency for Scotland	—	—	—	—	—	—	3	—	11	—
Scottish Office Total (Excl SPS)	68	1	133	2	369	27	442	27	578	34
Scottish Prison Service[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

[1] Whilst Scottish Prison Service recruits some staff on Fixed Term Appointments this information is not held centrally.

All casual staff in post in the Scottish Office and its executive agencies at 1 April

Department	1992		1993		1994		1995		1996	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Scottish Office Core	204	38	274	48	132	22	134	19	163	26
Historic Scotland	64	29	52	59	21	10	33	13	95	65
Scottish Fisheries Protection Agency	—	—	—	—	7	18	19	20	22	12
Scottish Agricultural Science Agency	7	—	12	—	8	—	10	—	2	1
Scottish Office Pensions Agency	—	—	6	—	11	—	23	—	14	—
Student Awards Agency for Scotland	—	—	—	—	—	—	10	1	5	—
Scottish Office Total (Excl SPS)	275	67	344	107	179	50	229	53	301	104
Scottish Prison Service[1]	8	—	19	—	14	—	41	—	—	46

[1] 1992 data for the Scottish Prison Service is on a full-time equivalent basis. Thereafter it is on a headcount basis.

Crown Office Properties

Mr. Chisholm: To ask the Secretary of State for Scotland if he will list *(a)* how much the Crown Office is required to pay in lieu of non-domestic rates to each council in Scotland this financial year and *(b)* how much it had actually paid by 13 November. [5659]

Lord James Douglas-Hamilton: The Crown Office makes an annual contribution in lieu of rates payment on its properties to the Valuation Office agency, an executive agency of the Inland Revenue). The exception to this would be where the Crown Office is a minor occupier in a Government building and a contribution would be paid to the major occupying Department. The estimated contribution in lieu of rates for Crown Office this financial year is £1,063,000, of which £926,000 has been paid.

Government Borrowing Requirement

Mr. Salmond: To ask the Secretary of State for Scotland if he will estimate at 1996–97 prices the public sector balance between revenue and expenditure for Scotland for each year from 1979–80 to 1994–95 after deducting a gross domestic product share of the United Kingdom general government borrowing requirement, a gross domestic product share of privatisation proceeds and allocating 90 per cent. of oil revenues to Scotland's revenue. [1366]

Mr. Waldegrave *[holding answer 31 October 1996]:* I have been asked to reply. The table shows the calculations requested. The method proposed for calculating Scotland's budget balance, by simply assuming that the shares of Scotland in total expenditures and revenues are in proportion to Scotland's share of GDP, is misconceived, since it takes no account of available information of government expenditure and revenue in Scotland. Approximate estimates of these are published in the "Government Expenditure and Revenue in Scotland" annual report. These show much higher borrowing figures for Scotland in recent years than given by the requested calculations.

Estimates of Scotland's share of the UK General Government Borrowing Requirement (GGBR)

£ billion

	UK GGBR excluding privatisation proceeds (pps) and north sea oil revenues, at current prices	*Scotland's share of UK GDP[1] (per cent.)*	*Scotland's implied share of UK GGBR, at current prices*	*90 per cent. of oil revenues, and GDP share of UK pps, at current prices[2]*	*Scotland's implied GGBR at current prices*	*Scotland's implied GGBR at 1996–97 prices[3]*
1979–80	13.2	8.8	1.2	2.2	–1.0	–2.6
1980–81	17.5	8.7	1.5	3.4	–1.9	–4.1
1981–82	13.5	8.9	1.2	4.1	–2.9	–5.7
1982–83	15.9	8.9	1.4	4.9	–3.5	–6.5
1983–84	19.8	8.9	1.8	8.0	–6.3	–11.1

Estimates of Scotland's share of the UK General Government Borrowing Requirement (GGBR)

£ billion

	UK GGBR excluding privatisation proceeds (pps) and north sea oil revenues, at current prices	Scotland's share of UK GDP[1] (per cent.)	Scotland's implied share of UK GGBR, at current prices	90 per cent. of oil revenues, and GDP share of UK pps, at current prices[2]	Scotland's implied GGBR at current prices	Scotland's implied GGBR at 1996–97 prices[3]
1984–85	23.3	8.7	2.0	11.0	–9.0	–15.1
1985–86	20.9	8.7	1.8	10.4	–8.6	–13.8
1986–87	14.1	8.5	1.2	4.7	–3.5	–5.4
1987–88	7.8	8.5	0.7	4.6	–3.9	–5.8
1988–89	–1.5	8.4	–0.1	3.4	–3.6	–4.9
1989–90	0.0	8.3	0.0	2.5	–2.5	–3.2
1990–91	7.1	8.5	0.6	2.5	–1.9	–2.4
1991–92	22.8	8.6	2.0	1.6	0.4	0.5
1992–93	47.3	8.7	4.1	1.9	2.2	2.4
1993–94	53.5	8.7	4.7	1.6	3.1	3.3
1994–95	45.8	8.8	4.0	2.0	2.0	2.1
Total						–72.2

UK GGBR

Source:

Public Finance Trends, 1996. A negative figure indicates a budget surplus.

[1] Scotland's GDP at factor cost (current prices) as a percentage of GDP in the UK less continental shelf, calendar years.—Source: Regional Trends, 1996.

[2] Assumes 90 per cent. of north sea oil revenues and Scotland's GDP share of privatisation proceeds.

[3] Based on the summer economic forecast of the GDP deflator in 1996–97. Figures may not add up to totals due to rounding.

Mr. Salmond: To ask the Secretary of State for Scotland if he will estimate the cumulative gross domestic product share for Scotland of the United Kingdom's general government borrowing requirement from 1979–80 to 1994–95 expressed in 1996–97 prices. [1364]

Mr. Waldergrave *[holding answer 31 October 1996]:* I have been asked to reply.

The table shows the calculations requested. The method proposed for calculating Scotland's budget balance, by simply assuming that the shares of Scotland in total expenditures and revenues are in proportion to Scotland's share of GDP, is misconceived, since it takes no account of available information of government expenditure and revenue in Scotland. Approximate estimates of these are published in the "Government Expenditure and Revenue in Scotland" annual report. These show much higher borrowing figures for Scotland in recent years than given by the requested calculations.

Estimates of Scotland's share of the UK general Government borrowing requirement (GGBR)

£billion

	UK GGBR	UK GGBR (1996–97 prices[1])	Scotland's share of UK GDP[2] (per cent)	Scotland's implied GGBR (1996–97 prices)	Scotland's cumulative GGBR (1996–97 prices)
1979–80	10.4	26.8	8.8	2.4	2.4
1980–81	13.6	29.5	8.7	2.6	4.9
1981–82	8.6	17.0	8.9	1.5	6.4
1982–83	10.0	18.6	8.9	1.7	8.1
1983–84	9.9	17.5	8.9	1.6	9.6
1984–85	9.3	15.6	8.7	1.4	11.0
1985–86	6.9	11.0	8.7	1.0	12.0
1986–87	4.9	7.5	8.5	0.6	12.6
1987–88	–2.0	–2.9	8.5	–0.2	12.4
1988–89	–11.7	–16.2	8.4	–1.4	11.0
1989–90	–6.6	–8.6	8.3	–0.7	10.3
1990–91	–0.6	–0.7	8.5	–0.1	10.2
1991–92	13.9	15.9	8.6	1.4	11.6
1992–93	37.9	41.5	8.7	3.6	15.2
1993–94	46.8	49.9	8.7	4.3	19.5
1994–95	37.8	39.6	8.8	3.5	23.0
Total		262.0		23.0	

Notes:

UK GGBR. Source: Public Finance Trends, 1996. A negative figure indicates a budget surplus.

[1] Based on the HMT Summer Economic Forecast of the GDP deflator in 1996–97

[2] Scotland's GDP at factor cost (current prices) as a percentage of GDP in the UK less Continental Shelf.

Source:

Regional Trends.

Figures may not add up to totals due to rounding.

Public Sector Finances

Mr. Salmond: To ask the Secretary of state for Scotland if he will list the public sector surplus or deficit *(a)* in total and *(b)* for Scotland for each year since 1979–80 assuming a gross domestic product share of privatisation proceeds and allocating (i) 80 per cent., (ii) 85 per cent. and (iii) 90 per cent. of North sea oil revenues to Scotland. [1363]

Mr. Waldegrave *[holding answer 31 October 1996]:* I have been asked to reply.

The table shows the UK public sector borrowing requirement, and estimates of Scotland's shares of privatisation proceeds and North sea oil revenue using the formulae prescribed. These estimates are not sufficient to enable the calculation of the public sector borrowing requirement for Scotland. Approximate estimates of the general government borrowing requirement in Scotland in 1993–94 and 199–45 are available in the "Government Expenditure and Revenue in Scotland" annual report.

The PSBR and Scotland's GDP share of UK privatisation proceeds (pps) and assumptions for its share of North Sea oil revenues

£ billion

	UK PSBR	80 per cent. of oil revenues, and GDP share of UK pps	85 per cent. of oil revenues, and GDP share of UK pps	90 per cent. of oil revenues and GDP share of UK pps
1979–80	9.9	1.9	2.1	2.2
1980–81	12.5	3.0	3.2	3.4
1981–82	8.6	3.6	3.8	4.1
1982–83	8.9	4.4	4.7	4.9
1983–84	9.7	7.1	7.6	8.0
1984–85	10.1	9.8	10.4	11.0
1985–86	5.6	9.3	9.9	10.4
1986–87	3.6	4.2	4.4	4.7
1987–88	–3.5	4.1	4.4	4.7
1988–89	–14.7	3.1	3.3	3.4
1989–90	–8.0	2.2	2.4	2.5
1990–91	–0.6	2.3	2.4	2.5
1991–92	13.8	1.5	1.5	1.6
1992–93	36.3	1.8	1.8	1.9
1993–94	45.4	1.5	1.5	1.6
1994–95	35.9	1.9	2.0	2.0

UK PSBR.

Source:

Public Finance Trends, 1996. A negative figure indicates a budget surplus.

LORD PRESIDENT OF THE COUNCIL

Drug Dealing

32. **Mr. Viggers:** To ask the Lord President of the Council what assessment he has made of the financial scale of dealings in the United Kingdom in illegal drugs. [4040]

Mr. Newton: It is not possible to make an overall assessment with any accuracy. What is clear is that the scale of such dealings is substantial—the latest estimate of the total street value of illegal drugs seized by Her Majesty's Customs and Excise alone is nearly £500 million in 1995.

"Tackling Drugs Together"

34. **Mr. Flynn:** To ask the Lord President of the Council what new proposals he has to publicise the recommendations of the document "Tackling Drugs Together". [4042]

Mr. Newton: Publicity for the implementation of the Government's drugs strategy for England, "Tackling Drugs Together", is kept under regular review by ministerial colleagues and by me, under the auspices of the Cabinet Sub-Committee on Drug Misuse, which I chair. This will continue to focus in particular on raising awareness of the work of the 105 local drug action teams across England.

Employment Contracts

Mr. Hain: To ask the Lord President of the Council how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5419]

Mr. Newton: The number of full-time posts in the Privy Council Office for each year since 1992 has been as follows:

1992: 32

1993: 33

1994: 38

1995: 38

1996: 38

The increase in 1994 reflects the setting up of a central drugs co-ordination unit reporting to me. There have to date been no part-time posts and no temporary or casual posts, although in the last two years some posts have been filled by temporary or casual staff for short periods and some individuals have worked on a part-time or job-share basis. No staff are employed on fixed-term contracts, either renewable or unrenewable. I am not responsible for any agencies.

HOUSE OF COMMONS

Procedural Reform

33. **Mr. Simon Hughes:** To ask the Lord President of the Council what further reforms he proposes to the consideration of legislation during the remainder of this Parliament. [4041]

Mr. Newton: The Government propose to take forward the practice of publishing bills in draft for consultation, with a view to introducing them at a suitable opportunity. Draft Bills on voluntary identity cards and on long-term care in old age were announced in the Gracious Speech.

Domestic Committees

35. **Mr. Harry Greenway:** To ask the Lord President of the Council if he will introduce an oral question period for the Chairmen of the domestic committees; and if he will make a statement. [4043]

Mr. Newton: I do not propose to make any further changes in the question rota at this late stage in the Parliament.

Statutory Instruments

36. **Mr. Harry Greenway:** To ask the Lord President of the Council if he will make a statement on his policy in respect of holding debates on statutory instruments *(a)* on the Floor of the House and *(b)* in Committee. [4044]

Mr. Newton: As agreed between the Government and the Opposition in December 1994, all affirmative instruments are referred automatically to a Standing Committee, but may be de-referred on a Government motion. The Government accede to any reasonable Opposition request for de-referral. The arrangements for debates on negative instruments are settled by agreement through the usual channels.

Question Time

37. **Mr. MacShane:** To ask the Lord President of the Council if he will assess the advantages of moving Ministers' Question Time to the morning. [4045]

Mr. Newton: I refer the hon. Gentleman to the answer I gave him on 28 October, *Official Report* column *47*.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Lord President of the Council if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6030]

Mr. Newton: Information is not collected in the form requested and could be provided only at disproportionate cost.

Refreshment Department Staff

Mr. Spellar: To ask the Chairman of the Catering Committee if he will make a statement on the number of catering grades and management grades of the Refreshment Department in *(a)* 1987, *(b)* 1992 and *(c)* 1996. [6046]

Sir Colin Shepherd: This is a matter for the Director of Catering Services. I have asked her to write to the hon. Gentleman.

Whisky

Mr. Allen: To ask the Chairman of the Catering Committee what plans he has to allow House of Commons whisky to be made available for sale at Heathrow duty free shops on the same basis as House of Lords whisky; and if he will make a statement. [6140]

Sir Colin Shepherd: None. The Committee considers it inappropriate that House of Commons gifts and souvenirs should be available from sources other than Refreshment Department outlets.

Refreshment Facilities

Mrs. Clwyd: To ask the Chairman of the Catering Committee what representations the Committee has received on the new refreshment facilities in the House. [4034]

Sir Colin Shepherd: The Committee has received no representations. I have received one written representation, and noted verbal comments from several hon. Members. I have also examined comments in the suggestions book in the Members' Tea Room, including three from the hon. Lady, which is the only altered refreshment facility presently operating.

When the full service in the Tea Room is available and the Terrace Cafeteria opens, following the kitchens becoming operational, the Committee will keep the changes made under careful review.

Mr. Flynn: To ask the Chairman of the Catering Committee when, and by whom, the decisions were taken on the cost and details of the refurbishment of the Members' Tea Room and Strangers' Cafeteria. [6044]

Sir Colin Shepherd: The decision on the principle and the cost of the proposed refurbishments of the Members' Tea Room and the former Strangers' Cafeteria was taken by the House on 12 July 1994, *Official Report*, columns 940–62, when it approved the Catering Committee's first report of Session 1993–94.

Details of subsequent decisions taken to refine the principle of the refurbishments are available in the Committee's minutes of proceedings from Sessions 1994–95 and 1995–96.

Official Photographer

Mr. Austin Mitchell: To ask the Chairman of the Administration Committee if he will take steps to secure the appointment of an official House photographer [4035]

Mr. Michael J. Martin: There are no plans to appoint an official House photographer. Details of the arrangement whereby a Central Office of Information contract photographer is available to hon. Members on request were published in the all–party notices in April last year.

Investors in People

Mr. Allen: To ask the right hon. Member for Berwick–upon–Tweed, representing the House of Commons Commission, (1) what plans he has to introduce an investors in people programme for the staff of the House; [5375]

(2) what approach he has received from investors in people in respect of a programme for the staff of the House; and if he will make a statement. [5363]

Mr. Beith: The House authorities have received details of Investors in People and are aware of the ways in which it can assist with training programmes for staff. When a planned House–wide review of training is undertaken, consideration will be given to whether it will be appropriate and beneficial to go in for a programme of this kind.

TRANSPORT

Motorway Sound Barriers

12. **Sir Mark Lennox-Boyd:** To ask the Secretary of State for Transport if he will reconsider his policy for sound barriers on existing motorways. [4013]

Mr. Watts: I am reviewing the policy for providing noise barriers on roads constructed or last improved before 16 October 1969, the date from which the noise insulation regulations took effect. I expect to make a statement shortly.

Crossrail

13. **Mr. Wilkinson:** To ask the Secretary of State for Transport if he will make a statement on his Department's policy towards the crossrail project in London. [4015]

Mr. Bowis: As my right hon. Friend the Secretary of State confirmed on 2 April, crossrail is expected to come after the Jubilee line extension, Thameslink 2000 and the channel tunnel rail link in the sequence of major new rail

projects for London. Railtrack is considering the project in the light of the Government's policy that it should proceed as a joint venture with a substantial private sector contribution.

School Transport

17. **Mr. Win Griffiths:** To ask the Secretary of State for Transport how many children travelled to school by means other than private car in *(a)* 1979 and *(b)* 1995. [4019]

Mr. Bowis: It is estimated that, on average, about 5.7 million children aged five to 15 travelled to school by means other than private car during the period 1993 to 1995. Figures are not available for 1979.

Road Accidents

18. **Mr. French:** To ask the Secretary of State for Transport what measures are being taken to reduce road accidents. [4022]

Mr. Bowis: Since the early 1980s, we reduced road deaths by 35 per cent. and serious road injuries by 39 per cent. We are promoting a variety of measures to reduce accidents further, such as red light and speed enforcement cameras, 20 mph zones and speed reducing road engineering measures.

Alongside these we have major publicity campaign on drink–driving and inappropriate speed.

Slots (Heathrow)

19. **Mr. Jamieson:** To ask the Secretary of State for Transport if he will make a statement about the Government's policy on the ring–fencing of slots in and out of Heathrow. [4023]

Sir George Young: The Government do not consider it appropriate to ring–fence airport slots for domestic routes, as this would distort the aviation market.

European Airline Subsidies

20. **Mr. Steen:** To ask the Secretary of State for Transport what representations he plans to make to the Transport Commissioner regarding continued public subsidy for European state–run airlines. [4024]

Sir George Young: The UK Government's views on the harmful effects of state subsidies to airlines are well known to the Commission. Where appropriate, we shall continue to back up those views by using the powers available to us under the treaty of Rome to influence or challenge the Commission's decisions.

Rail Privatisation

22. **Mrs. Dunwoody:** To ask the Secretary of State for Transport if he will hold discussions with the director of Opraf on the success fees paid to accountants, lawyers and consultants involved in the privatisation of the railways. [4026]

Mr. Watts: No.

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 31 October, *Official Report*, column *238*, if he will list the total number of hours worked by consultants employed by *(a)* Samuel Montague, *(b)* Kleinwort Benson, *(c)* KPMG, *(d)* Coopers and Lybrand and *(e)* Linklaters and Paines in relation to rail privatisation. [5653]

Mr. Watts: The answer could be provided only at disproportionate cost.

Rail Freight

23. **Mr. Kevin Hughes:** To ask the Secretary of State for Transport what representations he has received supporting measures to attract more freight on to the railways. [4027]

Mr. Watts: The Department receives a wide variety of representations on this subject, to which we attach high priority.

The key to improving rail's share of the freight market is privatisation. The private sector is bringing new ideas and practices to rail freight in Britain, and is already attracting new traffic to the railway.

We continue to make available grants to encourage the shift of freight from road to rail. We have recently modified the grant regime to encourage long-distance rail freight and we are working to streamline the grant procedures.

Rail Services (Grimsby and Cleethorpes)

25. **Mr. Austin Mitchell:** To ask the Secretary of State for Transport what representations he has received in respect of service levels from Grimsby and Cleethorpes on Central and North Eastern Rail. [4029]

Mr. Watts: None

London Underground

26. **Mr. John Marshall:** To ask the Secretary of State for Transport if he will make a statement on investment in the Northern line of London Underground. [4030]

Mr. Bowis: London Underground re-introduced southbound services last month on the City branch of the Northern line following the completion of tunnel strengthening works and reconstruction of London Bridge station. Three of the 10 station modernisations planned at the southern end of the line have been completed, with four more to follow next year; the project includes the installation of passenger security equipment in the form of monitored help points and closed circuit television systems. A fleet of new, privately financed trains will start to enter service next year on the Northern line. In addition, I understand that London Underground's future plans for the line include substantial improvements to stations, track, signalling and other infrastructure.

Mr. Cox: To ask the Secretary of State for Transport what has been the total funding of his Department for improvements on the Northern line of London Underground during the last 12 months. [5389]

Mr. Bowis: This Department does not provide grant specifically for investment in the Northern line. Allocation of funds for investment in London Underground is a matter for London Transport. The Government provided a total of £904.55 million in grant to LT in 1995–96. London Underground estimates that capital investment in the Northern line during the

12 months to 9 November 1996 totalled £113 million; this figure excludes investment by GEC-Alsthom in new trains for the line under its private finance initiative contract with London Underground.

A34

Mr. Patten: To ask the Secretary of State for Transport what is his policy on the use of sound-deadening material in the resurfacing of roads with particular reference to the A34 through Botley, North Hinksey and South Hinksey in Oxfordshire. [3704]

Mr. Watts: I have asked the Chief Executive of the Highways Agency to write to my right hon. Friend.

Letter from Lawrie Haynes to Mr. John Pattern, dated 25 November 1996:

The Secretary of State for Transport has asked me to reply to your recent question about his policy on the use of sound deadening material in the resurfacing of roads with particular reference to the A34 through Botley, North Hinksey and South Hinksey in Oxfordshire.

There is no statutory framework to require the Department of Transport to take steps to mitigate nuisance from noise which has increased as a result of traffic growth on an unaltered highway. Therefore, we do not resurface roads other than for safety or maintenance reasons. To do so would be incurring premature costs which would require funding being removed from other genuine maintenance projects.

The Highways Agency can only undertake resurfacing in the most cost effective manner.

When resurfacing works on the A34 through Botley, North Hinskey and South Hinskey become due we shall give careful consideration to the type of material to be used.

Emergency Towing Vessel

Mr. Ainger: To ask the Secretary of State for Transport what will be the annual cost of the placing of an emergency towing vessel in *(a)* the Dover strait, *(b)* north-western Scotland and *(c)* the western approaches from 1 October 1996 to 31 March 1997. [3640]

Mr. Bowis: I have asked the chief executive of the Coastguard Agency to write to the hon. Member.

Letter from C. J. Harris to Mr. Nick Grainger, dated 25 November 1996:

The Secretary of State for Transport has asked me to reply to your recent Question about the cost of placing an emergency towing vessel (ETV) in *(a)* the Dover Strait, *(b)* north western Scotland and *(c)* the western Approaches from 1 October 1996 to 31 March 1997.

The cost of each contract for emergency towing vessels at *(a),(b)* and *(c)* above are commercial in confidence between the Coastguard Agency and the companies involved. However the total budget for the three ETVs for these areas (to cover charter and running costs) between 1 October 1996 and 31 March 1997 is £3.2m.

M1

Mr. Pawsey: To ask the Secretary of State for Transport what is the design capacity of the M1 from junction 1 to Luton; and what is the current traffic flow for the hours of 7 am to 10 am and 4 pm to 7 pm. [4099]

Mr. Watts: I have asked the chief executive of the Highways Agency to write to my hon. Friend.

Letter from Laurie Haynes to Mr. James Pawsey, dated 25 November 1996:

The Secretary of State for Transport has asked me to reply to your recent question about design capacity and traffic flows on the M1 between Junction 1 and Luton (Junction 10).

Between M1 Junction 1 and 10, certain lengths of the motorway are much busier than others. Traffic counts on motorways are carried out junction to junction. Data for one small section of this length of the M1 (Junctions 6–6a) are not currently available. Between Junctions 1 and 10 the average flow is therefore the arithmetic mean of traffic for the 8 sections of motorway, but excluding the section between Junction 6 and 6a. The highest recorded flows are between Junctions 7–8 and the lowest flows are between Junctions 1–2. For the three hour periods requested the flows are typically as follows:

Junction	*Vehicles Southbound 7 am–10 am*	*Vehicles Northbound 7 am–10 am*	*Vehicles Southbound 4 pm–7 pm*	*Vehicles Northbound 4 pm–7 pm*
Average between Junctions 1–10	13,000	8,900	9,500	13,500
Junction 7–8 (dual 4 lanes)	17,800	14,100	14,600	18,070
Junction 1–2 (dual 3 lanes)	10,000	4,500	5,100	9,100

There is no precise definition of a road's capacity since it is dependent upon a number of factors such as alignment, frequency and type of junctions, volume of traffic entering and leaving at junctions, flow composition eg the proportion of heavy goods vehicles, and the weather. There is a relationship between speed and volume such that as a road get busier speeds reduce. However, at lower speeds flows may not decrease but may even increase with vehicles being able to travel safely more closely together. On motorways, speeds normally start to reduce when the flow increases beyond 1,600 vehicles per lane per hour. During a three hour period this equates to a unidirectional vehicular flow of about 14,400 vehicles on a dual three lane motorway, ie Junction 1 to 2, and 19,200 vehicles on a dual four lane motorway, ie Junction 7 to 8. However, the characteristics of the M1 close to London mean that speeds would reduce at lower flows than these.

Environmental Auditing

Mr. Martyn Jones: To ask the Secretary of State for Transport if he will list the ways in which his Department has *(a)* demonstrated by example and *(b)* promoted externally, the ability to improve efficiency and competitiveness through environmental auditing; and if he will make a statement. [4533]

Mr. Bowis: The appraisal of environmental issues is a key part of the processes of formulating, developing and implementing my Department's own policies and programmes. We also contribute to the Government's inter-departmental work on green issues, and are taking forward our areas of action as set out in "This Common Inheritance—the 1996 UK Annual Report".

The Department has an environmental policy statement and action plan which follows the principles of BS 7750 on environmental management systems. The aim is to promote cost effective action within the Department to comply with government commitments, legal requirements, approved technical standards and emerging best practice.

Progress made in improving the Department's environmental performance is published in the Department's working environment annual report.

The Government's Green Paper, "Transport: the Way Forward", published in April 1996, sets out the ways in which the Department aims to promote the efficiency, competitiveness and environmental sustainability of transport in the UK.

Train Protection Mechanisms

Mr. Chidgey: To ask the Secretary of State for Transport what assessment his Department has made of the benefits of advanced train protection in preventing accidents; what assessment he has made of the absence of advanced train protection in respect of the Watford accident; and if he will install advanced train protection mechanisms at those locations his Department assesses as presenting the greatest risk of accidents. [5064]

Mr. Watts: The costs and benefits of the BR version of automatic train protection were assessed by the British Railways Board and the independent Health and Safety Commission in 1994–95. On 30 March 1995, the Government endorsed the HSC's view on the future of ATP.

Railtrack remains committed to a co-ordinated programme of measures to reduce the risks of ATP preventable accidents. These measurers comprise Railtrack's train protection strategy and include a driver reminder appliance due to be installed in train cabs during 1997, and a train protection warning system due to be piloted in 1997 and to commence installation by early 1998. TPWS will be installed at those locations assessed by Railtrack to be at greatest risk of TP preventable accidents.

The independent investigation by the Health and Safety Executive's railway inspectorate into the railway accident near Watford junction on 8 August 1996 is continuing. A report will be published by HSE when the investigation is complete.

Cowden Collision Inquiry

Mr. Mackinlay: To ask the Secretary of State for Transport to what extent Railtrack has complied with the recommendations of the Health and Safety Executive report into the Cowden collision. [5283]

Mr. Watts: The Health and Safety Executive's report into the accident at Cowden made 15 recommendations, of which 12 were for Railtrack and three for the British Railways Board. Eleven of the recommendations relating to Railtrack are being actioned. The remaining recommendation, which relates to automatic train protection, has been partly accepted by Railtrack and discussions with HSE are continuing. HSE's railway inspectorate is monitoring implementation to ensure compliance.

Buffer Stops

Mr. Mackinlay: To ask the Secretary of State for Transport to what extent Railtrack has complied with the recommendation of the Cannon Street inquiry that proposed the installation at stations of new or modified buffer stops that could provide a maximum retardation of 15 per cent.; and if he will make a statement. [5337]

Mr. Watts: I understand that the installation of new designs of buffer stops is currently in progress. Railtrack's continuous programme of infrastructure maintenance includes the replacement of buffer stops.

Mr. Mackinlay: To ask the Secretary of State for Transport if he will list the 50 busiest Railtrack stations; and which of those are equipped with new or modified buffer stops providing a maximum retardation of 15 per cent. [5335]

Mr. Watts: The Health and Safety Executive and Department of Transport do not hold this information.

Bull Bars

Mr. Chidgey: To ask the Secretary of State for Transport, pursuant to the European directive on the protection of occupants of motor vehicles in the event of a frontal impact, if he will introduce measures to outlaw bull bars. [5063]

Mr. Bowis: I am pleased to report some progress in this area. My Department has been fully involved in the preparation of a draft amendment to the external projections directive, 74/483/EEC, which will set standards to prevent the fitting of aggressive bull bars. The Commission has put this forward and I hope that it will be adopted early next year.

Roadside Exhaust System Tests

Mr. Cox: To ask the Secretary of State for Transport how many roadside tests on the quality of motor car exhaust systems have taken place in England and Wales since 1 January. [5391]

Mr. Bowis: I have asked the chief executive of the Vehicle Inspectorate executive agency to write to the hon. Member.

Letter from Ron Oliver to Mr. Tom Cox, dated 25 November 1996:

The Secretary of State has asked me to reply to your question about how many roadside tests on the quality of motor car exhaust systems have taken place in England and Wales since 1 January.

No checks are carried out specifically on the condition of car exhaust systems. However VI Examiners do carry out special checks on car exhaust emissions. General roadworthiness checks are also carried out.

During the 1995/96 financial year 86,936 cars had their exhaust emissions checked. During the same period, roadworthiness checks were carried out on 1,026 cars.

North-eastern and North-western Traffic Areas (Merger)

Mrs. Dunwoody: To ask the Secretary of State for Transport if operators with bases in the north-western and north-eastern traffic areas will be obliged to pay two licence fees when the offices are merged. [5174]

Mr. Bowis: The location of the office from which a licence is administered does not affect the fees charged. Operators with operator licences in separate traffic areas are required to pay a fee for each licence they hold.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will list the number of overtime hours currently worked in *(a)* the north-western traffic area and *(b)* the north-eastern traffic area. [5173]

Mr. Bowis: From the beginning of September to date, the total number of overtime hours worked is *(a)* North Western traffic area 529 and *(b)* North Eastern traffic area 921.

Mrs. Dunwoody: To ask the Secretary of State for Transport (1) if he will list the current estimate of savings to be made as a result of the closure of the north-western traffic area office; [5175]

(2) what will be the impact on accommodation costs of the merger of the north-western and north-eastern traffic area offices in Leeds. [5176]

Mr. Bowis: The estimated annual savings, in 1996–97 prices, that will be made as a result of closing the north-western traffic area office in Manchester are £1.3 million of which some £267,000 can be attributed to accommodation savings. There will be some expenditure on handling the transferred work. Details have not been finalised and precise estimates of that expenditure are not yet available.

Air Traffic Control

Mrs. Dunwoody: To ask the Secretary of State for Transport when the equipment at the West Drayton air traffic control centre was last replaced. [5108]

Mr. Bowis: Equipment at the West Drayton ATC centre has been regularly updated over the years since the centre was established in the 1970s. For example, the main flight data processing system was replaced in 1990 and there have been further component upgrades since then. All equipment is subject to safety case approval by the safety regulation group.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will list the dates and outcome of reviews undertaken on the effectiveness of the air traffic control centre at West Drayton. [5106]

Mr. Bowis: The West Drayton centre is constantly under review. It is subject to a twice-yearly unit safety audit by the safety regulation group and the British Standards Institute has just completed an assessment of the centre and will be recommending that the centre receives ISO9001 accreditation, the first major ATC centre to receive such an accolade in the world.

Road Tax Offences

Mr. Cox: To ask the Secretary of State for Transport how many drivers have been convicted of driving without a road tax licence since 1 January. [5390]

Mr. Bowis: The number of people successfully prosecuted for vehicle excise duty evasion since 1 January is 190,392. A further 209,054 evaders paid an-out-of court settlement.

Women

Ms Janet Anderson: To ask the Secretary of State for Transport what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5482]

Mr. Bowis: The Department of Transport is committed to the aim on policy appraisal of the guidance for equal treatment and is active in

examining statistics for evidence of differential effects of policy as between men and women;

identifying women's concerns;

working with the transport industry to accommodate these concerns in the design and provision of transport and pedestrian environments; and

encouraging women to enter and progress in the transport industries.

The Department is guided in its work by a women's transport network comprising women and men from the transport industries, local government and research organisations.

London to Birmingham Motorway Journey Times

Mr. Gordon Prentice: To ask the Secretary of State for Transport what estimate he has made of average journey times from London to Birmingham on the M1–M6 for journeys embarked upon at peak and non-peak times in 1990 and 1996. [5245]

Mr. Watts: None. Journey times are not yet systematically monitored on specific routes on the motorway network. However, the Highways Agency has research under way seeking to measure them automatically by both roadside and vehicle-mounted techniques.

Parking Regulations (Traffic Flow)

Mr. Harry Greenway: To ask the Secretary of State for Transport what assessment he has made of the impact of the enforcement of parking regulations on traffic flows; and if he will make a statement. [4450]

Mr. Bowis: In London, the introduction of red route measures, allied to strict enforcement of parking controls by the police, has been demonstrated to reduce congestion. In Sheen town centre, for instance, red route measures have led to an improvement in overall journey times of over 20 per cent. More generally, research undertaken for the Department indicates a clear relationship between reducing the number of illegally parked vehicles and increased traffic speeds.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Transport how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5427]

Mr. Bowis: I will write to the hon. Member.

Channel Tunnel

Mr. Chidgey: To ask the Secretary of State for Transport what changes there have been to the required security checks carried out at the *(a)* English and *(b)* French sides of the channel tunnel since its opening; and if he will make a statement. [5537]

Mr. Watts: The required security checks vary according to the level of assessed risk. Similar arrangements exist at the French side of the channel tunnel, as agreed by the UK and French Governments.

Mr. Chidgey: To ask the Secretary of State for Transport what are the security requirements for *(a)* individual passengers and *(b)* lorries carrying freight, on the (i) English and (ii) French sides of the channel tunnel; and if he will make a statement. [5538]

Mr. Watts: In the UK, the Channel Tunnel (Security) Order 1994 requires the operator of the tunnel and trains that go through it to put in place certain security measures. All traffic is liable to be security screened. It is not our practice to reveal details of the actual measures. Similar requirements exist on the French side of the tunnel.

Vehicle Numbers

Mr. Flynn: To ask the Secretary of State for Transport what is his estimate of the number of *(a)* cars and *(b)* lorries on United Kingdom roads in each of the past 30 years. [5832]

Mr. Bowis: Estimates of licensed vehicle stock in Great Britain, by taxation group, for each year between 1950 and 1995 are published in "Transport Statistics Great Britain", 1996 edition, table 9.5. Figures for Northern Ireland are a matter for my right hon. Friend and learned the Secretary of State for Northern Ireland.

Lorry Weights

Mr. Flynn: To ask the Secretary of State for Transport what has been the change in the number of lorries in the United Kingdom following each change in permitted lorry weights in the last 20 years. [5833]

Mr. Bowis: The information is shown in the table.

Number of lorries (thousands) and weight changes 1976 to 1995
Number of lorries (thousands) 1976 to 1995

Year	Rigids				Articulated vehicles		
	Two-axle	Three-axle	Four-axle	All rigid vehicles	Two-axle tractive unit	Three-axle tractive unit	All articulated vehicles
1976[1]	—	—	—	433.3	—	—	102.8
1977	—	—	—	379.0	—	—	101.5
1978	—	—	—	394.8	—	—	104.8
1979	—	—	—	396.1	—	—	109.6
1980	—	—	—	393.4	—	—	108.3
1981	—	—	—	384.4	—	—	83.2
1982	—	—	—	347.4	—	—	88.1
1983	308.7	26.4	16.7	351.8	83.1	1.8	84.9
1984	308.6	26.6	17.2	352.4	82.6	4.9	87.5
1985	305.5	26.0	17.6	349.1	79.7	8.2	87.9
1986	303.4	26.3	18.2	347.9	78.7	11.4	90.1
1987	302.4	26.7	19.1	348.2	78.4	14.9	93.3
1988	310.5	28.9	21.8	361.2	82.0	19.6	101.6
1989	311.7	29.4	22.6	363.7	80.8	23.9	104.7
1990	302.9	28.4	20.8	352.1	75.7	25.8	101.5
1991	285.2	26.4	18.8	330.4	69.0	25.7	94.7
1992	275.0	26.0	18.5	319.5	67.5	27.3	94.8
1993	268.0	26.1	18.5	312.6	68.3	29.3	97.6
1994	264.9	27.5	20.0	312.4	71.0	32.3	103.3
1995	263.1	27.8	19.6	310.5	72.3	35.1	107.4

[1] Figures by axle number not available until 1983.
Registration figures only exist for articulated tractive units, not trailers.

Weight limits in 1976 and weight changes since

Year	Rigids			Articulated vehicles			
	2 Axle	3 Axle	4 Axle	3 Axle	4 Axle	5 Axle	6 Axle
1976	16.26	24.39	30.49	24.39	32.52	32.52	32.52
1983	—	—	—	—	—	38.00	38.00
1988	17.00	—	—	—	—	—	—
1993	—	26.00	32.00	26.00	35.00	—	—
1994[1]	—	—	—	—	—	—	44.00

[1] 44 tonnes is allowed for lorries carrying containers or swap-bodies in combined road/rail movements.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for Transport if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6036]

Mr. Bowis: I am not aware of any.

In some cases, legislation provides for a specific right of appeal. Otherwise administrative decisions made by or on behalf of the Secretary of State in matters of public law are subject to judicial review at the instance of the affected party, whether or not a UK citizen.

A27 (Worthing)

Sir Terence Higgins: To ask the Secretary of State for Transport when he expects to make an announcement on the report of the inspector into the future route of the A27 in the Worthing area. [4021]

Mr. Watts: An announcement on the scheme will be made as soon as possible.

Air Services (Liberalisation)

Sir Alan Haselhurst: To ask the Secretary of State for Transport what progress has been achieved in talks between the United Kingdom and United States Governments on the liberalisation of air services. [4018]

Sir George Young: Formal negotiations with the US Government on the liberalisation of air services will resume in London on 4 to 6 December.

Regional Traffic Control Centres

Sir Michael Shersby: To ask the Secretary of State for Transport what role the police would have in the proposed regional traffic control centres; and if he will make a statement. [6120]

Mr. Watts: The general principles underpinning the development of RTCCs have been discussed with the police at national and local level, and the Highways Agency is continuing to work with the Association of Chief Police Officers on all aspects of the proposals. There are no plans to change the role of the police. They will continue to perform their present functions, and will remain responsible for policing the network and for managing traffic in the vicinity of accidents and other incidents.

The centres will complement existing local traffic control and communications systems provided by the agency to enable the police to deal with accidents and other incidents on the network.

Regional traffic control centres will provide a facility for the Highways Agency to manage traffic across the motorway and trunk road network, and improve the co-ordination and dissemination of traffic information.

Bypasses

Mr. Luff: To ask the Secretary of State for Transport what allowance he makes for environmental and road safety benefits accruing to villages arising out of the construction of new bypasses when considering proposed bypasses for transport supplementary grant. [5365]

Mr. Watts *[holding answer 21 November 1996]:* Environmental and road safety benefits are taken into account in considering whether to accept road schemes for transport supplementary grant. The Department's cost-benefit analysis formula includes a monetary value for road safety improvements. There is no established method of valuing environmental benefits in monetary terms but the environmental impact of a scheme is part of the overall assessment framework.

Air Freight

Mr. David Marshall: To ask the Secretary of State for Transport what plans he has to increase the volume of air freight travelling to and from Scotland; and if he will make a statement. [5459]

Mr. Bowis *[holding answer 21 November 1996]:* Cargo services by UK and US airlines between Scotland and the US and by European Economic Area airlines between Scotland and EEA countries are already fully open. It is for the airlines of those countries to decide whether they wish to take up the opportunities available to them. We have also given exceptional permission to Cargolux, Air France and Lufthansa—all non-UK airlines—to operate services between Prestwick and the USA.

Talks with the US Government on aviation issues, including cargo services, are continuing.

In general, we consider sympathetically any request from a foreign airline to operate services to Scotland which are not currently permitted, provided that the UK receives reciprocal treatment from the foreign Government.

Road Haulage Association

Mr. Wilson: To ask the Secretary of State for Transport if he will list the occasions on which the hon. Member for Epping Forest (Mr. Norris) met the Road Haulage Association in his ministerial capacity; and if he will list the principal issues under discussion on each occasion. [5409]

Mr. Bowis *[holding answer 21 November 1996]:* Following the addition of road safety and local transport to my hon. Friend's ministerial responsibilities in July 1994, he met the association on the following occasions:

Date	*Meeting*
2–3 October 1994	RHA annual conference
9 May 1995	RHA annual dinner
30 August 1995	Jointly with the Freight Transport Association and the Confederation of Passenger Transport at the North East traffic area office
27 September 1995	Meeting with Secretary of State
3–5 October 1995	RHA annual conference (stood in for the Secretary of State)
12 December 1995	Launch of FTA/RHA consignor/consignee liability accord
13 February 1996	Joint meeting with the FTA
3 May 1996	RHA annual tipper convention
14 May 1996	RHA annual dinner
4 June 1996	Launch of good lorry code jointly with the FTA

A wide range of transport topics of interest to the association and its members would have been discussed at the meetings and events.

Wyre Piddle Bypass

Mr. Luff: To ask the Secretary of State for Transport what assessment he has made of the extent to which the proposed Wyre Piddle bypass will act as a bypass for Wyre Piddle and Pershore; and if he will make a statement. [5291]

Mr. Watts *[holding answer 21 November 1996]:* I have made no assessment.

The Wyre Piddle northern bypass is contained within Hereford and Worcester county council's 1997–98 transport policies and programmes submission and the accompanying annexe B sets out the projected traffic flows with and without a bypass. It makes no reference to traffic in Pershore.

TREASURY

Allowances

Ms Primarolo: To ask the Chancellor of the Exchequer what estimate he has made of the revenue which would be raised from abolishing the married couples' allowance and increasing the personal allowance to £5,634 per annum. [4469]

Mr. Jack *[holding answer 18 November 1996]:* The estimated full-year cost at 1996–97 income levels of abolishing the married couples' allowance and increasing the non-aged personal allowance to £5,634 is £7.7 billion. The estimate has been calculated on the basis that the additional personal allowance and widow's bereavement allowance would also be abolished and that the aged personal allowances would be increased by the same amount as the non-aged personal allowance.

Partnership and Closed Company Registrations

Mr. MacShane: To ask the Chancellor of the Exchequer, pursuant to his answer of 18 November, *Official Report*, column *392*, what estimate he has made of the total value of the tax relief available to *(a)* partners in partnerships and *(b)* directors of non-dormant closed companies. [5431]

Mr. Jack: No special reliefs are available to individuals in partnerships or to directors or participators in close companies. Information is not available about the total value of reliefs available to these two groups of taxpayers.

Revenue and Expenditure Balance (Scotland)

Mr. Salmond: To ask the Chancellor of the Exchequer if he will list at 1996–97 prices the cumulative public sector balance between revenue and expenditure for Scotland from 1979–80 to 1994–95 after deducting a GDP share of the United Kingdom general government borrowing requirement, a GDP share of privatisation proceeds and allocating 90 per cent. of oil revenues to Scottish revenue. [1382]

Mr. Waldegrave *[holding answer 31 October 1996]:* The table shows the calculations requested. The method proposed for calculating Scotland's budget balance, by simply assuming that the shares of Scotland in total expenditures and revenues are in proportion to Scotland's share of GDP, is misconceived, since it takes no account of available information of government expenditure and revenue in Scotland. Approximate estimates of these are published in the "Government Expenditure and Revenue in Scotland" annual report. These show much higher borrowing figures for Scotland in recent years than given by the requested calculations.

Estimates of Scotland's share of the UK General Government Borrowing Requirement (GGBR)

£ billion

	UK GGBR exc privatisation proceeds (pps) and north sea oil revenues, at current prices	*Scotland's share of UK GDP[1] (per cent.)*	*Scotland's implied share of UK GGBR, at current prices*	*90 per cent. of oil revenues, and GDP share of UK pps, at current prices[2]*	*Scotland's implied GGBR at current prices*	*Scotland's implied GGBR at 1996–97 prices[3]*
1979–80	13.2	8.8	1.2	2.2	–1.0	–2.6
1980–81	17.5	8.7	1.5	3.4	–1.9	–4.1
1981–82	13.5	8.9	1.2	4.1	–2.9	–5.7
1982–83	15.9	8.9	1.4	4.9	–3.5	–6.5
1983–84	19.8	8.9	1.8	8.0	–6.3	–11.1
1984–85	23.3	8.7	2.0	11.0	–9.0	–15.1
1985–86	20.9	8.7	1.8	10.4	–8.6	–13.8
1986–87	14.1	8.5	1.2	4.7	–3.5	–5.4
1987–88	7.8	8.5	0.7	4.6	–3.9	–5.8
1988–89	–1.5	8.4	–0.1	3.4	–3.6	–4.9
1989–90	0.0	8.3	0.0	2.5	–2.5	–3.2
1990–91	7.1	8.5	0.6	2.5	–1.9	–2.4
1991–92	22.8	8.6	2.0	1.6	0.4	0.5
1992–93	47.3	8.7	4.1	1.9	2.2	2.4
1993–94	53.5	8.7	4.7	1.6	3.1	3.3
1994–95	45.8	8.8	4.0	2.0	2.0	2.1
Total						–72.2
UK GGBR						

Source:

Public Finance Trends, 1996. A negative figure indicates a budget surplus.

[1] Scotland's GDP factor cost (current prices) as a percentage of GDP in the UK less continental shelf, calendar years—Source: Regional Trends, 1996.

[2] Assumes 90 per cent. of north sea oil revenues and Scotland's GDP share of privatisation proceeds.

[3] Based on the summer economic forecast of the GDP deflator in 1996–97. Figures may not add up to totals due to rounding.

Labour Statistics

Mr. Hain: To ask the Chancellor of the Exchequer if he will list the number and percentage of households which have nobody in work for *(a)* the United Kingdom and *(b)* each region. [2817]

Mrs. Angela Knight: The information falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Peter Hain, dated 25 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on the number of households with nobody in employment.

The available information for the United Kingdom is shown in the attached table.

Non-pensioner households[1] with nobody in employment by region (Spring 1996)

	Thousands	*Percentage of all such households*
United Kingdom	3,256	18.3
Great Britain	3,163	18.2
England	2,697	18.1
South East	958	17.0
Greater London	544	22.8
Rest of South East	414	12.7
East Anglia	95	14.9
South West	210	15.0
West Midlands	289	18.5
East Midlands	193	15.5
Yorkshire and Humberside	282	18.5
North West	409	21.2
North	209	22.5
Wales	184	21.5
Scotland	334	20.6
Northern Ireland	93	22.1

[1] Excludes one-person pensioner households and households of two adults without children where at least one person was over pension age.

Source:
Labour Force Survey, Office for National Statistics.

Mr. Wareing: To ask the Chancellor of the Exchequer how many full-time jobs have been created in *(a)* the United Kingdom and *(b)* each other member state of the European Union in each of the last six years. [4771]

Mrs. Knight *[holding answer 20 November 1996]:* The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Robert N. Wareing, dated 25 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on the number of full-time jobs created in the United Kingdom and the European Union in the last six years.

Information is available only for the net change in employment, which can be calculated by comparing figures for different years.

Information showing the number of persons working full-time in European Union member states is published in Eurostat's *Labour Force Survey Results* for each year between 1989 and 1995 (Table 48 from 1992 to 1995 and Table 41 for earlier years). Copies of the publication are available in the House of Commons Library. The latest available for the United Kingdom is provided in the following table.

Full-time employment in the United Kingdom: at Spring (thousands)[1]

	Number
1989	20,840
1990	21,030
1991	20,499
1992	19,749
1993	19,373
1994	19,404
1995	19,640
1996	19,661

Note:
[1] *Unadjusted.*
Source:
Labour Force Survey.

Private Finance Initiative

Mr. Simpson: To ask the Chancellor of the Exchequer if he will list, on the same departmental basis as table 6.4 of the "Financial Statement and Budget Report 1996–97" the breakdown of the total private capital invested in the PFI scheme for the period before 1996–97. [4050]

Mr. Jack: Table 6.4 of the "Financial Statement and Budget Report 1996–97" provided aggregated figures for capital expenditure under the private finance initiative. Table 6.5 of the report provided the information on a departmental basis for the years 1996–97 to 1998–99.

A breakdown of the capital investment in PFI prior to that is as follows.

£ million

	1991–92	*1992–93*	*1993–94*	*1994–95*	*1995–96*
DfEE/OFSted[1]	—	—	—	—	3
Health	—	—	23	37	47
Heritage	—	—	—	—	0.3
Social Security	—	—	—	—	14
Transport	—	47	75	119	259
Scotland[2] (including Forestry Commission)	10	18	16	17	21
Home Office	—	—	10	—	25
Ministry of Defence	—	—	—	—	5
National Insurance Office	—	—	—	1	1
Wales	—	—	—	—	1
Total	10	65	124	174	376.3

[1] Refers to Department of Employment before merger with Department of Education.
[2] Includes Scottish Office and other public bodies within the responsibility of the Secretary of State for Scotland, but not local authorities.

Inheritance Tax

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer what is his estimate of the cost in 1997–98 of abolishing inheritance tax; if he will estimate the number

of individuals who would be better off in 1997–98 as a consequence of such a policy; and if he will estimate the average annual monetary gain to each individual. [3246]

Mr. Jack *[holding answer 11 November 1996]:* It is provisionally estimated that, in 1997–98, about 19,000 transfers made on death and in lifetime will have an aggregate inheritance tax liability of £1.6 billion, and an average tax liability of around £85,000. Information on the likely number of beneficiaries is not available.

Industrial Action

Sir Irvine Patnick: To ask the Chancellor of the Exchequer how many days were lost due to industrial action in the first quarter of 1996; and what were the equivalent figures for each of the last 15 years. [4818]

Mrs. Angela Knight: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Sir Irvine Patnick, dated 25 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on the number of days lost to labour disputes.

The data requested are in the attached table.

Labour disputes statistics cover all stoppages of work connected with terms and conditions of employment, except those involving fewer than ten workers or lasting less than one day. These are excluded unless the total number of working days lost in the dispute is greater than 100.

Number of working days lost in the United Kingdom due to labour disputes

January to March (inclusive)	*Working days lost (thousands)*
1981	1,368
1982	1,916
1983	1,600
1984	3,005
1985	4,577
1986	668
1987	2,067
1988	1,020
1989	186
1990	1,195
1991	135
1992	115
1993	194
1994	15
1995	71
1996[1]	102

[1] Data for 1996 are provisional.

Golden Shares

Mr. Tony Banks: To ask the Chancellor of the Exchequer if he will list all those privatised companies in which the Government hold golden shares; and what is the percentage of share capital in each case. [5703]

Mr. Jack: Her Majesty's Government hold a golden or special share in the following companies:

Cable and Wireless
Sealink Stena Line
BT
British Aerospace
VSEL Consortium
British Gas
Rolls Royce
BAA
National Grid
National Power
PowerGen
Scottish Power
Scottish Hydro Electric
British Technology Group
British Technology Group International
Northern Ireland Electricity
Belfast International Airport
British Energy
AEAT.

The nominal value of each special share is £1, representing a minute proportion of the authorised share capital in all cases.

Unemployment

Ms Church: To ask the Chancellor of the Exchequer how many people *(a)* in total, and *(b)* in the age bands (i) 16 to 24, (ii) 25 to 34, (iii) 35 to 44, (iv) 45 to 54, (v) 55 to 64 and (vi) 65-plus years have experienced at least one spell of unemployment since 1992 in the United Kingdom (1) as an absolute figure and (2) as a percentage of the economically active work force in the relevant age band. [1894]

Mrs. Angela Knight *[holding answer 7 November 1996]:* The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Ms Judith Church, dated 25 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on how many people have experienced at least one spell of unemployment since 1992 in the United Kingdom, by age.

The available data are shown in the following table. Data are only available for Great Britain.

Number of people in Great Britain who have experienced at least one spell of claimant unemployment since January 1992

Age band (years)	*Number of people (thousands)*
16–24	3,813.0
25–34	2,588.8
35–44	1,700.3
45–54	1,472.6
55–64	735.1
65 and over	0.4
All ages	10,310.9

It is not possible to calculate proportions as a percentage of the economically active workforce because the corresponding number of people who have never been economically active over the period is not known—only point in time estimates of the latter are available.

Capital Gains Tax

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer what is his estimate of the cost of in 1997–98 of abolishing capital gains tax; if he will estimate the number of individuals who would be better

off in 1997–98 as a consequence of such a policy; if he will estimate the average annual monetary gain to each individual; and if he will make a statement on the plans he has to ensure that the abolition of capital gains tax does not open up a tax loophole resulting in the loss of income tax revenues. [3247]

Mr. Jack *[holding answer 11 November 1996]:* It is provisionally estimated that 105,000 taxpayers will have an aggregate capital gains tax liability of £1.3 billion for 1997–98. The average tax liability is around £12,400. These figures exclude gains made by companies which are charged to corporation tax.

It is not appropriate to comment further on possible changes to the tax system in the run-up to the Budget.

Births

Mr. Frank Field: To ask the Chancellor of the Exchequer how many births were registered in Great Britain in each of the last 15 years. [2950]

Mrs. Angela Knight *[holding answer 12 November 1996]:* The information falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Frank Field, dated 25 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on the number of live births that occurred in Great Britain in each of the last fifteen years.

The figures requested are shown in the attached table.

Live births in Great Britain

Year	*Live births*
1981	703,546
1982	692,127
1983	694,212
1984	701,924
1985	723,093
1986	726,830
1987	747,752
1988	759,789
1989	751,205
1990	772,113
1991	766,241
1992	755,445
1993	736,755
1994	726,382
1995	708,189

Taxation (Tobacco and Alcohol)

Mr. Jim Cunningham: To ask the Chancellor of the Exchequer (1) how much revenue was received from taxation on tobacco sold in the United Kingdom in each year since 1992 *(a)* in real terms and *(b)* as a percentage change on the previous year; [4557]

(2) how much revenue was received from taxation on alcohol sold in the United Kingdom in each year since 1992 *(a)* in real terms and *(b)* as a percentage change on the previous year. [4558]

Mr. Oppenheim *[holding answer 20 November 1996]:* The information requested is given in the table:

	Tobacco tax in real terms (at 1995 prices) £ million	*Percentage change*[1]	*Alcohol tax in real terms (at 1995 prices) £ million*	*Percentage change*[1]
1992	8,520	7.6	9,260	3.8
1993	9,490	13.1	9,240	1.4
1994	9,250	–0.2	9,550	5.8
1995	9,310	4.2	9,600	3.9

[1] The percentage change is the value of current price tax receipts compared to the previous year. The figures cover excise duty and VAT. Value added tax has been estimated from Office for National Statistics figures for consumers' expenditure on tobacco and alcohol. Tax in real terms is calculated using the retail prices index (all items).

Mr. Cunningham: To ask the Chancellor of the Exchequer (1) what estimate he has made of revenue lost through the smuggling of tobacco into the United Kingdom for each year since 1992 *(a)* in real terms and *(b)* as a percentage change on the previous year; [4553]

(2) what estimate he has made of revenue lost through the smuggling of alcohol into the United Kingdom for each year since 1992 *(a)* in real terms and *(b)* as a percentage change on the previous year. [4554]

Mr. Oppenheim *[holding answer 20 November 1996]:* Based on a survey conducted in June 1996, Customs has estimated that the annual revenue evaded through smuggling currently amounts to some £560 million for tobacco products and some £210 million for alcoholic drinks—these estimates do not include commercial fraud. Total revenue collected amounts to £18,640 million in 1995–96. The actual loss of revenue to the Exchequer will be less as some of the smuggling is likely to represent additional consumption. Estimates are not available for earlier years.

Mr. Cunningham: To ask the Chancellor of the Exchequer (1) how much revenue was received from duties on tobacco imported into the United Kingdom in each year since 1992 *(a)* in real terms and *(b)* as a percentage change on the previous year; [4555]

(2) how much revenue was received from duties on alcohol imported into the United Kingdom in each year since 1992 *(a)* in real terms and *(b)* as a percentage change on the previous year. [4556]

Mr. Oppenheim *[holding answer 20 November 1996]:* Estimates of the excise duty on commercial imports of tobacco products and alcoholic drinks are shown below. Data for customs duties are not readily available.

	Tobacco products		*Alcoholic drinks*	
	Real terms at 1995 prices £ million	*Percentage change*[1]	*Real terms at 1995 prices £ million*	*Percentage change*[1]
1992	630	–2.4	1,780	7.6
1993	640	4.5	1,870	6.9
1994	1,020	62.9	1,920	5.2
1995	930	–6.4	1,790	–3.5

[1] The percentage change in the value of current price duty receipts compared to the previous year.

Figures in real terms have been calculated using the retail prices index (all items).

Customs and Excise

Mr. Jim Cunningham: To ask the Chancellor of the Exchequer what was the funding of Her Majesty's Customs and Excise in each year since 1992 *(a)* in real terms and *(b)* as a percentage change on the previous year. [4559]

Mr. Oppenheim *[holding answer 20 November 1996]:* The funding of Her Majesty's Customs and Excise in each year since 1992 in real terms, together with the percentage change on the previous year, is as follows:

	1991–92	*1992–93*	*1993–94*	*1994–95*	*1995–96*	*1996–97*[1]
£ million	890.3	942.5	898.8	891.0	857.9	826.0
Percentage change on previous year	5.5	5.9	–4.6	–0.9	–3.7	–3.7

[1] Estimate.

The figures in 1992–93 are high because of costs associated with the implementation of the single market. Reductions from 1995–96 result largely from recommendations in the fundamental expenditure review which focused resources on risk, and increased intelligence and investigation activity. The impact of the FER is subject to evaluation and Ministers will consider future funding for Customs and Excise in the light of the outcome.

Resource Accounting

Mr. Tim Smith: To ask the Chancellor of the Exchequer what progress his Department is making with the introduction of resource accounting and budgeting; and in respect of which financial year he expects to publish the first set of resource accounts. [4995]

Mr. Oppenheim *[holding answer 21 November 1996]:* The Treasury will be introducing its resource accounting system on 1 April 1997. The Department, in common with others, is preparing to implement resource budgeting in time to form the basis for the 2000 survey. As set out in Cm 2929, the first published resource accounts for the Department and all other Departments will be in respect of 1999–2000.

Arms Sales

Mr. Tony Lloyd: To ask the Chancellor of the Exchequer what prosecutions he is considering in respect of arms sales to Rwanda or Zaire. [5290]

Mr. Oppenheim *[holding answer 21 November 1996]:* Anyone in possession of information which might suggest offences have been committed should make that material available to the commissioners of Customs and Excise and it will be thoroughly examined.

Landfill Tax

Mr. Luff: To ask the Chancellor of the Exchequer what he estimates will be the average revenue from the landfill tax *(a)* nationally and *(b)* in relation to the Hill and Moor landfill site, Worcesteshire. [5366]

Mr. Oppenheim *[holding answer 21 November 1996]:* In the 1995 Budget, the net revenue yield from the landfill tax was estimated to be £110 million in 1996–97 and £450 million in a full year. The landfill tax is levied at a rate of £7 per tonne for active waste and £2 per tonne for non-active waste. The annual revenue from any particular site will depend on the size and scope of its operations.

FOREIGN AND COMMONWEALTH AFFAIRS

Seal Cull (Russia)

Mr. Matthew Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs for what research purpose the 500 harp seals and the 500 fully grown females referred to in the letter referred to in his answer, 10 June, *Official Report*, column *40*, were taken. [5433]

Dr. Liam Fox: When the issue of seal research was raised at senior official level with the Russian authorities in September, they said that details of these activities would not be available until November.

The British embassy in Moscow wrote to the Russian authorities on 4 November to find out if the information is now ready. It followed this up on several occasions and was advised on 20 November that the information is not yet available.

Mr. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs how often the British embassy in Moscow has recently contacted the Russian authorities about the seal cull in the White sea; when was the last time the British embassy was contacted; and if he will make a statement. [5340]

Dr. Fox: The issue of seal culling and the use of seals for research was raised at senior official level with the Russian authorities in September. The British embassy has followed up these discussions on several occasions since then. Officials were advised that details fo research activities would be available in November. The embassy was last contacted by the Russian authorities on 20 November when it was advised that the information was not yet available.

Sri Lanka

Mr. Gapes: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the Government of Sri Lanka. [5387]

Dr. Liam Fox We discuss a wide range of issues with the Sri Lanka Government. Most recently, my right hon. and learned Friend the Foreign Secretary and I met the Sri Lankan Foreign Minister on 14 October. My right hon. and learned Friend the Foreign Secretary visited Sri Lanka from 30 to 31 August. I visited from 25 to 29 September.

Mr. Gapes: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current situation in northern and eastern Sri Lanka [5385]

Dr Fox: We continue to believe that the conflict in Sri Lanka can be resolved only through a negotiated settlement.

We have urged the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam to make every effort to protect the civilian population and to work actively to reach a negotiated settlement.

Mr. Gapes: To ask the Secretary of State for Foreign and Commonwealth Affairs what economic, humanitarian and military assistance has been given to the Government of Sri Lanka in the last year. [5388]

Dr Fox: Our bilateral aid programme to Sri Lanka is some £6.8 million for 1996–97 of which about £1.4 million will be spent through Oxfam and Save the Children Fund on relief and rehabilitation for those displaced by the conflict in the north and east. We have also provided emergency assistance to help those displaced in the north. Details of military assistance are confidential between Governments.

Mr. Gapes: To ask the Secretary of State for Foreign and Commonwealth Affairs when Her Majesty's Government's representatives last visited Jaffna; and at what level. [5386]

Dr Fox: Our high commissioner in Colombo visited Jaffna on 31 October.

Cyprus

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs when a representative of the British high commission in Cyprus will next visit the Karpass area of northern occupied Cyprus. [5393]

Mr. David Davis: The British high commission regularly sends representatives to visit all areas of Cyprus, including the Karpass. The most recent visit to the Karpass area was on 11 October 1996.

EU Committee of the Regions

Mr. Denzil Davies: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the *(a)* names, *(b)* substitutes and *(c)* sponsoring organisations of each of the present United Kingdom members of the Committee of the Regions of the EU. [5509]

Mr. David Davis: Following is a list of the current full and alternate United Kingdom members of the Committee of the Regions. All were members of local authorities—also listed—at the time of their appointment:

Members	*Local authority*
Full members	
Dame Elizabeth Anson	Waverley Borough Council
David Bellotti	East Sussex County Council
Albert Bore	Birmingham City Council
Lord Bowness	London Borough of Croydon
Simon Day	Devon County Council
Lady Josie Farrington	Lancashire County Council
Robert Eccles	Ryedale and York District Councils
George Gill	Gateshead Metropolitan Borough Council
Toby Harris	London Borough of Haringey
Christopher Penn	Suffolk County Council
Dennis Pettitt	Nottinghamshire County Council
Janet Sillett	Norwich City Council
Lord Tope	London Borough of Sutton
Colin Warbrick	Trafford Metropolitan Borough Council
Daniel Coffey	Kilmarnock and Loudoun District Council
Charles Gray	Strathclyde Regional Council
Rosemary McKenna	Cumbernauld and Kilsyth District Council
Duncan McPherson	Highland Regional Council
Brian Meek	Edinburgh District Council
John Evans	Rhymney Valley District Council
Lord Kenyon	Wrexham Borough Council
Eurig Wyn	Gwynedd County Council
Reg Empey	Belfast City Council
Denis Haughey	Cookstown Borough Council
Alternative members	
John Battye	Oldham Metropolitan Borough Council
Kenneth Bodfish	East Sussex County Council
Peter Cocks	Cornwall County Council
Doreen Fleming	Fenland District Council
Elgar Jenkins	Bath City Council
Fraser Mitchell	Solihull Metropolitan Borough Council
John Morgan	Test Valley Borough Council
Sally Powell	London Borough of Hammersmith and Fulham
Tony Pior	South Somerset District Council
Hedley Salt	Barnsley Metropolitan Borough
Peter Soulsby	Leicester City Council
Ian Swithenbank	Northumberland County Council
Paul White	Essex County Council
Milner Whiteman	Bridgnorth District Council
Keith Geddes	Lothian Regional Council
Marcus Humphrey	Grampian Regional Council
Jean McFadden	Glasgow City Council
Peter Peacock	Highland Regional Council
Clive Sneddon	North East Fife District Council
Jill Evans	Rhondda Borough/Mid Glamorgan County Council
Keith Griffiths	Gwent County Council
Bill Hughes	Swansea City Council
Simpson Gibson	Ards Borough Council
Sean Neeson	Carrickfergus Borough Council

Land Mines

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with other member states of the European Union in respect of a common policy on the sale of land mines; and if he will make a statement. [5505]

Mr. David Davis: The EU has had a common moratorium on the export of all anti-personnel land mines to all destinations since 1 October, when it adopted a strengthened joint action on anti-personnel land mines. The UK has had such a moratorium in place since April.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Foreign and Commonwealth Affairs how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5417]

Mr. Hanley: I refer the hon. Member to the FCO departmental reports and to the civil service statistics and staff in post summary tables which contain information on full-time, part-time and casual staff employed by this department and its executive agencies. Copies are available in the Library of the House.

This Department has a policy of flexible employment. Jobs are not specifically set aside for different types of contract. Information on contractual arrangements is not held in the form requested and could be obtained only at disproportionate cost.

Rwandan Refugees (Zaire)

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the United Nations to ensure the distribution of food and water to Rwandan refugees in Zaire takes place. [5163]

Sir Nicholas Bonsor: We are in close and regular contact with UN agencies and with the parties in the region to assess requirements and to ensure wider distribution of humanitarian relief to those in most need. We are also engaged in intensive consultations with potential partners and the UN on possible roles for the temporary multinational force authorised under United Nations Security Council resolution 1080, and the humanitarian task force the UN Secretary-General was requested to plan for in UNSCR 1078.

My right hon. and noble Friend the Minister for Overseas Development announced on 20 November that the UK is providing a further £10 million of assistance to the Great Lakes region to help meet immediate humanitarian needs and support the long-term needs arising from the return of refugees to their homes.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6026]

Dr. Liam Fox: It is unclear precisely how the hon. Member defines administrative decisions and it would incur disproportionate cost to list all administrative decisions taken.

The introduction of the Asylum and Immigration Appeals Act 1993 resulted in the withdrawal of the statutory right of appeal for foreign nationals applying for most categories of short-term entry clearance—that is, a stay of six months or less. Administrative decisions in such cases can be reviewed in the courts.

British passports are issued under the royal prerogative and there is no statutory right of appeal against administrative decisions relating to their grant or refusal. Such decisions can, however, be reviewed by the courts.

Gibraltar

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it a condition of Spain joining the integrated military structure of the North Atlantic Treaty Organisation that there will be no Spanish military influence or control over Gibraltar or its territorial waters. [5732]

Mr. David Davis: There can be no question of Spanish command over the territory of Gibraltar, or of any arrangement which allowed Spain to use NATO to take forward its claim to sovereignty over Gibraltar.

Sudan

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the advantages of holding an internationally monitored referendum for the people of southern Sudan in respect of self-determination. [4656]

Mr. Hanley *[holding answer 18 November 1996]:* Sudan needs constitutional arrangements acceptable to its people in all parts of the country, but the best way of ascertaining their views has yet to be decided. A referendum may be part of a settlement to the civil war. But much will depend on whether satisfactory answers can be found to issues such as timing, the nature of the question and acceptability and implementation of the result.

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the current state of peace initiatives in the Sudan; and if he will make a statement. [4657]

Mr. Hanley *[holding answer 18 November 1996]:* The peace initiative of the Inter-Governmental Authority on Development which is supported by the United Kingdom and other western countries through the Friends of IGAD, FOI, has stalled. We hope that an initiative to involve the Friends of IGAD more closely with the work of IGAD will help to re-energise it. The Government of Sudan are pursuing a strategy of "peace from within". They have signed a political charter with some of the southern groups. They claim that they are ready to talk to the Sudan People's Liberation Army, which has not signed the charter.

The SPLA remain wedded to the declaration of principles that the Government of Sudan rejected at the last substantive round of IGAD talks. Many observers are unclear that the political charter represents a serious peace initiative. But we have called on the SPLA to test out the Government's good faith by talking to them.

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs on what occasions he has met representatives of southern Sudanese groups in the last year; with which groups he met; at what locations; what was discussed; and if he will make a statement. [4661]

Mr. Hanley *[holding answer 18 November 1996]:* My right hon. and noble Friend the Minister for Overseas Development met the Sudan People's Liberation Army leader, John Garang, in Nairobi in August and urged him to respond constructively to overtures from Khartoum. As well as attending my right hon. and noble Friend's meeting with John Garang, our ambassador in Khartoum has met him separately this year and met South Sudan Independence Movement leader Riek Machar, who has signed the political charter with the Government of Sudan, twice also. He has also met representatives of the Union of Sudan Africa Parties and Nuba Mountains in Nairobi and regularly sees a wide range of southern elders living in Khartoum and when he is on tour. Officials in London have held meetings with representatives of southern groups on around 12 occasions this year, in addition to seeing them at more general events. Officials in Cairo and Nairobi also see southern Sudanese representatives.

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what has been the budget for Her Majesty's ambassador to Sudan for visits to *(a)* outlying areas of the Government-held part of Sudan and *(b)* non-Government-held areas in the south for the last 12 months; and if he will make a statement. [4650]

Mr. Hanley: The embassy's local and regional travel budget for this financial year is £9,051. It does not distinguish between travel to Government-held areas and travel to non-Government-held areas.

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the visits Her Majesty's ambassador to Sudan has made to peripheral areas of the Government-held part of Sudan in the last 12 months, indicating the locations, dates and durations; and if he will make a statement. [4651]

Mr. Hanley *[holding reply of 18 November 1996]:* During the last 12 months, the ambassador has made the following trips to Government-held destinations outside Khartoum: Northern province (archaeological sites), 18 to 23 November 1995; Nuba mountains via El Obeid, 25 to 31 January 1996; El Da'ein (south Darfur), 4 July; Kosti, 27 July; Juba, 3 August; Damazin/Roseires, 8 and 9 November; and Kassala/Gedaref, 15 to 17 November.

Members of the ambassador's staff have made a further 11 visits, including to Port Sudan—twice—and to the Government-held towns of Wau and Juba in the south.

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs how many British diplomats, of what rank and in what location, work in Britain's relations with the Sudan; what proportion of their time is taken up by the Sudan; and if he will make a statement. [4692]

Mr. Hanley *[holding answer 18 November 1996]:* There are currently 11 UK-based staff at the British embassy in Khartoum. The ambassador is a member of the FCO senior management structure. The embassy will shortly be reduced by one member of staff as a result of an efficiency inspection carried out this summer. Relations with Sudan and support to the embassy are looked after by a team at various levels in London. Relief aid is handled by a separate team at the ODA. It is not possible to list them or to break down the time they each devote to Sudan.

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received in the last three months from *(a)* members of the public and *(b)* hon. Members concerning Her Majesty's Government's efforts to promote a resolution to the war in the Sudan; and if he will make a statement. [4658]

Mr. Hanley *[holding answer 18 November]:* Between 15 August and 20 November Foreign Office Ministers replied to 92 letters from right hon. and hon. Members about Sudan. Many of those have simply asked for comments on the circular letter from Rev. Dr. Richard Rodgers. We have received 154 representations from members of the public, of which 102 were postcards which Dr. Rogers provided to his supporters and asked them to send in. Those have been replied to by officials.

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received in the last four months concerning conditions and standards in Kober prison, Khartoum north; and if he will make a statement. [4660]

Mr. Hanley *[holding answer 18 November 1996]:* We have received one representation about Kober prison. The embassy in Khartoum brought the allegations to the attention of the Government of Sudan. The Government of Sudan replied that action had been taken against a member of staff accused of killing a prisoner.

ATTORNEY-GENERAL

Environmental Auditing

Mr. Martyn Jones: To ask the Attorney-General if he will list the ways in which his Department has *(a)* demonstrated by example and *(b)* promoted externally, the ability to improve efficiency and competitiveness through environmental auditing; and if he will make a statement. [4539]

The Solicitor-General: I am the Green Minister for the Law Officers' Departments and agencies and at my meetings with their chief executives and finance officers I seek to ensure that environmental considerations are taken fully into account in operational matters, including procurement and accommodation management.

Lenient Sentences (Complaints)

Mr. Colvin: To ask the Attorney-General how many complaints of undue leniency in sentencing have been referred to the Crown Prosecution Service under the Criminal Justice Act 1986; and how many of these have been referred on to the Attorney-General. [4626]

The Solicitor-General: Approximately 80,000 cases prosecuted by the Crown Prosecution Service result in conviction and sentence at the Crown court annually. A significant number of these cases fall within the category of offences subject to review under the provision of the Criminal Justice Act 1988. The Crown Prosecution Service has established systems to ensure the most careful consideration to any sentence which could potentially be appropriate for review. Information on the total number of cases considered by the Crown Prosecution Service since the passing of the Act is not available and could be obtained only at disproportionate cost.

West Midland Serious Crime Squad

Mr. Mullin: To ask the Attorney-General if he will list, with dates and charges, the 27 people whose convictions have been quashed as a result of discredited evidence from the West Midland serious crime squad. [4508]

The Solicitor-General: I have taken the hon. Member's question to relate to those cases detailed in the two written answers given to the hon. Member by my right hon. and learned Friend the Attorney-General on 16 February 1994, *Official Report*, column 782.

A revised list incorporating the outcome of those appeals which were pending before the Court of Appeal on 16 February 1994 is shown:

Name	*Offence*	*Date*
Hassan Khan	Robbery	23 February 1990
John Edwards	Robbery	2 November 1990
Constantine Wellington	Robbery	25 March 1990
Geoffrey Cheetham	Conspiracy to rob	30 July 1992
Ronald T. Gall	Assault occasioning actual bodily harm	14 January 1992
Gerard Gall	Robbery	14 January 1992
Valentine P. Cooke	Robbery	14 January 1992
Robert Haughton	Conspiracy to cause grievous bodily harm	14 May 1992
Delroy Hare	Robbery	19 May 1992
Michael T. Bromell	Unlawful wounding	22 June 1992
Gary M. Binham	Theft	28 January 1993
Leslie B. Horobin	Robbery	1 April 1993
Kevin Wilcox	Robbery	1 April 1993
Raymond Fryer	Robbery	1 April 1993
Adolphus Francis	Robbery	27 April 1993
Elvis Jeffers	Robbery	27 April 1993
Paul R. Lindo	Grievous bodily harm	12 October 1993
George A. Hinds	Theft	12 December 1993
Patrick Smith	Robbery	20 January 1994
Seymour Williams	Robbery	20 January 1994
Sing Gill Tarlochan (previously listed as Tannochan)	Murder	27 January 1994
George G. Lewis	Robbery	4 January 1994
A Rasheed	Manslaughter	17 May 1994
Anthony Jones	Conspiracy to rob	29 July 1994
Martin Foran	Conspiracy to rob	24 February 1995
Trevor McCalla	Robbery	16 October 1995
Roy Meads	Robbery	29 January 1996

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Attorney-General if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6022]

The Solicitor-General: Decisions of the Law Officers are not subject to any statutory right of appeal.

DUCHY OF LANCASTER

Deregulation Task Force

Mr. Hanson: To ask the Deputy Prime Minister when the current chairman proposes to relinquish his position as chairman of the deregulation task force. [5578]

Mr. Freeman: The right hon. Francis Maude's current appointment as chairman of the deregulation task force is until September 1997.

Mr. Hanson: To ask the Deputy Prime Minister what proposals he intends to bring forward to meet the deregulation task force targets for a reduction in business costs by 2000. [5577]

Mr. Freeman: The deregulation task force has produced two annual reports, in September 1995 and September 1996. The Government accepted the majority of the recommendations in both these reports.

In its 1995 report, the deregulation task force recommended that the burden of Government surveys be cut by 25 per cent. In response, the Government set up an independent study which reported in September 1996. The study put forward a number of recommendations which will reduce businesses costs in completing Government surveys by 26 per cent.—or £17.5 million per year—by the year 2000, without damaging the quality of essential data collected.

Mr. Hanson: To ask the Deputy Prime Minster what steps he intends to take to broaden the membership of the deregulation task force. [5575]

Mr. Freeman: Two new members were appointed to the deregulation task force in September. They are Henry Angest, who is chairman and chief executive of Secure Trust Group plc, a financial services company, and Thomas Swan who runs Thomas Swan and Co Ltd., a chemical manufacturing, biotechnology and scientific equipment company. There are no current plans for further additions to the membership.

Mr. Hanson: To ask the Deputy Prime Minister what were his criteria for establishing membership of the deregulation task force. [5576]

Mr. Freeman: All members of the task force were appointed for the expertise and experience they could contribute to its work as individuals. Members were selected from a large number of sources, including the lists held by the Cabinet Office public appointments unit.

Mr. Hanson: To ask the Deputy Prime Minister what is his policy towards members of the deregulation task force holding the position of prospective parliamentary candidate. [5574]

Mr. Freeman: The deregulation task force is an advisory body. As is the case with all non-departmental public bodies, the members of the task force have been appointed for the expertise they can contribute to its work. All the recommendations the task force makes to the Government are considered entirely on their merits, and in the light of views of others.

Civil Servants (Secondments)

Ms Quin: To ask the Chancellor of the Duchy of Lancaster if he will list the seconded civil servants referred to in his answer of 24 July, *Official Report*, column *455*, by the Departments from which they were seconded. [4709]

Mr. Freeman: Many Government Departments, together with a few executive agencies, have seconded staff to the European Commission as national experts. The number of staff each Department/agency has seconded—with the exception of Northern Ireland Departments, where separate details are not recorded—for each of the last four years together with the current position is as follows:

Detached national experts

	As at 31 December 1992	*As at 31 December 1993*	*As at 31 December 1994*	*As at 31 December 1995*	*As at 20 November 1996*
MAFF	12	13	8	6	5
Building Research Agency	0	0	1	1	1
Cabinet Office	0	1	0	0	0
Central Statistical Office	1	4	5	5	3
HM Customs and Excise	12	15	8	8	6
Crown Prosecution Service	1	1	0	0	0
Data Protection Registrar	0	0	1	1	0
Ministry of Defence	1	1	1	1	0
Defence Research Agency	0	0	0	1	1
Department for Education and Employment	11	7	6	7	9
Department of the Environment	7	9	9	9	7
Equal Opportunities Commission	1	0	0	0	0
Foreign and Commonwealth Office	1	3	3	2	2
Department of Health	3	6	5	4	4
Health and Safety Executive	4	6	5	7	7
Home Office	3	3	0	0	0
Inland Revenue	1	1	2	2	2
Northern Ireland Civil Service	11	6	4	4	2
Office of Fair Trading	0	0	1	1	2
Patent Office	1	1	1	0	0
Overseas Development Administration	4	4	5	7	10
Scottish Office	8	6	5	4	4
Serious Fraud Office	0	0	1	1	1
Department of Social Security	4	2	2	2	1
Department of Trade and Industry	15	13	10	11	14
Department of Transport	6	5	6	5	5
HM Treasury	0	0	2	2	4
Treasury Solicitor's Office	1	0	0	0	0
Welsh Office	1	1	1	0	0
European fast stream[1]	0	7	17	11	8
Total	109	115	109	102	98

[1] European fast streamers are funded by the Cabinet Office, although they are placed in other Government Departments while they are on the scheme and may be seconded to the European Commission as part of their training programme.

Human Rights and Political Prisoners (China)

Mr. Winnick: To ask the Deputy Prime Minister with whom he raised the issue of human rights and political prisoners when he officially visited China recently. [5535]

The Deputy Prime Minister: I refer the hon. Member to the answer that I gave on 4 June, *Official Report*, column *333*.

Equal Opportunities (Civil Service)

Mr. Michael Brown: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the progress that has been made towards achieving equality of opportunity in the civil service. [6139]

Mr. Freeman: Considerable progress has been made. I have today published two reports on equal opportunities in the civil service—the 1996 data summary and "Equal Opportunities in the Civil Service—A Progress Report". The representation of women, members of the ethnic minorities and disabled people has increased against a backdrop of reducing staff members. Copies of both reports have been placed in the Libraries of the House.

NORTHERN IRELAND

Band Competitions (Policing)

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what were the additional costs for the Royal Ulster Constabulary of policing band competitions in Comber, County Down on *(a)* 17 May, *(b)* 29 June and *(c)* 20 September. [3897]

Sir John Wheeler: The competitions were policed from within existing local police resources. There were, therefore, no additional costs for the RUC.

Firearms Licences

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland how many and what percentage of firearms licences are issued on personal protection grounds; and how many are issued for target shooting. [4456]

Sir John Wheeler: The Chief Constable has advised me that on 31 October 1996 there were 134,103 registered firearms in Northern Ireland. Of these, 10,681, or 8 per cent., were authorised as personal protection weapons, 1,805, or 1.3 per cent., for target shooting and 260, or 0.2 per cent., were for both purposes.

RUC (Suicides)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what steps his Department is taking to reduce the level of suicides by members of the Royal Ulster Constabulary who use personal protection weapons to end their lives; and how many such suicides have been recorded by the RUC since 1976. [4457]

Sir John Wheeler: Over the past 20 years, the number of suicides in the community has increased and a changing pattern has emerged. Not surprisingly, this has been reflected to some degree in the RUC. The force welfare branch was established in 1972 and, following extensive research, the occupational health unit was established in 1986. Each suicide of an RUC officer has been studied in detail to try to establish factors that might assist in early recognition of difficulties and allow preventive strategies to be put in place. The force has employed several strategies to address the problem from as many angles as possible.

A stress working party to oversee and review the effectiveness of new initiatives was set up some years ago. Initiatives introduced in the force include: a video dealing with alcohol problems; a stress package administered by specially trained officers; supervisory training giving information on the identification and treatment of stress; promotion of physical fitness training; and a health screening service to help to identify individuals who exhibit high stress. In addition, recruiting procedures have been monitored, with particular attention given to past health problems and any effect that they may have on the individual as a serving police officer. Families of prospective recruits also have the opportunity to learn about problems that may arise and the signs to be aware of. Since 1976, there have been 53 suicides of full-time RUC officers, both regulars and reserves. Of these, a firearm was used in 45 cases.

Social Security

Ms Mowlam: To ask the Secretary of State for Northern Ireland how much money has been spent on social security benefits in each of the past 10 years in Northern Ireland. [4645]

Mr. Moss: I refer the hon. Member to the answer that I gave her on 20 November, *Official Report*, column *606*.

Ms Mowlam: To ask the Secretary of State for Northern Ireland what proportion of the health and social security budget has been spent on means-tested benefits in each of the past 10 years. [4646]

Mr. Moss: The information requested is given in the table:

Year	*(a) Means tested benefit spend (£ million)*	*(b) Total Health and Social Services and Social Security Budget (£ million)*	*(a) as a percentage of (b)*
1985–86	402.7	1,984.0	20.3
1986–87	445.5	2,145.0	20.8
1987–88	462.1	2,297.0	20.1
1988–89	510.2	2,442.0	20.9
1989–90	536.3	2,615.0	20.5
1990–91	598.4	2,889.0	20.7
1991–92	691.5	3,256.0	21.2
1992–93	805.8	3,625.0	22.2
1993–94	894.2	3,957.0	22.6
1994–95	960.0	4,221.0	22.7
1995–96[1]	1,026.7	4,530.0	22.7

[1] Estimated figures.

Higher Education

Ms Mowlam: To ask the Secretary of State for Northern Ireland what was the student-staff ratio in *(a)* 1990–91 and *(b)* 1995–96 in higher education in Northern Ireland. [4636]

Mr. Ancram: In 1990–91, the staff-student ratio at Northern Ireland universities was 1:14.5 and at Northern Ireland colleges of education was 1:9.6, using the revised definition. Staff-student ratios for 1995–96 are not yet available for either Northern Ireland universities or colleges of education.

Young People (Qualifications)

Ms Mowlam: To ask the Secretary of State for Northern Ireland what proportion of young people in Northern Ireland left school in 1995 and 1996 without attaining national vocational qualification level 2 or five GCSE passes at grade C. [4644]

Mr. Ancram: The proportion of young people in Northern Ireland who left school in 1995 without attaining national vocational qualifications level 2 or at least five GCSE passes at grade A*–C or equivalent was 46.2 per cent. Information on the qualifications of 1996 school leavers is not available yet.

Ms Mowlam: To ask the Secretary of State for Northern Ireland what proportion of young people in Northern Ireland failed to gain any passes at GCSE level in each of the past five years. [4642]

Mr. Ancram: I refer the hon. Member to the answer that I gave her on 6 November 1996, *Official Report*, column *556*.

Ms Mowlam: To ask the Secretary of State for Northern Ireland how many pupils achieved five GCSEs at grade C or above, or the equivalent, by the age of 19 in each of the past five years. [4638]

Mr. Ancram: The estimated numbers are:

	Five or more passes (A–C) or equivalent*
1995	n/a
1994	15,400
1993	15,400
1992	14,500
1991	n/a

Sources:
School Leavers Survey and FE Leavers Survey, DENI and T and EA.

Mr. Worthington: To ask the Secretary of State for Northern Ireland how many 19-year-olds in Northern Ireland have reached General national vocational qualifications level 2 or five GCSE passes at grade C in each of the past five years. [5025]

Mr. Ancram: The estimated proportion of young people in Northern Ireland who have achieved five or more GCSE passes at A–C, or at least one A-level or AS-level pass, or a GNVQ (Intermediate or Advanced) by age 19 in each year is.

1995: n/a

1994: 50 per cent.

1993: 48 per cent.

1992: 43 per cent.

1991: n/a

The figures exclude NVQs and other equivalent qualifications; for figures that include such qualifications, I refer the hon. Member to the answer given to the hon. Member for Redcar (Ms Mowlam) on 6 November 1996, *Official Report*, column *556*.

Heart Surgery

Dr. Hendron: To ask the Secretary of State for Northern Ireland what was the number of cardiac surgical procedures provided for *(a)* patients in GP fundholding practices and *(b)* patients in non-fundholding practices in each month during 1995–96; and what was the percentage for each category in each month. [4523]

Mr. Moss: The information requested is set out in the table:

Cardiac surgery by GP type 1995–96

Month	*Not identified*[1]		*Non-fundholding GP*		*Fundholding GP*		*Total*
		Percentage		*Percentage*		*Percentage*	
April 1995	0	0.0	53	55.8	42	44.2	95
May 1995	2	2.0	57	57.0	41	41.0	100
June 1995	1	0.9	65	60.7	41	38.3	107
July 1995	2	2.1	54	56.3	40	41.7	96
August 1995	2	1.8	69	61.6	41	36.6	112
September 1995	1	1.0	65	65.7	33	33.3	99
October 1995	2	1.9	57	54.3	46	43.8	105
November 1995	2	2.0	58	57.4	41	40.6	101
December 1995	2	1.9	60	56.6	44	41.5	106
January 1996	0	0.0	33	50.0	33	50.0	66
February 1996	2	2.0	63	62.4	36	35.6	101
March 1996	0	0.0	75	63.6	43	36.4	118
Total	16	1.3	709	58.8	481	39.9	1,206

[1] Centrally held data do not identify whether the originating GP practice was fundholding or non-fundholding.

Department of Education (Administrative Costs)

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will publish the administrative cost *(a)* per pupil, *(b)* per school and *(c)* per head of population incurred by the Department of Education in Northern Ireland in each of the five years to 1995–96. [4567]

Mr. Ancram: I will write to the hon. Gentleman.

Post-16 Full-time Education

Ms Mowlam: To ask the Secretary of State for Northern Ireland what percentage of *(a)* 17-year-olds and *(b)* 18-year-olds in Northern Ireland are in full-time education. [4640]

Mr. Ancram: In 1995–96, the figures for Northern Ireland domiciled students were as follows:

17-year-olds: 69 per cent.

18-year-olds: 51 per cent.

General Practitioners

Dr. Hendron: To ask the Secretary of State for Northern Ireland what is the proportion of the inhabitants of the Eastern health and social services board area who were registered *(a)* with GP fundholders and *(b)* with non-fundholding GPs on 1 April 1996. [4521]

Mr. Moss: The proportion of inhabitants of the Eastern board area registered with GP fundholders on 1 April 1996 was 59 per cent.—421,998 patients. The proportion registered with non-fundholding GPs was 41 per cent. 292,855 patients.

Manufacturing Industry

Ms Mowlam: To ask the Secretary of State for Northern Ireland what was the total manufacturing investment in Northern Ireland in *(a)* 1995 and *(b)* 1979. [4635]

Mr. Ancram: Total manufacturing investment in Northern Ireland, as measured by the net capital expenditure of Northern Ireland manufacturers, amounted to £310.2 million in 1993, the most recent figure available and £127.1 million in 1979.

GCSE Mathematics

Ms Mowlam: To ask the Secretary of State for Northern Ireland how many pupils achieved *(a)* grade A *(b)* grade B and *(c)* grade C in GCSE mathematics in each of the past five years. [4643]

Mr. Ancram: Information is not available in the form requested. The number of pupils entered for the GCSE mathematics examinations of the Northern Ireland Council for the Curriculum, Examination and Assessment

and its predecessor bodies, and achieving each of the grades A*–C—A–C in 1992 and 1993—in each of the past five years, is:

	1992	1993	1994	1995		1996	
A*	—	—	458	[1]514	[2]26	[1]725	[2]29
A	2,603	2,641	2,509	[1]2,057	[2]213	[1]2,207	[2]237
B	3,214	3,208	3,545	[1]3,199	[2]319	[1]3,278	[2]430
C	5,324	5,360	4,959	[1]3,970	[2]453	[1]3,986	[2]560

[1] Syllabus A.
[2] Syllabus B.

Means-tested Benefits

Ms Mowlam: To ask the Secretary of State for Northern Ireland what proportion of the population in Northern Ireland was dependent on means-tested benefits in 1979. [4647]

Mr. Moss: This information is not available in the form requested.

Ms Mowlam: To ask the Secretary of State for Northern Ireland what proportion of the population in Northern Ireland is dependent on means-tested benefits. [4627]

Mr. Moss: I refer the hon. Member to the reply that I gave her on 19 November 1996, *Official Report*, columns, *509–510*.

A-level Mathematics and Science

Ms Mowlam: To ask the Secretary of State for Northern Ireland what has been the percentage change in the number of young people in Northern Ireland taking A-level *(a)* mathematics and *(b)* science since 1985. [4632]

Mr. Ancram: The information is not available in the format requested. However, the number of candidates taking A-levels in mathematics and science offered by the Northern Ireland Council for the Curriculum, Examinations and Assessment since 1985 is as follows:

Subject	1995	1996
Science		
Biology	2,295	1,427
Chemistry	2,335	1,535
Physics	2,442	1,262
Mathematics		
Mathematics	2,234	[1]—
Further mathematics	191	62
Pure maths and mechanics	[1]—	190
Pure and applied maths	[1]—	295
Modular maths	[1]—	632

[1] Syllabus not offered.

GCSE Examinations

Ms Mowlam: To ask the Secretary of State for Northern Ireland how many pupils took GCSE exams in 1996. [4641]

Mr. Ancram: The number of candidates who took GCSE examinations offered by the Northern Ireland Council for the Curriculum, Examinations and Assessment in 1996 was 32,663. Information on the number of Northern Ireland candidates who took examinations boards is not available.

GP Fundholders

Dr. Hendron: To ask the Secretary of State for Northern Ireland what is the percentage of patients in the Eastern board area who were registered with GP fundholders on 1 April 1996. [4522]

Mr. Moss: The percentage of patients in the Eastern board area who were registered with GP fundholders on 1 April 1996 was 59 per cent.

Unemployment

Mr. Worthington: To ask the Secretary of State for Northern Ireland how many *(a)* Asians and *(b)* travellers live in Northern Ireland; and what percentage of each are unemployed. [5027]

Mr. Moss: The Northern Ireland 1991 census did not include a question on ethnic group. A recent survey by the university of Ulster estimated that there are between 3,125 and 5,125 Chinese, 1,050 Indians, 641 Pakistanis and 1,366 travellers living in Northern Ireland. The social security computer systems do not hold details of ethnicity in relation to the statistics on the unemployed.

Civil Service

Mr. Mallon: To ask the Secretary of State for Northern Ireland how many full-time employees of the Northern Ireland civil service, by Department, are based at offices or facilities in *(a)* Antrim *(b)* Armagh, *(c)* Ballymena, *(d)* Bangor, *(e)* Belfast, *(f)* Coleraine, *(g)* Craigavon, *(h)* Derry city, *(i)* Downpatrick, *(j)* Enniskillen, *(k)* Lisburn, *(l)* Omagh and *(m)* Newry. [5058]

Sir John Wheeler: The information requested is given in the table:

Location	DHSS	DOE	DED	DANI	DFP	DENI	NIO	Total
Antrim	58	37	14	126	0	0	136	371
Armagh	48	52	15	64	2	0	48	229
Ballymena	50	320	57	96	21	0	44	588
Bangor	52	23	13	0	25	421	68	602
Belfast	4,627	3,156	1,525	1,189	957	0	2,502	13,956
Coleraine	85	334	17	86	15	0	37	574
Craigavon	94	361	45	28	23	0	74	625
Derry city	388	224	87	110	97	99	578	1,583
Downpatrick	40	225	11	19	2	0	16	313
Enniskillen	70	97	35	113	12	0	34	361
Lisburn	65	52	174	42	28	0	2,316	2,677

Location	DHSS	DOE	DED	DANI	DFP	DENI	NIO	Total
Omagh	76	238	38	137	14	0	33	536
Newry	92	49	51	69	0	0	25	286
Totals	5,745	5,168	2,082	2,079	1,196	520	5,911	22,701

Health and Personal Social Services

Mr. Mallon: To ask the Secretary of State for Northern Ireland what was the per capita cost of public expenditure on *(a)* health services and *(b)* personal social services in Northern Ireland for each year since 1990. [5059]

Mr. Moss: The information requested is:

Health and personal social services expenditure per head of population

Financial year	Health services	Personal social services	Health and personal social services
	£	£	£
1990–91	568	95	663
1991–92	624	104	728
1992–93	662	114	776
1993–94	686	134	820
1994–95	706	161	867
1995–96	735	188	923

As Health and personal social services are provided on an integrated basis the breakdown shown is an estimated apportionment.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Northern Ireland how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5422]

Sir John Wheeler: In the Northern Ireland Office and Northern Ireland Departments and their executive agencies, the information is not available in the format requested.

Class Sizes

Mr. Worthington: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 7 November, *Official Report*, column *669*, if he will publish such information as his Department has collated in respect of the range of class sizes in which five, six and seven-year-olds are taught. [5157]

Mr. Ancram: Details of the number of classes within specified size ranges are collected from each nursery and primary school. Class size information by age or year group is not recorded.

Homework Centres

Mr. Worthington: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 7 November, *Official Report*, column *670*, relating to homework centres, if he will place a copy of the inspectorates's report in the Library; and what assessment he has made of the contribution of homework centres to *(a)* home school support and *(b)* educational achievement. [5158]

Mr. Ancram: The education and training inspectorate's report was an interim report, not for publication. The inspectorate will conduct a further evaluation of the homework centres during this academic year, which will address, among other things, the contribution of the centres to home-school liaison and the schools' views on the educational progress and achievements of the pupils who attend. This report will be published and I will place a copy in the Library.

Ambulance Response Times

Mr. Mallon: To ask the Secretary of State for Northern Ireland if he will list the recommended ambulance response times to *(a)* urban localities and *(b)* rural localities in each health trust area. [5155]

Mr. Moss: The recommended ambulance response times as per charter standards are based on population densities. Based on this criteria, the Eastern board area is classified as rural so that 50 per cent. of emergency calls should be answered within eight minutes and 95 per cent. within 18 minutes. The other three board areas are classified as separately populated, so that 50 per cent. of emergency calls should be answered within eight minutes and 95 per cent. within 21 minutes. According to those criteria, there are deemed to be no urban areas in Northern Ireland. There is no breakdown for each health trust area.

Mr. Mallon: To ask the Secretary of State for Northern Ireland if he will list the health trust areas that have failed to meet recommended ambulance response times in each of the past five years. [5156]

Mr. Moss: Unfortunately, the information is not available in the format requested. As response times are collected on a health board basis, the information cannot be provided on a trust by trust basis.

Mr. Mallon: To ask the Secretary of State for Northern Ireland what was the percentage of total ambulance call-outs in each health trust area in each of the past five years which were *(a)* within and *(b)* outside recommended response times. [5159]

Mr. Moss: Unfortunately, the information is not available in the format requested. As response times are collected on a health board basis, the information cannot be provided by health trust areas. However, in all board areas, 50 per cent. of emergency calls were answered within the eight minutes Orcon target. The following boards failed to meet the 95 per cent. target over the past five years:

However, the table lists the health board areas in which the recommended response times have not been met in the last five years:

Year	Board area	Performance target 95 per cent.	Calls met per cent.
1991–92	Southern	21 minutes	91.4
	Western	21 minutes	92.6
1992–93	Eastern	18 minutes	94.8
	Northern	21 minutes	94.9
1993–94	Eastern	18 minutes	93.5
1994–95	Eastern	18 minutes	94.8
	Southern	21 minutes	94.7
1995–96	All targets met		

The recommended ambulance response times as per charter standards are based on population densities. Based on this criteria, EHSSB is classified as rural, i.e. emergency calls per cent. within 8 minutes, 95 per cent. within 18 minutes. The other three smaller Boards are classified as sparsely populated i.e. emergency calls 50 per cent. within 8 minutes, 95 per cent. within 21 minutes.

Education and Library Boards

Mr. Jim Cunningham: To ask the Secretary of State for Northern Ireland what plans he has for the future of the Northern Ireland education and library boards. [5191]

Mr. Ancram: I refer the hon. Member to my statement of 25 June 1996 on the review of educational administration and to the draft Education and library Boards (Northern Ireland) Order 1997, which was published on 16 October 1996. Copies of both documents are available in the Library.

Mr. Cunningham: To ask the Secretary of State for Northern Ireland what representations he has received from the Northern Ireland Forum regarding the future of the Northern Ireland education and library boards. [5193]

Mr. Ancram: I have received an interim report by the Northern Ireland Forum for political dialogue on its investigation of educational administration in Northern Ireland.

Mr. Cunningham: To ask the Secretary of State for Northern Ireland what recent discussions he has had with community representatives regarding the future of the Northern Ireland education and library boards. [5192]

Mr. Ancram: I have recently had discussions with a wide range of community representatives, including Members of Parliament and district councillors, as well as representatives of the education and library boards.

In-work Benefits

Ms Mowlam: To ask the Secretary of State for Northern Ireland if he will provide a breakdown of expenditure on in–work benefits in each of the past five years. [5731]

Mr. Moss: The information requested is given in the table:

Year	Family credit (£'million)	Disability working Allowance [1] (£'million)	Housing Benefit [2]
1991–92	37.2	—	n/a
1992–93	47.8	0.1	n/a
1993–94	56.5	0.2	n/a
1994–95	62.1	0.4	n/a
1995–96 [3]	71.0	0.9	n/a

[1] Disability working allowance was introduced in April 1992.
[2] It is not possible to identify separately the amount of housing benefit paid to those in employment.
[3] Estimated figures.

Child Care

Mrs. Roche: To ask the Secretary of State for Northern Ireland what proportion of the *(a)* women who are mothers and *(b)* men who are fathers who are employed by his Department have received assistance from the Department with child care. [1281]

Sir John Wheeler *[holding answer 4 November 1996]:* Although Northern Ireland Office and Northern Ireland Departments collect statistical information on staff employed in Government Departments and executive agencies, information is not collected on parental status of individual staff. It would be inappropriate for us to request this information from staff and difficult to justify the collection of such data. However, in the Northern Ireland Office and Northern Ireland Departments the following child care assistance is available or planned:

Special Leave with Pay;

Reimbursement of expenses when normal working routine is broken by job demands;

Access to Parent Partnership Scheme run by the Northern Ireland Childminding Association;

Childcare information package;

Holiday Playschemes which cater for the children of staff during school holidays have been developed at eight locations in Northern Ireland; and

A pre-school nursery subsidy scheme offering financial assistance currently operating in the Department of the Environment and the Child Support Agency.

AGRICULTURE, FISHERIES AND FOOD

Organophosphate Warble Fly Dressing

Mr. Hanson: To ask the Minister of Agriculture, Fisheries and Food what research his Department has undertaken into the effect of organophosphate warble fly dressing on cattle. [461]

Mrs. Browning: All veterinary medicines, including warble fly treatments, are assessed against statutory criteria of safety, quality and efficacy, including the safety of the target animal concerned. The Government are advised on this by the independent scientific veterinary products committee. Manufacturers are required to produce their research as part of the authorisation process for their products and my Department does not undertake nor fund any such research.

The use of organophosphorus compounds as insecticides, particularly during the campaign to eradicate warble fly, has been claimed either to cause BSE or to render cows susceptible to BSE. The original epidemiological investigation considered any possible association between the use of agricultural chemicals, including OP insecticides, and the occurrence of BSE. None was found. The only positive correlation found was in relation to the use of animal feed which contained ruminant protein in the form of meat and bone meal. MAFF has not undertaken any research on the suggested link between BSE and organophosphates.

The independent Spongiform Encephalopathy Advisory Committee has considered the OP theory and concluded that it fails to explain a number of key facts about BSE. It, too, has concluded that there is no justification to extend the current transmissible spongiform encephalopathies research to include the OP theory.

A study was carried out by the toxicology unit of the Medical Research Council to test whether an OP could bind to "normal" prion protein—an essential prerequisite for the development of BSE, according to the OP theory. The scientists conducting the experiment concluded that there was no evidence of binding. This experiment was conducted by the MCR with its own funds and although MAFF was informed we had no part in its design.

Rabies

Mr. David Shaw: To ask the Minister of Agriculture, Fisheries and Food what estimate his Department has made of the cost of eradicating an outbreak of rabies in the United Kingdom. [3447]

Mrs. Browning: We estimate that eradicating a single outbreak of rabies might cost the public purse £4 million. Added to this would be the costs of disruption to individuals and business, possibly for several months.

Badgers

Ms Corston: To ask the Minister of Agriculture, Fisheries and Food (1) if he will place in the Library the results from tests carried out on badgers culled by his officials at Amberley, Stroud; [3761]

(2) what factors underlay his Department's decision to kill 30 badgers at Amberley, Stroud; and if he will make a statement. [3762]

Mrs. Browning: Seventeen badgers—not 30—have recently been culled from a farm in the vicinity of Amberley, Stroud. Laboratory cultures on tissues from these badgers has not yet been completed—this normally takes six to eight weeks—but I will place the result in the Library of the House when available.

The approach taken before a decision to kill any a badgers for tuberculosis control purposes is as follows. After a confirmed outbreak of bovine tuberculosis, a veterinary investigation is undertaken. All possible causes other than badgers are considered. If all are ruled out and there is evidence of badger activity on the farm, a badger source is suspected.

Any action to trap and humanely kill the badgers on the affected land will be authorised by senior veterinary staff if there has been a previous outbreak within the same parish in the previous six years, as was the case at Amberley. If there has been no outbreak within this time period, the evidence is considered by a sub-committee of the independent consultative panel on badgers and bovine tuberculosis. Where it is believed that the disease was transmitted to cattle on part of the farm, only badgers which use that part of the farm may be trapped and humanely killed.

Badgers can be trapped and humanely killed only by the Ministry's wildlife unit on that part of the farm where it is believed that the disease was transmitted to the reactor cattle, or the whole of the farm if it is not possible to be more precise.

Poultry Meat Inspection

Mrs. Clwyd: To ask the Minister of Agriculture, Fisheries and Food how many poultry meat inspectors were employed by each local authority in each year since 1979. [5499]

Mrs. Browning: The Department does not hold figures on the number of poultry meat inspectors employed by each local authority. Since 1 April 1995, poultry meat inspectors have been employed by the Meat Hygiene Service, an Executive Agency of the Ministry.

Mrs. Clwyd: To ask the Minister of Agriculture, Fisheries and Food how many prosecutions there have been for breaches of the Poultry Meat Hygiene Regulations 1995. [5500]

Mrs. Browning: There have been no prosecutions to date for offences under the Poultry Meat, Farmed Game Bird Meat and Rabbit Meat (Hygiene and Inspection) Regulations 1995.

Butter

Mr. Austin Mitchell: To ask the Minister of Agriculture, Fisheries and Food what change has been made to the European Commission's definition of butter; for what reasons and when the change was made; and how the new definition differs from the old. [4370]

Mr. Baldry: There has been no change in the definition of butter for the purposes of administering the preferential access quota for New Zealand butter imports into the EU. The European Commission concluded in June of this year that spreadable butter did not conform with this definition and was not, therefore, eligible for the preferential rate of duty which applies to imports of butter from New Zealand under the GATT current access quota.

Environmental Auditing

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food if he will list the ways in which his Department has *(a)* demonstrated by example and *(b)* promoted externally, the ability to improve efficiency and competitiveness through environmental auditing; and if he will make a statement. [4524]

Mr. Boswell: The Department will shortly undertake specific environmental audits at some of its major sites as a continuing part of its green housekeeping strategy. We are committed to observing wherever possible best environmental practice in the management of our estate, in our approach to purchasing goods and services, in the disposal of waste and in all of our day-to-day operations.

We promote sound and cost-effective environmental practices and foster an understanding of environmental issues amongst the staff.

The Department also has a number of wider initiatives to improve environmental performance. These include appraisal of the environmental impacts of policies where these are significant; monitoring and evaluation of policies to provide feedback on environmental performance; and annual review of the Department's environmental commitments in "This Common Inheritance; UK Annual Report". I am the Department's nominated Green Minister, charged with integrating environmental considerations into our strategies and policies.

The Department also supports initiatives in the agricultural industry to improve environmental performance and competitiveness through achieving recognised environmental standards. The LEAF initiative—linking the environment and farming—is one example of an industry-led environmental audit. The MAFF codes of good agricultural practice set out industry-wide standards for the protection of air, soil and water.

Surplus Beef

Mr. Davidson: To ask the Minister of Agriculture, Fisheries and Food if he will assess the advantages of introducing a distribution scheme to give away surplus beef held in storage. [4580]

Mr. Baldry: I refer the hon. Member to the reply given to the hon. Member for Norfolk, North (Sir R. Howell) on 19 November 1996, *Official Report*, column *471*.

Planning Constraints

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food what plans he has to ensure that planning constraints on agricultural buildings are applied equally to a small and large farm holdings; and if he will make a statement. [4924]

Mr. Boswell: We have no plans to seek a change to the thresholds for agricultural permitted development rights in the Town and Country Planning (General Permitted Development) Order 1995 under which holdings of less than five hectares have more limited rights than larger holdings.

European Union

Mr. MacShane: To ask the Minister of Agriculture, Fisheries and Food what percentage of his Department's time and resources are spent dealing with administrative and policy matters connected with British membership of the European Union. [4951]

Mr. Boswell: The information requested is not held centrally and could be provided only at disproportionate cost.

Food Surpluses (Storage)

Mr. Cox: To ask the Minister of Agriculture, Fisheries and Food if he will list the nature and quantity of foods of European Union surpluses that are in storage within the United Kingdom. [5437]

Mr. Baldry: Tables showing levels of all produce held in intervention within the EU, with levels for the UK separately identified, are placed in the House at regular intervals, most recently on 19 November.

Arable Area Payments Scheme

Mr. Tipping: To ask the Minister of Agriculture, Fisheries and Food if he will list by county the *(a)* average, *(b)* minimum and *(c)* maximum payment made in 1995 under the arable area payments scheme. [5699]

Mr. Baldry: The following table sets out the information requested for payments in England. Some claimants will have received more than one payment. The minimum figures given are for the smallest payments actually made; for most counties the minimum would otherwise have been nil because some claims will have been totally disallowed.

Payments made under the arable area payments scheme 1995

	Average £	*Minimum* £	*Maximum* £
Avon	8,957.45	770.40	98,449.00
Bedfordshire	18,632.90	53.83	390,472.31
Berkshire	28,668.27	1,477.35	792,867.03
Buckinghamshire	15,888.25	37.50	405,279.32
Cambridgeshire	18,272.41	137.88	797,212.91
Cheshire	6,785.81	527.47	218,279.78
Cleveland	11,615.11	229.81	461,016.46
Cornwall	6,409.09	559.87	171,403.29
Cumbria	4,561.96	16.15	55,680.97
Derbyshire	8,666.02	26.92	99,167.67
Devonshire	6,409.35	157.58	203,031.07
Dorset	18,716.02	365.47	375,819.31
Durham	10,233.91	30.64	222,335.50
Essex	19,470.52	21.89	1,288,422.08
Gloucestershire	15,993.52	9.13	343,884.26
Greater London	14,060.20	577.80	123,089.56
Greater Manchester	8,254.15	875.46	62,030.03
Hampshire	25,068.52	17.79	479,531.00
Hereford and Worcester	11,000.01	8.08	201,475.14
Hertfordshire	23,452.43	105.69	492,836.12
Humberside	14,014.43	8.08	504,590.31
Isle of Wight	16,375.53	1,449.03	159,465.65
Kent	19,971.69	8.08	365,691.47
Lancashire	8,994.95	454.89	106,690.12
Leicestershire	15,732.99	75.37	1,393,446.80
Lincolnshire	17,802.00	8.08	936,939.64
Merseyside	10,442.46	509.96	107,555.56
Norfolk	18,738.42	88.82	491,188.22
Northamptonshire	19,077.02	21.41	393,030.42
Northumberland	16,615.81	218.86	253,130.33
Nottinghamshire	15,050.19	478.05	538,302.03
Oxfordshire	22,294.35	302.03	482,672.54
Shropshire	12,039.26	61.91	345,143.01
Somerset	9,222.55	409.14	132,165.99
Staffordshire	11,920.43	13.46	260,347.02
Suffolk	17,632.38	148.83	653,988.67
Surrey	13,880.98	8.08	117,844.05
East Sussex	15,679.02	256.07	178,973.32
West Sussex	20,011.65	269.17	703,922.49
Tyne and Wear	11,949.72	667.54	94,157.14
Warwickshire	15,949.47	54.55	276,512.10
West Midlands	11,021.91	323.00	153,924.64
Wiltshire	20,870.87	354.56	294,572.13
North Yorkshire	11,750.97	14.83	368,992.73
North Yorkshire	14,168.18	78.51	357,455.21

Payments made under the arable area payments scheme 1995

	Average £	*Minimum* £	*Maximum* £
South Yorkshire	13,025.53	137.28	191,983.40
West Yorkshire	10,804.57	168.53	249,824.05

Culled Cattle Storage

Mr. Tony Banks: To ask the Minister of Agriculture, Fisheries and Food how many culled cattle are currently in storage awaiting destruction; where they are stored; and what is the total cost to date of storage. [5700]

Mr. Baldry: As at 15 November 907,477 animals had been slaughtered under the over-30-month scheme, of which 33,624 had been directly incinerated. The carcases of 177,586 animals were held in 40 cold stores at various locations throughout the UK. In addition 112,803 tonnes of meat and bonemeal and 71,451 tonnes of tallow from the rendered remains of OTMS cattle were held in seven MBM stores and two tallow stores awaiting eventual incineration. Storage costs since slaughtering under the scheme began in May were £3.39 million.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Minister of Agriculture, Fisheries and Food if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6019]

Mr. Boswell: I regret that the information requested could be provided only at disproportionate cost.

Horse Sales

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food (1) how many sales at which horses have been sold for export have been notified to his divisional veterinary managers between 1 January and 30 September; [2690]

(2) how many premises have been certified by his officials for the sale of horses for export for *(a)* 1995 and *(b)* between 1 January and 30 September 1996. [2691]

Mrs. Browning *[holding answer 7 November 1996:]:* Divisional veterinary managers were notified of a number of sales of horses in the nine months to 30 September 1996. But no horses were certified for export to other European Union member states directly from those sales.

As at 30 September 1996 there were 41 approved markets in Great Britain with facilities to handle horses for intra-Community trade. Prior to this year, livestock markets were not approved specifically for the handling of horses for intra-Community trade. It is not necessary for sales at which horses are certified for export to non-EU member states to be approved by divisional veterinary managers.

Live Animal Exports

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what guidance he issues in respect of the definition of premises of origin for the purposes of export health certification; and for how many days animals have to be held at such premises prior to export. [4255]

Mrs. Browning *[holding answer 15 November 1996]:* There is no specific definition of premises of origin. For cattle and pigs for breeding and production, there is a requirement that the animals have remained on holdings for 30 days preceding loading or since birth. Time spent at an approved collection centre, assembly point or place of loading may be counted as part of the 30-day period. Similarly, rams for breeding must be kept for 60 days on a holding where no case of contagious epididymitis has been diagnosed in the previous 12 months.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food how many live sheep have been exported from the United Kingdom between July and October, inclusive. [4250]

Mrs. Browning *[holding answer 15 November 1996]:* The information gathered by the Ministry's staff monitoring exports at Dover shows that the number of live sheep exported during this period was:

	Number
July	131,730
August	142,398
September	139,767
October	118,696

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food how many loadings of consignments of sheep destined for export have been supervised by MAFF full-time staff since March 1996. [4251]

Mrs. Browning *[holding answer 15 November 1996]:* The loadings of 16 consignments of sheep were supervised in this period.

Southall Horse Market

Mr. Harry Greenway: To ask the Minister of Agriculture, Fisheries and Food when his officials last inspected the Southall horse market; what was the outcome; and if he will make a statement. [3994]

Mrs. Browning *[holding answer 21 November 1996]:* The last inspection visit was made on the 30 October 1996. Discussions on the welfare standards to be observed were also held with representatives of the market operator.

Lydden Lairage (Incident)

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what report he has received regarding an incident at Lydden lairage on 5 October; and if he will make a statement. [5458]

Mrs. Browning *[holding answer 21 November 1996]:* The Ministry received telephone reports about ill sheep at Lydden Court farm on 5 October. A number of demonstrators were outside the premises and the police were also present. Arrangements were made for veterinary advice to be given to the owner of the premises by his private veterinary surgeon.

Hedley Loams Ltd.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what amount of damages have been claimed in the last two years from the Government by Hedley Loams Ltd. or its livestock consultant. [5401]

Mrs. Browning *[holding answer 21 November 1996]:* A claim for damages from Hedley Loams (Ireland) Ltd. is outstanding. We have not received any formal notification of the amounts claimed.

ADAS

Dr. Strang: To ask the Minister of Agriculture, Fisheries and Food how much public money has been spent on ADAS in respect of *(a)* new buildings, *(b)* land, *(c)* equipment, *(d)* work on existing buildings and *(e)* staff training in each of the last five years, setting out details of each item of expenditure of £100,000 or more. [5374]

Mr. Douglas Hogg *[holding answer 21 November 1996]:* The information is as follows:

(a) New buildings

1992–93: £1.145 million

1993–94: £1.097 million

1994–95: £2.372 million

1995–96: £0.015 million

This includes:

1992–93: £1.129 million BSE experimental facilities

1993–94: £1.097 million Pollution control facilities on farms

1994–95: £1.214 million Field trial buildings

1994–95: £0.350 million New farm building

1994–95: £0.750 million Headquarters building at Kidlington

(b) Land

1992–93: Nil

1993–94: Nil

1994–95: £0.050 million

1995–96: Nil

(c) Equipment and other assets

1992–93: £2.892 million

1993–94: £3.040 million

1994–95: £2.363 million

1995–96: £2.593 million

This includes:

1992–93: £0.171 million Simultaneous spectrometer

1992–93: £0.394 million Computer

1992–93: £0.295 million Computer

1992–93: £0.154 million Furniture

1992–93: £0.169 million Linear irrigator

1993–94: £0.223 million IT equipment

1993–94: £0.344 million Milk testing equipment

1993–94: £0.101 million Software licences

1994–95: £0.207 million IT equipment

1994–95: £0.797 million Milk quota

(d) Existing buildings

1992–93: £1.313 million

1993–94: £1.137 million

1994–95: £3.368 million

1995–96: £1.756 million

This includes:

1994–95: £2.000 million Refurbishment of Wolverhampton laboratory

1995–96: £0.204 million Refurbishment of offices at Worcester

(e) Training

1992–93: £0.238 million

1993–93: £0.325 million

1994–95: £0.358 million

1995–96: £0.432 million

Information for 1991–92, before ADAS became an agency, is not available for any of these categories.

Arable Area Payments

Mr. Tipping: To ask the Minister of Agriculture, Fisheries and Food what was the *(a)* average, *(b)* maximum and *(c)* minimum payment made in 1995 under the arable area payments scheme in (i) Nottinghamshire and (ii) Oxfordshire. [5676]

Mr. Baldry: The table sets out the information requested. Some claimants will have received more than one payment. The minimum figures given are for the smallest payments actually made.

Payments made under the arable area payments scheme 1995

	Average £	*Maximum* £	*Minimum* £
Nottinghamshire	15,050.19	538,302.03	478.05
Oxfordshire	22,294.35	482,672.54	302.03

SOCIAL SECURITY

EDS Ltd.

Mr. McNamara: To ask the Secretary of State for Social Security how many contracts his Department, agencies and associated bodies have had with EDS for each year since 1985; what was the value of each contract; if he will indicate for each contract *(a)* if it was completed, *(b)* what modifications were made at the request of (i) the company and (ii) the Department and (c) if work under contract is being undertaken in-house; and if he will make a statement on the number of job reductions in his Department arising from the contracting out of work by EDS. [3820]

Mr. Burt: I refer the hon. Member to the reply I gave the hon. Member for Wallasey (Ms Eagle) on 7 March, *Official Report*, columns *350–351*.

Further information is not readily available and could be provided only at disproportionate cost.

Departmental Costs

Sir Ralph Howell: To ask the Secretary of State for Social Security what are the current (i) administrative and overhead costs required to administer social security claims and payments and (ii) numbers of civil servants and benefit centres; and what were the costs in each year since 1980 at 1996 prices. [4118]

Mr. Burt: The information is in the table.

£ million

Year	Administration	1996–97 prices
1979–80	837	2,208
1980–81	1,073	2,393
1981–82	1,273	2,588
1982–83	1,381	2,621
1983–84	1,548	2,808
1984–85	1,678	2,898
1985–86	1,734	2,839
1986–87	1,879	2,986
1987–88	2,372	3,579
1988–89	2,518	3,561
1989–90	2,765	3,655
1990–91	2,571	3,147
1991–92	2,849	3,282
1992–93	3,182	3,522
1993–94	3,406	3,663
1994–95	3,283	3,466
1995–96	3,410	3,504
1996–97	3,463	3,463

[1] The figures shown represent total administrative costs including administrative grants.

[2] The figures for the financial years 1990–91 to 1996–97 are taken from the 1996 Social Security departmental report.

[3] The figures prior to 1990–91 include the Department of Social Security repayment to the Department for Education and Employment for the administrative costs of the unemployment benefit service, which has now ceased, and are taken from the appropriate social security departmental reports and government expenditure plans.

[4] Social Security claims and payments are administered via 155 district offices, three benefit centres in Ashton in Makerfield, Belfast and Glasgow and four benefit directorates dealing with centrally administered benefits at Blackpool, Preston, Newcastle and Washington. The current number of civil servants is 92,038.

Incapacity Benefit

Mrs. Ray Michie: To ask the Secretary of State for Social Security (1) what was the total number of applicants for *(a)* long-term and *(b)* short-term incapacity benefit in the past year; [4460]

(2) how many people were refused *(a)* long-term and *(b)* short-term incapacity benefit in the past year; [4462]

(3) what was the total number of people in receipt of *(a)* long-term and *(b)* short-term incapacity in the past year. [4461]

Mr. Burt: The information is not available in the format requested. Such information as is available is in the tables.

Following a claim for incapacity benefit those who have paid sufficient national insurance contributions and who are incapable of work in their previous occupation are awarded the short-term benefit. After 28 weeks, although a further claim is not required, recipients must be incapable of all work to continue to receive benefit. If incapacity continues beyond 52 weeks, the long-term rate of incapacity benefit is automatically awarded without the need for a further claim.

Rate of incapacity benefit	Claims (October 1995 to September 1996)	Disallowances (October 1995 to September 1996)
Short term (up to 28 weeks)	1,054,000	[1]391,000
Short term (from 28 weeks) and Long Term	n/a	[2]112,300

n/a = not available

Rate of incapacity	[3]Recipients (as at 341 May 1996)
Short term (up to 28 weeks)	117,000
Short term (from 28 weeks)	105,000
Long term (from 52 weeks)	1,572,000

[1] Number of claimants who have not paid sufficient national insurance contributions and those judged to be capable of their previous occupation; 100 per cent. sample of incapacity benefit computer system.

[2] Claimants failing the all work test; 5 per cent. sample of incapacity benefit computer system.

[3] The latest date for information is available.

[4] All figures exclude a small number of cases not held on the system.

Mr. Alan Howarth: To ask the Secretary of State for Social Security what estimate he has made of *(a)* the numbers gaining and *(b)* the cost, if claimants of incapacity benefit with part-time earnings retained benefit at a rate reduced pound for pound where earnings exceed the limit. [4266]

Mr. Burt: None.

Incapacity benefit is intended to support people incapable of work. A small amount of paid work is permitted but only if such work is directly beneficial to the particular medical condition of the claimant and will help aid their recovery. It would be inappropriate to continue to pay incapacity benefit to those who become able to support themselves in paid employment. Disability working allowance is available to help top up earnings of people moving from incapacity benefit into paid work.

Benefits Agency

Mr. Worthington: To ask the Secretary of State for Social Security (1) what is the staffing complement of the Benefits Agency office in Clydebank; how many casual staff are currently employed; and in what capacity. [4513]

(2) what measures are in place to ensure that casual and partly trained staff are not employed in direct contact with clients to administer benefits in the Benefits Agency office in Clydebank; [4512]

(3) what estimate he has made of the impact of the annual staffing costs in the Clydebank Benefits Agency office arising from the employment of casual rather than permanent staff. [4514]

Mr. Roger Evans: This is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Tony Worthington, dated 21 November 1996:

The secretary of State for Social Security has asked me to reply to your recent Parliamentary questions asking what is the staffing complement of the Benefits Agency (BA) office in Clydebank; how many casual staff are currently employed; and in what capacity;

what measures are in place to ensure that casual and partly trained staff are not employed in direct contact with clients to administer benefits in the BA office in Clydebank; what estimate he has made of the impact on the annual staffing costs in the Clydebank BA office from the employment of casual rather than permanent staff.

As at 31 October 1996 there were 157 staff in post at the Benefits Agency office in Clydebank. This figure included 10 staff employed on a casual basis on general administrative assistant duties. There are no vacancies at present.

All staff in the Benefits Agency office in Clydebank who are in direct contact with customers receive appropriate training for these duties. Staff in contact with the public receive between 1–15 weeks training depending on the nature of their duties and their previous experience. This training also includes time observing an experienced receptionist.

Casual staff employed by the Benefits Agency at Clydebank office are paid on the same payscales as their equivalent permanent counterparts. They do not, in common with all casual civil servants, belong to the non contributory Principal Civil Service Pension Scheme. There are no savings from this to the local office staffing budget.

I hope you find this reply helpful.

Environmental Auditing

Mr. Martyn Jones: To ask the Secretary of State for Social Security if he will list the ways in which his Department has *(a)* demonstrated by example and *(b)* promoted externally, the ability to improve efficiency and competitiveness through environmental auditing; and if he will make a statement. [4531]

Mr. Burt: The policy for the use of the Department's resources ensures that full account is taken of the needs of the environment. For example:

The DSS is a signatory to the corporate commitment to energy efficiency. Energy consumption for the estate is monitored and progress towards the Government targets are reported annually to the Department of Environment.

All our new buildings and major refurbishments are audited for their environmental performance to obtain Building Research Establishment environmental assessment method (BREEAM) accreditation.

The Department is a founder member of London's first clean air charter for fleet best practice. This commits the Department to improving the environmental performance of our official vehicles over the next three years.

The Department's environmental initiatives and performance are promoted externally through our membership of organisations such as the Environment Council and through the Social Security report, published annually.

Child Support Agency

Ms Lynne: To ask the Secretary of State for Social Security what targets he proposes to set for operating cost reductions at the Child Support Agency; and what time scale applies. [4736]

Mr. Andrew Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Ms Liz Lynne, dated 21 November 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency operating costs.

The Agency is committed to living within the resource budget set annually by the Secretary of State. The budget allocated to the Agency for 1996–97 is £207 million. The planned expenditure for the Agency as outlined in the DSS Departmental Report 1996–97 to 1998–99 is:

1997–98: £213 million

1998–99: £192 million

I hope this is helpful.

Public Caller Offices

Dr. Marek: To ask the Secretary of State for Social Security what has been the cost in the last four years of refurbishing the public caller offices in Wales. [5252]

Mr. Roger Evans: This is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Dr. John Marek, dated 21 November 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking what has been the cost in the last four years of refurbishing the public caller offices in Wales.

£12,174,487 has been spent refurbishing public caller offices in Wales during the last four financial years. This figure is provisional and subject to change.

I hope you find this reply helpful.

Invalidity Benefit

Mr. McNamara: To ask the Secretary of State for Social Security (1) how many people, covered by the Hull benefits office, were in receipt of invalidity benefit on *(a)* 31 March 1995 and *(b)* the latest available date; [4711]

(2) how many people formerly in receipt of invalidity benefit in the area covered by the Hull benefit office are now in *(a)* full-time and *(b)* part-time employment. [4708]

Mr. Burt: The administration of invalidity benefit is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Kevin McNamara, dated 21 November 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions asking how many people, covered by the Hull Benefits Office, were in receipt of Invalidity Benefit (IVB) on (a) 31st March 1995 and (b) the latest available date; and how many people formerly in receipt of IVB in the area covered by the Hull Benefit Office are now in (a) full-time and (b) part-time employment.[4708].

The information is not available in the format requested. Statistics are not collated for customers leaving IVB to take up full or part time employment. The information available is shown in the table below:-

Hull district benefits agency

Customers in receipt of invalidity benefit on 31 March 1995	*Customers in receipt of incapacity benefit on 30 September 1996*[1]
12,931	13,238

Figures are provisional and subject to change.[1] Sickness benefit and IVB were replaced by incapacity benefit (IB) from 13 April 1995. The figure quoted is for IB short term higher and IB long term, ie cases from the 29th week of incapacity. this is comparable to IVB.

I hope you find this reply helpful.

Child Maintenance

Lady Olga Maitland: To ask the Secretary of State for Social Security what new legislation he intends to introduce so that parents with care on benefit derive direct advantage from the child maintenance that they receive. [6137]

Mr. Andrew Mitchell: I have today laid before Parliament regulations which introduce a new scheme called the child maintenance bonus. This scheme will allow parents with care on income support or income-based jobseeker's allowance who are also receiving child maintenance to build up a weekly credit of £5—or the weekly amount of maintenance, if less—towards a lump sum of up to £1,000, payable when they leave benefit for work. Subject to the approval of Parliament, the scheme will begin on 7 April 1997.

This new initiative will provide a direct cash benefit for parents with care from maintenance they receive, enhancing the incentive for them to find employment while also encouraging compliance with the Child Support Agency among both parents with care and absent parents.

I have also today laid a package of regulations which make a number of miscellaneous amendments to child support regulations to simplify and speed up the handling of applications. This package includes a measure to increase the effectiveness of reduced benefit directions and a regulation which defers the re-introduction of fees for the services of the Child Support Agency until April 1999.

Retirement Pensioners

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Social Security what estimate he has made of the number of pensioners who depend (a) wholly and (b) very largely on state pension, broken down by (i) standard region of England, (ii) England, (iii) Wales, (iv) Scotland and (v) the United Kingdom; and in each case what are the figures as a percentage of the population of that area. [5017]

Mr. Heald: The information is not available in the format requested. Such information as is available is in the table.

Due to the small sample size of the family expenditure survey and the method of grossing applied to the figures, it is not possible to provide reliable estimates for regions or individual countries within the United Kingdom.

Numbers of pensioner units dependent upon state pension in the united kingdom

Pensioner units	*Numbers*	*Proportion of all pensioner units per cent.*	*Proportion of overall population (benefit units)*
Wholly Dependent	150,000	2	Negligible
"Very Largely Dependent" (75 per cent. + per cent.)	1,600,000	23	5 per cent.

Notes:

1. For the purposes of this reply, the term "very largely dependent" has been interpreted to mean those pensioner units who receive 75 per cent, or more of their income from state pensions.

2. For the purposes of this reply, "state pensions" includes retirement pension, widows benefits, incapacity benefit and unemployment benefit for those over state pension age. The estimates include SERPS and graduated retirement benefit.

3. Estimates of numbers of pensioner units are shown to the nearest 50,000. Percentages are shown to the nearest whole percentile. Any estimate of less than 25,000 or less than 0.5 per cent. is labelled negligible. The estimate of the proportion of the entire population is an estimate of the proportion of the total number of benefit units, as defined in the households below average income series. A benefit unit is defined as being either a single person or a couple, including any children aged 16 years or under and single children in full time education aged 16 to 18. A pensioner unit is defined as being a single person over state pension age, or a couple where the husband is over state pension age.:

Source: Pensioners' incomes series 1993, based mainly on data from the 1993 family expenditure survey.

Anti-fraud Campaign

Mr. Stott: To ask the Secretary of State for Social Security how much money has been allocated to the Benefits Agency in Wigan in order to fund the Spotlight on Benefit Cheats campaign. [5268]

Mr. Heald: The total estimated cost for all 14 current locations and the associated publicity is £3 million. We estimate that costs (excluding publicity) for spotlight activities in the Wigan area is £160,000.

Mr. Stott: To ask the Secretary of State for Social Security in how many areas of the country the Spotlight on Benefit Cheats campaign is running. [5267]

Mr. Heald: The Spotlight on Benefit Cheats campaign is currently running in 14 areas of the country.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Social Security how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5421]

Mr. Burt: The information is not readily available in the format requested and could be obtained only at disproportionate cost. Such information as is available is in the tables.

Date	Classification	Total	Benefits Agency	Child Support Agency	Contributions Agency	Information Technology Services Agency	Resettlement Agency	War Pensions Agency
1 April 1992	Full-time permanent staff	73,325	58,659	—	7,668	3,973	432	—
	Part-time permanent staff	9,904	8,210	—	1,277	197	60	—
	Casual staff	3,103	2,563	—	201	219	22	—
1 April 1993	Full-time permanent staff	78,779	59,335	2,649	8,566	3,986	338	—
	Part-time permanent staff	12,091	9,441	576	1,608	165	41	—
	Casual staff	4,736	3,486	42	344	501	23	—
1 April 1994	Full-time permanent staff	80,212	58,423	4,303	9,077	3,903	259	1,426
	Part-time permanent staff	13,843	10,947	897	1,487	190	34	137
	Permanent staff with fixed-term contracts	2,711	1,594	138	543	270	36	58
	Casual staff	5,762	4,109	519	212	611	51	154
1 April 1995	Full-time permanent staff	79,354	58,918	5,256	7,880	3,433	125	1,199
	Part-time permanent staff	15,260	11,964	1,140	1,587	162	14	156
	Permanent staff with fixed-term contracts	3,166	2,441	79	121	414	21	23
	Casual staff	5,086	3,616	207	501	387	5	264
1 April 1996	Full-time permanent staff	80,310	62,480	5,666	6,615	1,893	—	1,084
	Part-time permanent staff	16,964	13,809	1,305	1,323	96	—	174
	Permanent staff with fixed-term contracts	4,583	3,595	352	163	273	—	51
	Casual staff	4,633	3,206	285	574	367	—	74

[1] The Child Support Agency was launched on 1 April 1993.
[2] The War Pensions Agency was launched on 1 April 1994.
[3] The Resettlement Agency ceased to exist on 31 March 1996.
[4] Staff on fixed-term contracts are included in the numbers of permanent staff.
[5] All non-permanent staff are classified as casuals.

Fishermen

Mrs. Ray Michie: To ask the Secretary of State for Social Security (1) what consultations he has had with the fishing industry about the impact of the jobseeker's allowance on those who previously claimed unemployment benefit following the detention of vessels in port as a result of bad weather or repairs; [5589]

(2) what plans he has to exempt fishermen from the jobseeker's allowance in order to allow them to claim unemployment benefit when their vessel is detained in port due to bad weather or repairs; [5590]

(3) what steps are being taken to help fishermen who find themselves unable to work as a result of *(a)* bad weather at sea and *(b)* damage to their boat. [5591]

Mr. Roger Evans: Share fishermen have a unique position in the benefit system. They pay a special higher rate of class 2 national insurance contributions. This gives them access to contribution-based jobseeker's allowance in the same way that they previously had access to unemployment benefit. They are the only group of claimants given such special access. This special treatment dates back many years and is in recognition of the hazardous and arduous nature of the work share fishermen do and because fishing quotas and bad weather give them an irregular income.

The Government have introduced for share fishermen a package of special rules in contribution-based jobseeker's allowance which are designed to ensure that they are in a broadly similar financial position to the one that they enjoyed under unemployment benefit. These special rules were developed after detailed discussions with the Minister of Agriculture, Fisheries and Food.

The special rules include an exemption from the 16-hour weekly remunerative work limit, without which they would lose benefit as soon as they worked for more than 16 hours. Share fishermen are also exempt from the rules under which high earnings can be averaged across a period so that they affect benefit in a number of weeks, rather than simply on one occasion. Most jobseeker's allowance claimants have £5 of their part-time earnings disregarded. However, share fishermen benefit from a higher, £15, earnings disregard.

This whole package of special rules clearly illustrates how far the Government have gone in jobseeker's allowance to ensure that share fishermen continue to receive special treatment. The rules are specifically

designed to provide share fishermen with the necessary financial support for those periods when they are unable to fish because of factors such as bad weather or damage to their boat.

Fishermen who are paid employees are treated in the same way as other jobseekers.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for Social Security if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6034]

Mr. Roger Evans: The information could be provided only at disproportionate cost.

Low Incomes

Mr. Llew Smith: To ask the Secretary of State for Social Security what plans he has to resume publication of the annual survey of statistics on low-income families. [6060]

Mr. Andrew Mitchell: None.

A review in 1988 of the methodology used in these statistics revealed methodological weaknesses and it was recommended that they be replaced by the households below average income—HBAI—series. The latest edition of HBAI, for 1979 to 1993–94, was published on 14 November 1996 and a copy is available in the Library.

HEALTH

General Practitioners

Mr. George Howarth: To ask the Secretary of State for Health if he will list the general practitioner fundholding surpluses for each health district in the north west of England. [2942]

Mr. Malone: The latest information available relates to 1994–95 and copies of the tables have been placed in the Library.

Ms Jowell: To ask the Secretary of State for Health how many general practitioners were employed by NHS trusts on 1 September; and which trusts employed them. [4166]

Mr. Malone: The information requested is not held centrally.

Ms Jowell: To ask the Secretary of State for Health what proposals he has to ensure that sufficient numbers of general practitioners are recruited. [4170]

Mr. Malone: There are more general practitioners practising now than ever before, up from 24,035 at October 1995 to 26,830 at March 1996. We intend to publish proposals at the end of the year which will ensure that general practice continues to be an attractive option for doctors.

Ms Jowell: To ask the Secretary of State for Health (1) if he will make a statement on the amount of savings accrued in the budgets of fundholding general practitioners for each year of the scheme's operation; [4171]

(2) if he will make a statement on the total overspends incurred by fundholding general practitioners in each year of the scheme's operation. [4172]

Mr. Malone: In each year of the scheme, fundholding general practitioners in aggregate have made efficiency savings of between 3 and 4 per cent., and overspends normally below 1 per cent. of budgets set. GP fundholder savings are available to be reinvested for the benefits of patients in accordance with regulations.

Ms Jowell: To ask the Secretary of State for Health how many vacancies there were for general practitioners in each health authority area in England on 1 September and on the same date in each year since 1990. [4232]

Mr. Malone: The information requested will be placed in the Library.

Ms Jowell: To ask the Secretary of State for Health how many single-handed general practitioners were practising per health authority in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97. [4186]

Mr. Malone: The available information will be placed in the Library.

Mr. Corbyn: To ask the Secretary of State for Health what is the average number of people allocated to a general practitioner in London; what is the highest and lowest number; and what was the equivalent figure for 1994 and 1995. [5189]

Mr. Malone: Information is not available centrally about patients allocated to general practitioners by health authorities.

Mr. Corbyn: To ask the Secretary of State for Health what is his estimate of the number of London NHS users who did not have access to a general practitioner *(a)* in 1994, *(b)* in 1995 and *(c)* at the latest available date; and what research his Department has (i) commissioned and (ii) evaluated in this area. [5166]

Mr. Malone: All patients have the right to be registered with a general practitioner and can expect their local health authority to find a general practitioner within two working days.

NHS Trusts (Finance)

Mr. Chris Smith: To ask the Secretary of State for Health what proposals he has to amend the 1995–96 requirement for return on capital placed on NHS trusts during the next five months; and if he will make a statement. [4697]

Mr. Horam: We have no proposals to amend the 6 per cent. return on capital requirement placed on national health service trusts.

Mr Bayley: To ask the Secretary of State for Health how many national health service trusts there were in England in 1995–96; and how many failed *(a)* to break even, *(b)* to achieve their target rate of return on relevant net assets, *(c)* to stay within their external financing limit and *(d)* to meet one or more of these targets. [5588]

Mr. Horam: In 1995–96 there were 433 national health service trusts in England. Financial information for 1995–96 will be available shortly following analysis and validation of the trust audited annual accounts by the NHS executive.

Mathematicians (Research Groups)

Mr. Deva: To ask the Secretary of State for Health which of the current research groups sponsored by his Department working on AIDS and cancer research contain qualified mathematicians in them. [4965]

Mr. Horam: The Department's policy research programme funds the clinical operational research unit at University college London, whose work includes the development and application of mathematical and statistical models and decision analysis related to clinical aspects of health care, including cancer. The majority of researchers within the unit are qualified mathematicians. The Department funds CORU by £210,000 per year.

Health Authorities (Finance)

Ms Jowell: To ask the Secretary of State for Health if he will list the health authorities facing deficits at the end of this financial year as a result of general practitioner fundholders spending above their agreed budgets. [5379]

Mr. Malone: Information about projected health authority income and expenditure for the current year was recently placed in the Library. Details about possible causes of each individual surplus or deficit are not available centrally.

Ms Jowell: To ask the Secretary of State for Health how many health authorities are predicting budget deficits of more than £1 million for the coming financial year. [4169]

Mr. Malone: Health authorities are currently developing their financial plans for 1997–98. Information concerning these plans has not yet been collected centrally. Health authorities are required to submit their financial plans for 1997–98 to the executive in April 1997.

NHS Executives

Mr. Redmond: To ask the Secretary of State for Health if he will list the current chairmen of area NHS executives who have been provided with corporate credit cards. [5136]

Mr. Malone: None of the regional chairmen have corporate credit cards.

Mr. Chris Smith: To ask the Secretary of State for Health if he will list *(a)* the names, *(b)* the duties and *(c)* the remuneration of the chairs of the regional offices of the NHS executive. [5287]

Mr. Malone: The information requested has been placed in the Library.

Mr. Redmond: To ask the Secretary of State for Health on what grounds the chairmen of former regional health authorities have been issue with corporate credit cards; and if he will make a statement. [5182]

Mr. Malone: The issues of corporate credit cards to the chairmen of regional health authorities for expenditure incurred in undertaking their national health service business was a matter for each regional health authority.

Former Mental Hospitals

Mr. Redmond: To ask the Secretary of State for Health what plans he has to ensure that former mental hospitals within the former metropolitan regional health authorities are cleared and made safe. [5186]

Mr. Burns: If a former mental hospital is owned by a national health service trust the responsibility for closure and subsequent security lies with the trust.

If the property is owned by my right hon. Friend the Secretary of State for Health, the responsibility for closure and any decommissioning lies with the trust occupying the property. Once it is vacant, my right hon. Friend the Secretary of State for Health, through the regional office of the NHS executive, becomes responsible for day-to-day management and security. The security arrangements will depend upon the nature of the property but will normally comprise 24-hour presence of security guards and boarding up. If appropriate, demolition will be instigated.

British Medical Association

Mr. Callaghan: To ask the Secretary of State for Health when he last met British Association officials; and what matters were discussed. [5848]

Mr. Malone: Officials acting on behalf of my right hon. Friend the Secretary of State regularly meet representatives of the British Medical Association and discuss a range of issues.

Dental Services

Ms Jowell: To ask the Secretary of State for Health if he will list the community dentistry budget for England for each year since 1990. [4236]

Mr. Malone: Expenditure on community dental services between 1990–91 and 1993–94 is given in the table. Separate expenditure figures for the CDS are not available centrally for later years. The level of future expenditure on the community dental service is a matter for health authorities, as the local purchasers of health care, to decide.

Expenditure on community dental services

England

Year	*Expenditure (£ million)*
1990–91	61.156
1991–92	67.653
1992–93	75.770
1993–94	78.545

Ms Jowell: To ask the Secretary of State for Health how many people were seen by the community dental services in age ranges *(a)* nought to four years, *(b)* five to 15 years, *(c)* 16 to 64 years and *(d)* 65+ years since 1990. [4240]

Mr. Malone: Data are collected only in the categories shown in the table:

Community dental service: count of all occasions on which a patient was in contact with a member of the community dental service and was given treatment or advice, from 1990–91 to 1994–95

England

Ages	*1990–91*	*1991–92*	*1992–93*	*1993–94*	*1994–95*
All ages	2,412,343	2,565,096	2,652,544	2,481,963	2,498,494
0 to 4	215,080	229,225	226,420	206,758	210,275
5 to 15	1,893,244	1,984,823	2,033,603	1,876,924	1,857,330
16 to 64	232,474	267,530	294,250	298,341	323,468
65 and over	71,545	83,518	98,271	99,940	107,421

1. Figures represent a count of each and every occasion on which a patient was in contact with a member of the community dental service. Figures therefore may include an element of double counting. The number of individual patients seen will be smaller than this.
2. This table will include some patients who were seen in screening or preventive programmes.

Ms Jowell: To ask the Secretary of State for Health how many patients have been waiting more than four months for dental surgery in the *(a)* South Thames, *(b)* North Thames, *(c)* South West and *(d)* Oxford and Anglia regions. [4239]

Mr. Malone: The information requested is not available centrally.

Ms Jowell: To ask the Secretary of State for Health how many dentistry check-ups his Department recommends children should receive during primary school. [4237]

Mr. Malone: The community dental service is advised to screen the teeth of children in state-funded schools at least three times in each child's school life, or more frequently in areas where dental health is generally poor.

Ms Jowell: To ask the Secretary of State for Health how many domiciliary visits were made by members of the community dental services in *(a)* 1993–94, *(b)* 1994–95, and *(c)* 1995–96. [4241]

Mr. Malone: This information is not collected centrally.

Ms Jowell: To ask the Secretary of State for Health what is the incidence of dental disease in children under five years in the *(a)* South Thames, *(b)* North Thames, *(c)* South West and *(d)* Oxford and Anglia regional health authorities. [4238]

Mr. Malone: This information is not collected centrally.

NHS Pay Negotiations

Ms Jowell: To ask the Secretary of State for Health how many working hours were spent by the management of each NHS trust on pay negotiations in *(a)* 1994–95, and *(b)* 1995–96; and what is the estimated cost to each trust of this working time. [4244]

Mr. Malone: The information requested is not available centrally.

Ms Jowell: To ask the Secretary of State for Health how many NHS trusts had not concluded pay negotiations for the year 1996–97 on 1 October 1996. [4245]

Mr. Malone: On 1 October we knew of 37 pay settlements in the 429 national health service trusts in England. The latest information is that 120 have settled.

Waiting Times

Ms Jowell: To ask the Secretary of State for Health if he will list by health authority the number of people who waited 30 minutes or longer between arrival in out-patient clinics and the start of their consultation with the doctor for each quarter since 1 January 1995. [4243]

Mr. Horam: Information on the percentage of people who waited 30 minutes or longer in an out-patients department is shown in the patients charter quarterly monitoring returns. Copies have been placed in the Library.

From 1 April 1996, health authorities submit quarterly performance data to the centre by exception only. Information for all health authorities will only be collected for the quarter ending 31 March 1997.

Ms Jowell: To ask the Secretary of State for Health what was the average waiting time between receipt of referral letter and initial out-patient consultation for patients with suspected *(a)* breast cancer, *(b)* prostate cancer, *(c)* testicular cancer, *(d)* liver cancer, *(e)* skin cancer, *(f)* oral cancer, *(g)* lung cancer and *(h)* childhood cancer for each of the first two quarters of 1996 and each year since 1990. [4242]

Mr. Horam: This information is not available centrally.

NHS Management Trainees

Ms Jowell: To ask the Secretary of State for Health how many NHS management trainees on the national training scheme there were in each of the last five years; and how many of those trainees were offered full-time employment at the end of their course. [4233]

Mr. Malone: Records on the number of management trainees on the 1992 NHS management training scheme in England are not held centrally.

Of 68 trainees who completed the scheme starting in 1993, 63 accepted offers of appointment in the NHS. Of 60 trainees who have so far completed the scheme starting in 1994, to date 46 have accepted offers of appointment in the NHS.

Of the trainees currently on the scheme, 58 started in 1995 and 40 started in 1996.

Private Finance Initiative

Ms Jowell: To ask the Secretary of State for Health what has been the cost of legal fees incurred by private finance initiative schemes for the health service for the last two years. [4167]

Mr. Horam: Information on legal fees incurred by private finance initiative schemes in the national health service is not held centrally.

Ms Jowell: To ask the Secretary of State for Health what is the total cost of consultancy fees incurred by private finance initiative schemes for the last two years. [4168]

Mr. Horam: Information on consultancy fees incurred by private finance initiative schemes is not held centrally.

Ms. Jowell: To ask the Secretary of State for Health what is the total value of NHS information technology contracts being tested through the private finance initiative for *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97. [4182]

Mr. Horam: There have been 11 private finance initiative schemes with an information technology element in the national health service with a whole life cost of £1 million or over approved since 1995. The total capital value of these schemes is £57.3 million. Information on all information technology schemes currently testing for PFI is not held centrally.

Tuberculosis

Ms Jowell: To ask the Secretary of State for Health how many cases of tuberculosis were diagnosed per health authority in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97. [4185]

Mr. Horam: Information on the numbers of notifications of tuberculosis, excluding chemoprophylaxis, are not available in the form requested. Numbers of notifications to the Office for National Statistics are published by local authority in the publications "MB2 Communicable Disease Statistics" annually and "MB2 Infectious Disease Statistics" quarterly. Copies are available in the Library. Approximate numbers of notifications of tuberculosis, excluding chemoprophylaxis, for regional health authorities for 1994 and for regional offices for 1995 and the first two quarters of 1996 are as follows:

Tuberculosis notifications (excluding chemoprophylaxis) by regional health authority[1]

	1994 numbers
Northern	184
Yorkshire	400
Trent	459
East Anglia	76
North-west Thames	851
North-east Thames	916
South-east Thames	427
South-west Thames	265
Wessex	128
Oxford	180
South Western	139
West Midlands	730
Mersey	103
North Western	551

[1] Local authorities have been allocated to regional health authorities regional offices as accurately as differences in boundaries allow.

Tuberculosis notifications, excluding chemoprophylaxis, by regional office[1]

	1995 numbers	*March quarter 1996 numbers*	*June quarter 1996 numbers (provisional)*
Northern and Yorkshire	641	155	153
Trent	506	164	121
Anglia and Oxford	278	69	76
North Thames	1,797	419	502
South Thames	642	168	175
South and West	278	63	57
West Midlands	654	146	177
North West	630	140	148

[1] Local authorities have been allocated to regional health authorities/regional offices as accurately as differences in boundaries allow.

Paediatric Beds

Ms Jowell: To ask the Secretary of State for Health how many paediatric beds there were by health authorities in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97 at the latest date. [4187]

Mr. Horam: The information is not available centrally in the form requested. The information that is available is contained in "Bed Availability for England", copies of which are available in the Library.

Prescriptions

Ms Jowell: To ask the Secretary of State for Health what are the 10 most expensive drugs prescribed by the NHS *(a)* in terms of cost per annum and *(b)* per item; and what research has been carried out by his Department into the relative cost effectiveness of those drugs. [4189]

Mr. Malone: The information requested is shown in the lists. Information on research commissioned by the Department of Health is contained in "The Centrally Commissioned Research Programme" and "The Centrally Commissioned Research Programme: Commissions in 1994–95", copies of which are available in the Library.

Top 10 preparations in terms of net ingredient cost

England 1995

Losec capsules E/C 20mg

Zantac tablets 150mg

Prozac capsules 20mg

Adalat Ret tablets 20mg

Zantac tablets 300mg

Istin tablets 5mg

Serevent inhaler 25mcg (120 Dose)

Becloforte inhaler 250mcg (200 Dose)

Havrix monodose vaccine 1440u/ml 1 ml Pf Syrg

Seroxat tablets 20mg

Notes:

1. The data covers all prescriptions dispensed by community pharmacists and appliance contractors, dispensing doctors, and prescriptions submitted by prescribing doctors for items personally administered in England.

2. The net ingredient cost is the cost of drugs before discount and does not include any dispensing costs or fees.

Top 10 preparations in terms of average net ingredient cost per prescription item

England 1995

Ceredase intravenous infusion 80u/ml 5ml bottle

Ceredase intravenous infusion 10u/ml 5ml bottle

Ceftazidime/sodium chloride infusion 100ml (specify)

Ceftazidime/sodium chloride infusion 50ml (specify)

Alphaglobin intravenous infusion 5 per cent. 10g/200ml

Ganciclovir/sodium chloride infusion 100ml (specify)

Ganciclovir Inv 100ml (specify)

Foscarnet sodium/sodium chloride infusion 250ml (specify)

Desferriox Mesyl/water for infusion infusion 100ml (specify)

Gamimune-N Intravenous Infusion 5 per cent. 5g/100ml

Notes:

1. The data cover all prescriptions dispensed by community pharmacists and appliance contractors, dispensing doctors, and prescriptions submitted by prescribing doctors for items personally administered in England.

2. The net ingredient cost is the cost of drugs before discount and does not include any dispensing costs or fees.

3. For reasons of confidentiality, individual preparations where less than 50 prescription items were dispensed are excluded.

Ms Jowell: To ask the Secretary of State for Health (1) what was the total amount paid by patients for all prescriptions in each year since 1974–75; [4191]

(2) if he will list the standard price paid by patients per prescription item in each year between October 1974 and October 1996 and the real-terms percentage increase in the standard price paid per prescription item in each of those years. [4190]

Mr. Malone: The information is in the table.

Financial year	*Total income from prescription charges £ million*	*Prescription charge per item (as at 1 April unless otherwise stated) £*	*Real terms percentage increase/decrease in charge per item year on year*
1974–75	22.000 (estimated)	0.20	—
1975–76	22.690	0.20	–20.3
1976–77	23.131	0.20	–11.9
1977–78	23.349	0.20	–12.0
1978–79	24.206	0.20	–10.1
1979–80	38.646	[1]0.45	92.8
1980–81	70.753	0.70	31.5
1981–82	86.620	[2]1.00	30.3
1982–83	102.792	1.30	21.4
1983–84	110.044	1.40	2.9
1984–85	120.748	1.60	8.8
1985–86	127.756	2.00	18.5
1986–87	147.884	2.20	6.8
1987–88	157.540	2.40	3.6
1988–89	176.928	2.60	1.5
1989–90	189.342	2.80	0.7
1990–91	205.892	3.05	0.9
1991–92	215.215	3.40	4.8
1992–93	242.041	3.75	5.8
1993–94	265.279	4.25	10.2
1994–95	287.155	4.75	9.8
1995–96	298.746	5.25	7.9
1996–97	n/a	5.50	2.5

[1] Week end finishing 16 July 1979.
[2] Week end finishing 1 December 1980.

Ms Jowell: To ask the Secretary of State for Health if he will list the number and value of prescriptions presented for *(a)* each exemption category and *(b)* patients not exempt from charges in each of the past five years. [4193]

Mr. Malone: The information requested is in the "Statistical Bulletin: Statistics of prescriptions dispensed in Family Health Services Authorities: England 1985 to 1995", copies of which are available in the Library.

NHS Pension Scheme

Ms Jowell: To ask the Secretary of State for Health what plans he has to include all staff working in primary health care in the NHS pension scheme. [4195]

Mr. Malone: I refer the hon. Member to the reply that I gave to the hon. Member for Peckham (Ms Harman) on 17 June 1996, *Official Report*, column *352*.

Nurses

Ms Jowell: To ask the Secretary of State for Health how many nurses were employed by NHS trusts in *(a)* accident and emergency, *(b)* general medicine, *(c)* paediatrics, *(d)* cardiology, *(e)* general surgery, *(f)* intensive care, *(g)* paediatric intensive care and *(h)* in total in each of the last six years. [4229]

Mr. Horam: This information can be provided only at disproportionate cost.

Ms Jowell: To ask the Secretary of State for Health how many newly qualified nurses there were in each of the past six years; and what was his Department's estimate of the national requirement for newly qualified nurses in each of those years. [4234]

Mr. Horam: Information relating to the number of newly qualified nurses is collected by the English National Board for Nursing, Midwifery and Health Visiting and published in its annual report, copies of which are available in the Library.

Ms Jowell: To ask the Secretary of State for Health how many cases of professional misconduct were upheld against nurses in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97. [4180]

Mr. Horam: The information is not held by the Department of Health.

Ms Jowell: To ask the Secretary of State for Health how many nurses have been recruited from *(a)* Ireland, *(b)* Canada, *(c)* Australia and *(d)* New Zealand by NHS trust for each year since 1991. [4230]

Mr. Malone: This information is not available centrally.

National Blood Authority

Ms Jowell: To ask the Secretary of State for Health if he will publish the accounts, as at 1 October, of the *(a)* National Blood Authority and *(b)* national blood service. [4231]

Mr. Horam: The published accounts of the National Authority are for the year ending 31 March. This is in line with the legal requirement applying to all health bodies. The national blood service is part of the National Blood Authority and does not have separate accounts.

Special Registers

Ms Jowell: To ask the Secretary of State for Health how many special registers there are in England. [4173]

Mr. Burns: Special registers are not a feature of the national health service.

Efficiency

Ms Jowell: To ask the Secretary of State for Health if he will continue to ask the NHS to achieve 3 per cent. efficiency target. [4174]

Mr. Horam: We will announce the 1997–98 efficiency target required of the national health service shortly.

VAT

Ms Jowell: To ask the Secretary of State for Health if he will make a statement on the costs to each health authority arising from the change in value added tax regulations allowing NHS bodies to reclaim VAT on contracted-out services for 1996–97. [4179]

Mr. Horam: On 18 September, Her Majesty's Customs and Excise announced its intention to apply a stricter application of the deadlines for submitting claims for the recovery of the VAT on contracted out services. Following representations from the Department of Health and national health services bodies, Customs announced on 28 October that it would consider claims for periods before 1 April up to the end of November. This will enable the national health service to submit outstanding claims. For 1996–97, they may make claims until 30 June 1997.

Hospital Information Support Systems

Ms Jowell: To ask the Secretary of State for Health how much money has been spent on the design and implementation of the hospital information support systems in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97. [4181]

Mr. Horam: In 1994–95 the national health service executive, through the hospital information support systems initiative, allocated £580,000 to Nottingham City Hospital NHS trust. This was one of the pilot sites for testing out the means of specifying, purchasing and implementing hospital-wide integrated computer systems. This was the final allocation of funds to an NHS trust under the HISS initiative against design and implementation of hospital information support systems. Information on local NHS spend on the design and implementation of hospital information support systems is not held centrally.

Network Scheme

Ms Jowell: To ask the Secretary of State for Health how much the implementation of the NHS network scheme will cost in the current financial year. [4183]

Mr. Horam: During 1996–97, the central cost for managing and monitoring the implementation of NHSnet services is estimated at £4.1 million. Information about the costs of implementing the NHSnet system in each NHS organisation is not held centrally. The capital cost of maintaining and developing the NHS-wide electronic communications system called NHSnet is met by the private sector suppliers of networking services.

Sudden Infant Death Syndrome

Ms Jowell: To ask the Secretary of State for Health how many children died from sudden infant death syndrome in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97. [4184]

Mr. Horam: Statistics on sudden infant death syndrome are collected by calendar year. In 1994, 454 children died of sudden infant death syndrome and in 1995, the latest year for which figures are available, 398 children died.

Source: Office for National Statistics Monitor DH3 96/2.

Drugs Expenditure

Ms Jowell: To ask the Secretary of State for Health how much was spent in total by the NHS on drugs for *(a)* hospital, *(b)* community health and *(c)* family practitioner services in each of the past five years; and what proportion of that expenditure is attributable to (i) generic and (ii) branded products. [4188]

Mr. Malone: The available information is shown in the tables.

NHS hospital and community health services drugs expenditure in England

Financial year	*NHS HCHSexpenditure on drugs £ million*
1990–91	460
1991–92	591
1992–93	643
1993–94	710
1994–95	764

Source

The annual publication "Health and Personal Social Services Statistics".

Family health services drugs expenditure in England

Financial year	*FHSExpenditure on drugs £ million*
1991–92	2,317
1992–93	2,641
1993–94	2,951
1994–95	3,230
1995–96	3,498

Source

Department of health annual report.

Note

National Health service expenditure on drugs cannot be split between hospital and community health, and it is not possible to identify what proportion of the hospital and community health services drugs expenditure is attributable to generic and branded products. For family health services, data on the proportion of medicines dispensed generically and by brand are in the latest Statistical Bulletin, copies of which are available in the Library.

Inappropriately Prescribed Drugs

Ms Jowell: To ask the Secretary of State for Health how many hospital admissions in each of the past five years were attributable to inappropriately prescribed drugs during the early treatment of patients. [4192]

Mr. Malone: This information is not collected centrally.

London Emergency Helicopter Service

Ms Jowell: To ask the Secretary of State for Health what was the cost of the London emergency helicopter service in the last financial year. [4194]

Mr. Horam: According to the Royal Hospitals NHS trust which operates the service, the cost of the helicopter and crew was £1.07 million in the 1995–96 financial year.

Elderly Patients (Hospital Beds)

Ms Jowell: To ask the Secretary of State for Health how many patients over 75 years of age have an average length of stay in an acute hospital bed of over four weeks. [4196]

Mr. Burns: The latest information available centrally shows that 289,010 patients with a length of stay over four weeks, and who were aged 75 years and over, were discharged after treatment in the acute sector—excluding geriatric and psychiatric sectors—in national health service hospitals in England in 1994–95.

Mr. Corbyn: To ask the Secretary of State for Health what information his Department collates on the priorities in respect of allocation of hospital provision for the elderly in each London NHS trust; and if he will make a statement. [5152]

Mr. Burns: Information on the priorities of hospital provision for the elderly in individual national health service trusts is not held centrally. National health service care and treatment is open to everyone on the basis of clinical need, irrespective of age. It is for NHS bodies locally to ensure the availability and provision of appropriate services for local residents.

Health and Personal Social Services

Mr. Mallon: To ask the Secretary of State for Health if he will give the per capita cost of public expenditure on health in England and Wales for each year since 1990. [5061]

Mr. Horam: The information for England is shown in the list. The information regarding Wales is a matter for my right hon. Friend the Secretary of State for Wales.

National health service total net—ie Government—expenditure per capita, England

1990–91: £465

1991–92: £526

1992–93: £578

1993–94: £597

1994–95: £628

1995–96: £652

Mr. Mallon: To ask the Secretary of State for Health what was the per capita cost of personal social services in England and Wales for each year since 1990. [5060]

Mr. Burns: Per capita gross current expenditure on personal social services in England from 1990–91 to 1994–95, the latest year for which this information is available, is set out in the list:

1990–91: £98

1991–92: £106

1992–93: £113

1993–94: £129

1994–95: £154

Questions relating to Wales are a matter for my right hon. Friend the Secretary of State for Wales.

Employment Contracts

Mr. Hain: To ask the Secretary of State for Health how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5426]

Mr. Horam: The information is set out in the tables.

There is no distinction in this Department between temporary and causal jobs. Historical information is not available for (c) and (d).

		(a) Full-time	*(b) Part-time*	*(f) Casuals*
1 April 1992	Total Department of Health	4,649	247	159
	Executive agencies	412	30	30
1 April 1993	Total Department of Health	4,716	259	228
	Executive agencies	889	136	68
1 April 1994	Total Department of Health	4,525	322	244
	Executive agencies	954	130	65
1 April 1995	Total Department of Health	4,282	330	271
	Executive agencies	985	112	66
1 April 1996	Total Department of Health	4,588	325	271
	Executive agencies	1,002	92	56

Since 1 January 1996

	(i) renewable	*(ii) unrenewable*
Total Department of Health		
(C) Full-time	208	31
(D) Part-time	8	3
Executive agencies		
(C) Full-time	182	2
(D) Part-time	7	0

Accident and Emergency Departments

Mr. Corbyn: To ask the Secretary of State for Health if he will list the total capacity of each accident and emergency department in *(a)* 1994, *(b)* 1995 and *(c)* 1996, indicating the total patient throughput. [5160]

Mr. Horam: Information on the capacity of accident and emergency departments is not held centrally. Information on the number of patient attendances at these departments is contained in the annual publication "Outpatient and ward attenders, England," copies of which are available in the Library.

NHS Trusts (London)

Mr. Corbyn: To ask the Secretary of State for Health if he will list his Department's latest estimates of the financial position of each London NHS trust, indicating what additional sums will be made available during the current financial year. [5167]

Mr. Malone: The latest estimates of the financial positions for London trusts have been placed in the Library.

London Ambulance Service

Mr. Corbyn: To ask the Secretary of State for Health (1) if he will state the average emergency call journey time for the London ambulance service in *(a)* 1994, *(b)* 1995 and *(c)* 1996 to date; [5168]

(2) what is his estimate of ambulance response times to emergency calls in London in 1994, 1995 and the current year to date; and if he will make a statement. [5269]

Mr. Horam: Performance information for national health service ambulance services is contained within the Department of Health's Statistical Bulletin 1995–96, copies of which are available in the Library. The performance of the London Ambulance Service NHS trust continues to improve.

Health Authority Funding (London)

Mr. Corbyn: To ask the Secretary of State for Health if he will list the level of grant agreed by his Department in April 1996 in respect of each London health authority; and if he will indicate subsequent payments agreed since April 1996. [5190]

Mr. Horam: Health authorities do not receive grants as such. Information on initial cash limits for 1996–97 and additions made to date for health authorities in London are shown in the table:

Health authority	*Initial cash limit revenue and capital £000*	*Net additions to cash-limit revenue and capital £000*	*Total cash limit 1996–97*
Barnet	156,623	12,406	169,029
Hillingdon	115,857	8,666	124,523
Brent and Harrow	240,586	27,771	268,357
Ealing, Hammersmith and Hounslow	355,157	38,433	393,590
Kensington, Chelsea and Westminster	255,999	39,934	295,933
Barking and Havering	177,906	20,543	198,449
Camden and Islington	267,278	16,798	284,076
East London and City	371,766	32,463	404,229
Enfield and Haringey	246,963	12,560	259,523
Redbridge and Waltham Forest	226,571	26,997	253,568
Bexley and Greenwich	218,312	25,584	243,896
Bromley	139,917	8,967	148,884
Lambeth, Southwark, Lewisham	429,643	41,939	471,582
Croydon	151,990	15,861	167,851
Kingston and Richmond	154,132	30,200	184,332
Merton, Sutton and Wandsworth	325,412	37,933	363,345

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for Health if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6027]

Mr. Horam: This information can be provided only at disproportionate cost.

Community Health Councils

Mr. Austin-Walker: To ask the Secretary of State for Health (1) what plans he has to reduce the role of community health councils in monitoring local health services; and if he will make a statement; [5978]

(2) if he will make it his policy that major changes in the role and function of community health councils will not be made without the full support of community health councils; [5982]

(3) what assessment he has made of the advantages of community health councils being located in accessible shop-front high street premises; and what plans he has to change the present arrangements; [5980]

(4) what plans he has to remove the accommodation standard for community health councils; and if he will make a statement; [5979]

(5) what plans he has to reduce the role of community health councils in supporting complainants; and if he will make a statement. [5981]

Mr. Horam: There are no plans to alter the role of community health councils. They will, of course, be consulted about any suggestions made.

As independent, statutory bodies it is for individual CHCs to decide, on the basis of local circumstances, how they exercise their statutory functions in representing the interests, in the health service, of their local population.

CHCs need to have a visible public profile and we have no plans to change the current accommodation standards guidance, including the desirability of progress towards locating them in shop-front premises.

NHS Pension Scheme

Mr. Austin-Walker: To ask the Secretary of State for Health (1) if he will list the issues regarding access to the NHS pension scheme for workers in primary care referred to in his answer to the hon. Member for West Lancashire (Mr. Pickthall) 4 June, *Official Report*, column *384;* [6042]

(2) when he will be in a position to make an announcement about bringing general practitioners' practice staff into the NHS pension scheme; [6040]

(3) what is his policy on access to a good occupational pension scheme for *(a)* nurses, *(b)* receptionists, *(c)* practice managers and *(d)* others employed in primary care. [6041]

Mr. Malone: We are considering opening up the national health service pension scheme to general practitioner practice staff. An announcement will be made as soon as possible.

North West Regional Health Authority

Mr. Callaghan: To ask the Secretary of State for Health what representations he has received from the North West regional health authority with regard to levels of funding to maintain standards of patient care. [5835]

Mr. Horam: This year, I have had one meeting with representatives of health authorities in the North West and my right hon. Friend the Secretary of State has had two. Since the abolition of regional health authorities on 31 March, NHS funding is allocated directly to health authorities.

Written Answers to Questions

Tuesday 26 November 1996

HOME DEPARTMENT

Stalkers and Paedophiles

Ms Janet Anderson: To ask the Secretary of State for the Home Department (1) when he intends to publish the Government's stalking Bill; [5333]

(2) when he intends to publish the Government's Bill to establish a national register of paedophiles. [5312]

Mr. Maclean: Bills on both these topics will be published shortly.

Ms Anderson: To ask the Secretary of State for the Home Department if he will place in the Library copies of the responses he has received to the consultation paper, "Stalking–The Solutions". [5334]

Mr. Maclean: Comments on the consultation paper were not sought with the aim of publication. I can, however, assure the hon. Member that the overwhelming majority of comments were favourable.

The following organisations responded to the paper:

The Association of Chief Officers of Probation, Association of Chief Police Officers, Association of Magisterial Officers, British Transport Police, British Fur Trade Association, Childline Conservative Women's National Committee, Council of Circuit Judges, Cumbria Constabulary, General Council of the Bar, Guild of Editors, Hampshire Constabulary, Holborn Law Society, Justices' Clerks Society, Law Commission, Magistrates' Association. Mind, National Free Church Women's Council, National Anti-Stalking and Harassment Campaign, The Newspaper Society, North Eastern Circuit Court Service, National Society for the Prevention of Cruelty to Children, Paisner and Co, Police Federation, Portsmouth Circuit Court Service, Rights of Women, Riverside Housing Association, Royal College of Psychiatrists, Nineteen branches of Soroptimist International, Suzy Lamplugh Trust, Townswomen's Guild, Victim Support, Welsh Women's Aid, Women's National Commission, and the Women's Aid Federation of England.

We received responses from the hon. Member, the hon. Member for Bradford, North (Mr. Rooney) and the hon. Member for Bradford, South (Mr. Sutcliffe). In addition, there were 28 responses from private individuals.

European Union

Mr. MacShane: To ask the Secretary of State for the Home Department what percentage of his Department's time and resources are spent dealing with administrative and policy matters connected with British membership of the European Union. [4957]

Mr. Howard: This information is not readily available and could be obtained only at disproportionate cost.

Asylum Seekers

Mr. Cox : To ask the Secretary of State for the Home Department what was the number of *(a)* men and *(b)* women held in custody in prisons in England and Wales while seeking political asylum in the United Kingdom as at 18 November. [5568]

Mr. Kirkhope: Information as at 18 November 1996 is not available. However, as at 5 November 1996, 319 men and six women who had sought asylum at some stage were recorded as being detained in prison service establishments in England and Wales.

Criminal Injuries Compensation

Mr. Sheerman: To ask the Secretary of State for the Home Department, (1) in what circumstances a United Kingdom citizen working in Germany and there assaulted and injured by another United Kingdom citizen, qualifies for compensation under the terms of the Criminal Injuries Compensation Board; [6209]

(2) what protection a United Kingdom citizen has when he or she becomes a victim of a crime in another country of the European Union; [6144]

(3) in what circumstances British citizens are able to claim under the criminal injuries compensation scheme if they are victims of crime while in another EU country. [6206]

Mr. Maclean: Under the terms of the criminal injuries compensation scheme approved by Parliament, eligibility is restricted to victims of crimes of violence whose injury was sustained in Great Britain. Victims of crime committed in another country must normally look for protection or redress under whatever arrangements obtain in the country concerned, or to such insurance arrangements as they may have made. I understand that a number of European Union countries, including Germany, do have schemes for compensating victims of violent crime, although none are as generous as the Great Britain scheme.

Mr. John Berry (Compensation)

Mr. McNamara: To ask the Secretary of State for the Home Department what compensation the Home Office has paid to Mr. John Berry following the recent Court of Appeal case. [5601]

Mr. Kirkhope: An application for compensation on behalf of a Mr. John Berry was made on 2 February 1994 and compensation will be paid under section 133 of the Criminal Justice Act 1988.

We have not yet received Mr. Berry's final claim and although an interim payment has been made it is not the practice to disclose the amount of such payments in individual cases.

Consultants

Mr. Milburn: To ask the Secretary of State for the Home Department what are the latest estimates of the expenditure on all external consultants, including management consultants, for each year since 1992, in 1996 prices, for his Department and its agencies; and what are the quantified annual cost savings which such expenditure has resulted in. [4067]

Mr. Howard *[holding answer 14 November 1996]:* I refer the hon. Member to my letter to him of 18 November 1996, a copy of which has been placed in the Library.

High Court Cases

Mr. Ainger: To ask the Secretary of State for the Home Department if he will list each of the High Court cases which he has lost since becoming Home Secretary and the amount of costs awarded against his Department in each case. [5405]

Mr. Howard *[holding answer 1 November 1996]:* Since May 1993, the Home Office has been involved in several thousand cases in the High Court. These cases include judicial review applications and writ actions. The Home Office has been successful in more than 90 per cent. of the judicial review cases. The detailed information requested is not readily available.

PRIME MINISTER

Ministerial Accountability

Mrs. Clwyd: To ask the Prime Minister if he will draw up a new code of practice on ministerial accountability to Parliament; and if he will ensure a right of access under such a code of practice on ministerial accountability to Parliament to full documents rather than solely the information they contain. [6008]

The Prime Minister: The standards expected of Ministers in relation to their duty of accountability to Parliament are laid down in "Questions of Procedure for Ministers". Following recommendations in the Public Service Committee's recent report on "Ministerial Accountability and Responsibility", an amendment has been made to the opening section on ministerial conduct. This now includes the statement that Ministers:

> "must be as open as possible with Parliament and the public, withholding information only when disclosure would not be in the public interest, which should be decided in accordance with relevant statute and the Government's Code of Practice on Access to Government information".

In addition, and also following a recommendation from the Public Service Committee, my right hon. Friend the Chancellor of the Duchy of Lancaster has initiated discussions with the main opposition parties with a view to bringing forward a resolution of the House on how it expects Ministers to discharge their responsibilities to Parliament.

The reason the Government believe that their commitment to openness is best expressed in terms of access to information, rather than in terms of access to specific documents, is set out in the Government's response to the Public Service Committee's report.

Ministerial Travel Abroad

Mr. Gapes: To ask the Prime Minister what is the procedure for purchasing tickets for overseas travel and reimbursement of costs for Ministers taking part in delegations abroad partly of a non-ministerial, personal or party political nature; and for how long Her Majesty's Government keep records of such visits. [5384]

The Prime Minister: Departments have their own procedures for purchasing tickets for Ministers' travel on official trips abroad. Where the delegation in question is partly of a governmental and partly of a personal or party political nature, Ministers are required to ensure, in accordance with the terms of "Questions of Procedure for Ministers", paragraph 72, that no undue obligation is involved to their Department.

"Questions of Procedure for Ministers", paragraph 65, requires the Minister in charge of each Department to ensure that the Department draws up and maintains a record of all ministerial delegations whose travel has been at public expense. No systematic record is kept of Ministers' private travel, though Cabinet Ministers are expected to seek my, and then Her Majesty the Queen's, approval and junior Ministers are required to seek the approval of the Foreign Secretary and their Secretary of State before they travel overseas.

Ghurkas

Mr. Dalyell: To ask the Prime Minister what action he has taken to implement his undertaking to the Prime Minister and Foreign Minister of Nepal at Downing Street on 12 November to consider *(a)* bringing Gurkhas' pension rights nearer to those of British service personnel and *(b)* allowing more Gurkha wives to accompany their husbands on overseas duty. [4308]

The Prime Minister: I refer the hon. Member to the reply given by my hon. Friend the Minister of State for the Armed Forces to the hon. Member for Bolton, South-East (Mr. Young) on 20 November, *Official Report*, column *613*.

Engagements

Mr. Harry Greenway: To ask the Prime Minister if he will list his official engagements for Tuesday 26 November. [4388]

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

United Nations Secretary-General

Mr. Dalyell: To ask the Prime Minister what discussions he has had with the President of the United States on the future of Dr. Boutros Ghali as Secretary-General of the United Nations; and if he will make a statement. [6305]

The Prime Minister: Her Majesty's Government have had frequent high-level discussions in recent months with the United States Administration on a wide range of UN issues, including the election of the UN Secretary-General.

FOREIGN AND COMMONWEALTH AFFAIRS

St. Helena

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs what action his Department has taken in respect of recent comments broadcast on Radio St. Helena by the governor of St. Helena relating to the quality of life on the island. [6216]

Sir Nicholas Bonsor: In his broadcast on 11 September, the governor referred to meetings that he had had with Ministers in London on issues affecting

St. Helena. Subsequently, officials from ODA and FCO visited St. Helena as part of their discussions with the St. Helena Government aimed at improving the economic situation on the island and its dependencies.

Iraq

Mr. Garnier: To ask the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy towards the Iraqi opposition. [6537]

Mr. Hanley: We remain committed to the territorial integrity and unity of Iraq. It is for the Iraqi people to decide their political future. They have greatly suffered from Saddam Hussein's policies and his refusal to fulfil Iraq's international obligation. Sadly, we see no prospect that he will relent. We believe that the interests of the Iraqi people would be best served by a Government who are representative of all the Iraqi people and follow responsible policies. Efforts by Iraqis to form a unified and representative opposition to Saddam Hussein's regime with this aim therefore deserve our support and encouragement.

Exports (Indonesia)

Mr. Garnier: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the Government's policy on the export of defence equipment to Indonesia. [6538]

Mr. Hanley: The Government attach importance to our political and economic relationship with Indonesia. It plays a significant and responsible role both in the region and more broadly as a prominent member of various international groupings and a major contributor to peacekeeping forces. Our bilateral relations with Indonesia continue to develop strongly.

All applications to export UK defence equipment to Indonesia, and to other destinations, are carefully scrutinised on a case-by-case basis against established criteria and internationally agreed guidelines. Human rights are a key factor, and we take into consideration inter alia the political situation and the prospects in Indonesia. We do not license for export, to Indonesia or to any other country, any UK defence equipment likely to be used for internal repression. We apply this criterion rigorously, but remain confident that it leaves open the possibility of substantial co-operation with Indonesia in the procurement of defence equipment.

AGRICULTURE, FISHERIES AND FOOD

European Fisheries Council

Mr. French: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the European Fisheries Council held in Brussels on 22 November. [6636]

Mr. Baldry: I represented the United Kingdom at the meeting of the Fisheries Council in Brussels on 22 November together with my hon. Friend the Under-Secretary of State at the Scottish Office and my noble Friend the Under-Secretary of State at the Northern Ireland Office.

I again made it clear that the UK could not contemplate significant further reductions in its fleet without the issue of quota hoppers being resolved. I also reiterated the need for our performance under MAGP III to be correctly assessed and presented.

Following its inconclusive debate in October on the Commission's multi-annual guidance proposals—MAGP IV—the Council considered a presidency compromise aimed at meeting the concerns expressed by member states. Most felt that the compromise provided a basis for further work, but that considerable analysis and discussion would be needed before conclusions could be drawn.

The Council concluded that work on the presidency compromise would continue with a view to reaching a decision before the end of the year if possible.

On satellite monitoring, I supported the constructive approach taken by the presidency in producing a text which addressed our key concerns, in particular in exempting smaller vessels operating within 12 miles of the coast. I also put to the Council a suggestion from industry for synchronising implementation with new rules by the International Maritime Organisation relating to the global maritime distress and safety system; and I emphasised the need to use the advent of satellite monitoring to reduce the existing regulatory burden. Several member states continued to have difficulties on a variety of points and the presidency concluded that the Council would have to return to the issue at a later date.

The Council unanimously adopted fish prices for 1997.

The Commission also presented a report on the monitoring of third country vessels in Community waters which the Council noted.

Women

Ms Janet Anderson: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5481]

Mrs. Browning: In July this year, the model guidance on policy appraisal for equal treatment was revised and circulated at Cabinet level for Departments to adapt to their own circumstances. A copy was placed in the Library of the House. This guidance requires officials to identify policy issues which might impact differentially on women and men, and other groups, to assess whether this is justified in policy terms, and to adjust the policy if it is not.

Guidance was already in place in MAFF requiring those involved in the development of policies to evaluate the equal treatment aspects. Officials are now considering how best to revise this in the light of the revised model guidance.

Poultry Meat Inspection

Mrs. Clwyd: To ask the Minister of Agriculture, Fisheries and Food how many poultry meat inspection posts were created within local authorities to implement the Poultry Meat Hygiene Regulations 1995. [5498]

Mrs. Browning: We are not aware that any poultry meat inspection posts have been created within local authorities to enforce these regulations. Poultry meat

inspectors are appointed by Ministers to assist official veterinary surgeons in carrying out functions specified in the regulations relating to the supervision of licensed premises. Enforcement responsibility in such premises rests with the Meat Hygiene Service and not local authorities.

North-east Drift Netting Season

Sir Cranley Onslow: To ask the Minister of Agriculture, Fisheries and Food what recent discussions he has had with the Environment Agency in respect of the introduction of a new byelaw to change the opening date of the 1997 north-east drift netting season. [5688]

Mr. Baldry: I wrote to the chairman of the National Rivers Authority on 12 February requesting that the NRA and its successor body, the Environment Agency, reconsider the case for further controls on the exploitation of spring salmon, including postponing the opening date of the north-east coast salmon drift net fishery. Subsequently, officials drew the Environment Agency's attention to advice by the International Council for the Exploration of the Sea that measures should be taken to reduce fishing mortality by fisheries exploiting stocks, particularly of multi-sea-winter salmon, other than those in individual rivers which are above minimum biologically accepted levels.

Arable Area Payment Scheme

Mr. Tipping: To ask the Minister of Agriculture, Fisheries and Food how many payments were made in 1995 under the arable area payments scheme *(a)* £0 and £5,000, *(b)* £5,001 and £10,000, *(c)* £10,001 and £15,000, *(d)* £15,001 and £20,000, *(e)* £20,001 and £25,000, *(f)* £25,001 and £30,000, *(g)* £30,001 and £35,000, *(h)* £35,001 and £40,000, *(i)* £40,001 and £50,000, *(j)* £50,001 and £75,000, *(k)* £75,001 and £100,000, *(l)* £100,001 and £150,000, *(m)* £150,001 and £200,000, *(n)* £200,001 and £250,000, *(o)* £250,001 and £500,000, *(p)* £500,001 and £1 million, *(q)* £1 million and £1.5 million, *(r)* £1.5 million and £2 million and *(s)* in excess of £2 million. [5707]

Mr. Baldry: The following table sets out the numbers of payments made by the Ministry under the 1995 arable area payments scheme in the bands requested. Some claimants will have received more than one payment.

1995 Arable Area Scheme payments for land in England, banded by size of payment

Size band	*Number of payments*
(a) £0 and £5,000	34,012
(b) £5,001 and £10,000	11,746
(c) £10,001 and £15,000	7,404
(d) £15,001 and £20,000	4,570
(e) £20,001 and £25,000	3,212
(f) £25,001 and £30,000	2,285
(g) £30,001 and £35,000	1,853
(h) £35,001 and £40,000	1,426
(i) £40,001 and £50,000	1,943
(j) £50,001 and £75,000	2,421
(k) £75,001 and £100,000	1,100
(l) £100,001 and £150,000	771
(m) £150,001 and £200,000	238
(n) £200,001 and £250,000	120
(o) £250,001 and £500,000	93
(p) £500,001 and £1 million	12
(q) £1 million and £1.5 million	4
(r) and (s) over £1.5 million	0

Gelatine

Mr. Hinchliffe: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 6 November, *Official Report*, column *584*, for what reasons the greatest monthly export of gelatine between January and June 1996 occurred in April. [5666]

Mrs. Browning: We are not aware of the reasons underlying the level of exports of total gelatine recorded for April 1996. However, the variation in the volume of exports in this period is not out of line with the normal monthly variations seen for exports of this commodity.

Live Animal Exports

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what instructions he gives to his veterinary staff regarding *(a)* the approval of markets and other collection centres for the purposes of intra-Community trade and *(b)* the operation of markets when animals are presented for sale for export to EC countries. [4165]

Mrs. Browning *[holding answer 15 November 1996]:* An animal health circular on the procedures for approval of collection centres, which included details of the conditions under which approved markets must operate, was issued to veterinary staff earlier this year. A copy has been placed in the Library of the House.

TREASURY

Private Finance Initiative

Mr. Mudie: To ask the Chancellor of the Exchequer (1) how much 1996–97 PFI expenditure was committed at September 1996; and what is his latest estimate of total PFI expenditure for 1996–97 in respect of each Government Department; [5706]

(2) what was the 1995–96 PFI expenditure in each Government Department; [5705]

(3) what is his latest estimate of PFI expenditure in 1996–97; [5531]

(4) what was the total commitment of PFI expenditure for the year 1996–97 at September 1996. [5530]

Mr. Jack *[holding answer 25 November 1996]:* For a breakdown of capital expenditure on PFI in 1995–96 by Department, I refer the hon. Gentlemen to my answer to the hon. Member for Nottingham, South (Mr. Simpson) on 25 November 1996. An aggregated estimated outturn of capital expenditure on PFI for 1996–97, along with forecasts for the future three years, broken down by Department and aggregated estimates of the cost of the future revenue commitments of the public sector will be published in the "Financial Statement and Budget Report" for 1997–98 on 26 November. Information on the amount

of PFI expenditure as of September 1996 was not collected separately—there is no financial or accounting reason to do so—and could be calculated only at disproportionate cost.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6037]

Mrs. Angela Knight *[holding answer 25 November 1996]:* The information is not available and could be obtained only at disproportionate cost.

Current Accounts Directions

Mr. Tim Smith: To ask the Chancellor of the Exchequer if he will list each current accounts direction issued by Her Majesty's Treasury giving the name of the Department to which it is directed and the date on which it will be made. [4975]

Mr. Oppenheim *[holding answer 21 November 1996]:* The form of the current appropriation accounts prepared by Departments is prescribed in "Government Accounting" and no accounts directions have been issued in respect of these accounts. Her Majesty's Treasury issues accounts directions to Departments in respect of the accruals-based accounts prepared by their Supply-financed executive agencies and trading funds, a number of accounts of entities which are regarded as Departments, certain NHS bodies, the NHS summarised accounts, and a number of individuals accounts.

Departments are in the process of introducing resource accounts which will conform to the guidance given in the resource accounting manual currently being considered by the financial reporting advisory board. This guidance is intended to remove the need to issue separate accounts directions in respect of bodies which will fall within the departmental boundary for the purposes of resource accounting and budgeting.

The following list shows the Supply-financed executive agencies, trading funds, entities regarded as Departments and the summarised accounts prepared by the NHS to which Her Majesty's Treasury has issued an accounts direction, and the financial year in respect of which the direction became effective. Information on the directions issued in respect of individual accounts is not kept centrally and can be obtained only at disproportionate cost.

SUPPLY-FINANCED EXECUTIVE AGENCIES, TRADING FUNDS, OTHER BODIES WHICH ARE DEPARTMENTS AND NHS SUMMARISED ACCOUNTS TO WHICH HER MAJESTY'S TREASURY HAS ISSUED AN ACCOUNTS DIRECTION

Agriculture, Fisheries and Food, Ministry of

ADAS (1993–94)

Central Science Laboratory (1993–94)

Intervention Board (1992–93)[1]

Meat Hygiene Service (1995–96)

Pesticides Safety Directorate (1994–95)

Veterinary Laboratories Agency (1991–92)

Veterinary Medicines Directorate (1991–92)

Cabinet Office/Office of Public Service

Central Office of Information (TF) (1991–92)[1]

Civil Service College (1993–94)

The Buying Agency (TF) (1991–92)

Customs and Excise (in respect of a summarised account for 1992–93)

Crown Estate (1993–94)[1]

Defence, Ministry of

Army Base Storage and Distribution (1996–97)

Army Technical Support Agency (1996–97)

Defence Analytical Services (1993–94)

Defence Animal Centre (1994–95)

Defence Bills Agency (1995–96)

Defence Clothing and Textiles Agency (1996–97)

Defence Dental Agency (1997–98)

Defence Evaluation and Research Agency (TF) 1993–94)

Defence Postal and Courier Services (1993–94)

Defence Transport and Movements (1996–97)

Disposals Sales Agency (1995–96)

Duke of York's Military School (1993–94)

Hydrographic Office (TF) (1992–93)

Logistics Information Systems Agency (1995–96)

Meteorological Office (TF) (1992–93)

Military Survey Agency (1993–94)

Pay and Personnel (MOD) (1995–96)

Queen Victoria School (1993–94)

Service Children's Education (1992–93)

Education and Employment, Department of

Employment Service (1993–94)

Environment, Department of

Building Research Establishment (1993–94)

Ordnance Survey (1988–89, reissued for 1993–94)[1]

Planning Inspectorate (1994–95)

QEII Conference Centre (1993–94)

Export Credits Guarantee Department (1991–92)

Foreign and Commonwealth Office

Wilton Park (1992–93)

Forestry Commission (1992–93)

Health, Department of

Medicines Control Agency (TF) (1992–93)

Medical Devices Agency (1995–96)

NHS Estates (1992–93)

NHP Pensions Agency (1995–96)

Home Office

Fire Service College (TF) (1992–93)

Forensic Science Service (1992–93)

United Kingdom Passport Office (1993–94)

Inland Revenue (in respect of summarised account for 1994–95)
Valuation Office (1992–93)

Lord Chancellor's Department

Her Majesty's Land Registry (TF) (1992–93)[1]

Public Record Office (1993–94)[1]

National Heritage, Department of

Historical Royal Palaces Agency (1992–93)

Royal Parks Agency (1995–96)

Office for National Statistics(1992–93)

PAYMASTER, Office of H M Paymaster General (1993–94)

Royal Mint (TF) (1991–92)

Scottish Office

Historic Scotland (1993–94)

Registers of Scotland (TF) (1992–93)'

Scottish Agricultural Science Agency (1993–94)

Scottish Fisheries Protection Agency (1992–93)

Scottish Office Pensions Agency (1995–96)

Scottish Prison Service (1995–96)

Student Awards Agency for Scotland (1995–96)

Social Security, Department of

Social Security Benefits Agency (1993–94)

Social Security Child Support Agency (1995–96)

Social Security Contributions Agency (1993–94)

Social Security Information Technology Services Agency (1992–93)

Social Security War Pensions Agency (1995–96)

Summarised accounts

NHS Trusts (1996–97)

Health Authorities, Special Health Authorities and Dental Practice Board (1996–97)

NHS Trust Funds (1996–97)

Trade and Industry, Department of

Companies House (TF) (1991–92)

Insolvency Service (1995–96)

National Weights and Measures Laboratory (1993–94)

Patent Office (TF) (1991–92)

Radiocommunications Agency (1992–93)

Transport, Department of

Driver and Vehicle Licensing Agency (1992–93)

Driving Standards Agency (1992–93)

Marine Safety Agency (1995–96)

Vehicle Certification Agency (1995–96)

Vehicle Inspectorate (TF) (1991–92)

Treasury Solicitors Department

Government Property Lawyers (1994–95)

Welsh Office

CADW (1992–93)

Note:

Years in brackets signify the first year for which the accounts direction became effective.

'agencies and trading funds that are Departments.

TF = trading fund.

Privatisation

Mr. Peter Bottomley: To ask the Chancellor of the Exchequer if he will estimate the capital receipts to the Exchequer for each privatised business since 1979. [5669]

Mr. Jack: Table 5.6 of the public expenditure statistical analyses for 1996–97 gives a breakdown of privatisation proceeds received by the Exchequer for all privatisations from 1979 to the end of the 1995–96 financial year. Proceeds to that date totalled £64 billion. The target for 1996–97 is £4½ billion.

Marriage and the Family

Mr. Alton: To ask the Chancellor of the Exchequer (1) what research his Department has commissioned into the effects of the tax system on marriage and the family; [3545]

(2) if he will launch a public consultation process on how the tax system could be used to support marriage and the family. [3544]

Mr. Jack: We take careful note of any public representations we receive, and keep track of analysis and research that is produced on tax and the family.

ENVIRONMENT

Village Pubs (Discretionary Rate Relief)

Mr. Redmond: To ask the Secretary of State for the Environment what factors will determine whether village pubs qualify for discretionary rate relief under the provisions of the Local Government and Rating Bill. [5140]

Sir Paul Beresford: Billing authorities will have the power to grant up to 100 per cent. relief to any public house providing that:

(i) it is within a rural settlement of 3,000 people or less;

(ii) it has a rateable value of less than an amount prescribed by the Secretary of State by order;

(iii) the billing authority is satisfied that the public house is of benefit to the local community;

(iv) the billing authority considers it reasonable for it to grant relief, having regard to the interests of its council tax payers.

Environment Agency (Councillor David Barlow)

Mr. Luff: To ask the Secretary of State for the Environment what will be the role of Councillor David Barlow in the work of the Environment Agency and at what level; how much time he will be required to give to the work of the agency; what qualifications or experience led to his appointment; and if he will make a statement. [5359]

Mr. Clappison: Councillor David Barlow has been appointed a member of the Environment Agency's area environment group for the upper Severn.

Area environment groups are non-statutory consultative forums appointed by the agency which meet quarterly to advise on local delivery of its services. Appointments to them are made by the agency's area managers. DoE Ministers have no involvement in their composition.

Elected Mayors

Dr. Wright: To ask the Secretary of State for the Environment what were the results of his consultation on elected mayors; and which local authorities expressed interest in the idea. [5132]

Sir Paul Beresford: The responses to the consultation paper, "The Internal Management of Local Authorities in England" published by my Department in 1991, showed very little support for elected mayors. Of more than 600 responses, only four were in favour of elected mayors. None of these were from county councils, shire or metropolitan district councils, or London boroughs.

Computers

Mr. Hoon: to ask the Secretary of State for the Environment how many separate computer programmes his Department operates. [5521]

Sir Paul Beresford: There is no universal definition of what constitutes a computer program. A formula or a simple line of executable code could be said to be a programme. However, my Department is at present responsible for 130 major software systems.

Mr. Hoon: To ask the Secretary of State for the Environment how many lines of computer code there are in his Department's computer systems. [5520]

Sir Paul Beresford: My Department uses a number of propriety software packages and for these, information on the number of programs or lines of source code is known only to the supplier.

My Department is carrying out an inventory of that bespoke software which is likely to still be in use in year 2000 as a part of its strategy for dealing with the year 2000 date change issue, but compilation of the inventory is not yet complete.

Battersea Power Station

Mr. Cox: To ask the Secretary of State for the Environment what discussions his Department is holding, and with whom, on the future development of Battersea power station; and if he will make a statement. [5503]

Sir Paul Beresford: Wandsworth council has been keeping my Department informed of proposals to redevelop Battersea power station as and when it considers it necessary.

Building Products (Fire Effluents)

Mr. Cox: To ask the Secretary of State for the Environment if he will make a statement on the research evaluated by his Department relating to the testing of the toxicity of the fire effluents of building products. [5580]

Mr. Clappison: The toxicology of the major components of fire effluents such as carbon monoxide and hydrogen cyanide, is well understood and is not being studied in the Department's present research programme. The programme does include studies of methods for the assessment of toxic hazard in fire, which take into account existing toxicity data and such factors as burning behaviour.

Women

Ms Janet Anderson: To ask the Secretary of State for the Enviornment what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5487]

Sir Paul Bersford: In July this year, the model guidance on policy appraisal for equal treatment was revised and circulated at Cabinet level for Departments to adopt to their own circumstances. A copy was placed in the Library of the House. This guidance requires officials to identify policy issues which might impact differentially on women and men, and other groups, to asses whether this is justified in policy terms, and to adjust the policy if it is not. My Department has existing guidance on policy appraisal in place and is currently in the process of updating this to reflect the new model guidance.

The recent Government report, "One Year On", outlines action taken by Government to benefit women since the world conference on women, and also includes baseline statistics against which future progress can be measured.

Biodegradable Matter (London)

Mr. Corbyn: To ask the Secretary of State for the Environment what estimate he has made of the total volume of biodegradable matter that was composted in London in the current year; and what is his forecast of the figure for 2000. [5161]

Mr. Clappison *[holding answer 25 November 1996]:* No information is currently held centrally on the amount of biodegradable matter that is composted in London. However, my Department is carrying out a new waste survey which, among other things, asks waste collection authorities to provide the Department with information on the amount of waste they collect for composting, and also what methods they operate towards encouraging home composting in their area. It is expected that the summary results of the first survey covering 1995–96 will be available around March next year.

In the Government's White Paper, "Making Waste Work: A Strategy for Sustainable Waste Management in England and Wales" published in 1995, we have set a target that 1 million tonnes of organic household waste should be composted per year by 2000.

Agenda 21 (London)

Mr. Corbyn: To ask the Secretary of State for the Environment what action is being taken by his Department to monitor the Agenda 21 process in London; and if he will make a statement. [5162]

Mr. Clappison *[holding answer 25 November 1996]:* The Government Office for London is an observer on the group steering the Association of London Government initiative to develop a local Agenda 21 for London.

Pollution (London)

Mr. Corbyn: To ask the Secretary of State for the Environment what estimates he has of the carbon deficiency of London in the current year; and what are his predictions for 2000. [5194]

Mr. Clappison *[holding answer 25 November 1996]:* The term "carbon deficiency" is not known to us.

Water Leakage Targets

Mr. Matthew Taylor: To ask the Secretary of State for the Environment (1) what assessment he has made of the leakage targets submitted to Ofwat by the water companies; [5920]

(2) what legislation governs the introduction of mandatory leakage targets for the water companies if the leakage targets submitted to Ofwat are judged insufficient. [5977]

Mr. Clappison: The Director General of Water Services has responsibility for assessing water companies' leakage targets. He has said that he will take a company's performance against its target into account when setting

price limits. Those companies which fail to meet the targets they have set for 1997–98 may also face enforcement action.

Section 38(2) of the Water Industry Act 1991 enables my right hon. Friend to prescribe such standards of performance in connection with the provision of supplies of water as, in his opinion, ought to be achieved in individual cases. However, he may act only on written application from the Director General of Water Services under section 39 of the 1991 Act.

Bathing Water Directive

Mr. Dalyell: To ask the Secretary of State for the Environment what assessment he has made of the impact of cost neutrality requirements on the revised European Union bathing water directive, with particular reference to water quality standards. [4273]

Mr. Clappison: The Department commissioned a report on a study of the cost implications of the proposed revision of the bathing water directive and a number of possible versions of the revision including water quality standards with a neutral cost benefit. Copies were placed in the House Library in February 1995.

Mr. Dalyell: To ask the Secretary of State for the Environment what numerical level of mandatory standard for faecal streptococcus bacteria the Government propose for inclusion in the revised European Union bathing water directive. [4274]

Mr. Clappison: Recent research suggests that mandatory standards for faecal streptococci indicating water quality broadly equivalent to the existing coliform bacteria standards would maintain a satisfactory level of health.

Mr. Dalyell: To ask the Secretary of State for the Enviornment what plans he has to ensure the revision of the 1976 bathing water directive during the United Kingdom's presidency of the European Union in 1998. [4275]

Mr. Clappison: Priorities for the United Kingdom 1998 presidency will be formulated nearer the time.

Kirklees Metropolitan Council

Mrs. Peacock: To ask the Secretary of State for the Environment what estimate he has made of the level of funding from his Department for the provision of public services by Kirklees metropolitan council in 1996–97; and what were the equivalent figures in recent years. [5600]

Sir Paul Beresford: The main Government grants are revenue support grant and redistributed national non-domestic rates. Kirklees MBC received £222.623 million in 1996–97, £211.726 million 1995–96 and £211.844 million in 1994–95 from these sources.

Local Government Finance

Mr. Jacques Arnold: To ask the Secretary of State for the Environment what plans he has for local government revenue spending in 1997–98; and if he will make a statement. [6306]

Mr. Gummer: Every year, the Government announce the sum of money which local authorities are expected to spend—the total standard spending or TSS. Next year's figure is £45.66 billion, up 2.5 per cent. on last year, after adjusting for changes in function. This means an increase of £1.1 billion, and when the transitional costs of local government reorganisation are taken into account, represents a cash improvement of 2.4 per cent. TSS is planned to be £46.54 billion for 1998–99 and £47.29 billion for 1999–2000.

In allocating this sum between services for 1997–98, I have decided to give the main priority to education. My proposal is therefore that education spending should increase year on year by 3.6 per cent. after adjusting for the introduction of nursery vouchers. Councils must decide how much they actually spend on education, but I am sure that parents, governors and teachers will wish to ensure that education remains the top priority for authorities.

I propose that the level of aggregate external finance distributed to local authorities in 1997–98 should be £35.77 billion. After adjusting for changes in function, this represents an increase of some £530 million or 1.5 per cent. compared with this year's figure.

I also propose that the national non–domestic rate poundage for 1997–98 should rise to 45.8p, reflecting the annual increase in the retail prices index to September.

I propose to set the distributable amount of non-domestic rates at £12.03 billion. I propose that the total of Revenue support grant should be £18.69 billion. Special and specific grants within AEF will amount to £5.05 billion.

I shall announce shortly my proposals for the distribution of Government grants, including my proposals for changes in the standard spending assessment methodology. At the same time, I shall announce my capping intentions.

The Government have played their part by creating stable low inflation. It is essential that local and central Government continue to play their parts in restraining expenditure. My proposals for total standard spending, aggregate external finance and the non–domestic rate poundage represent a fair and balanced approach to funding the demands on local authority services in 1997–98.

This settlement will work for local authorities which look carefully at their spending priorities. If all councils take every opportunity to increase their cost efficiency in the delivery of services, then even in the climate of a tight settlement, the provision for next year will allow them to meet priority needs across the range of their functions.

Mr. Allason: To ask the Secretary of State for the Environment what plans he has to make it a statutory requirement on all local authorities to clearly identify statutory and discretionary expenditure in their annual budget. [6261]

Sir Paul Beresford: None. It would be seen as a considerable burden by local authorities to be required to separate their total expenditure into discretionary and statutory components.

Town Centre Retailing

Mr. Allason: To ask the Secretary of State for the Environment what plans he has to study the impact on town centre retailing of free bus services provided by out-of-town retail sites. [6262]

Sir Paul Beresford: I have no plans to commission research on this subject.

Public Finance Initiative

Mr. Chidgey: To ask the Secretary of State for the Environment for what reasons private sector investment in the building of waste disposal facilities in Hampshire is not eligible for PFI support. [6258]

Sir Paul Beresford: Adjustments to the revenue support grant/standard spending assessment system to assist PFI credit arrangements recognise that, where such arrangements represent an alternative to "traditional" capital expenditure, support would be justified comparable to that provided by the capital financing standard spending assessment. The costs of service contracts which fall outside the definition of such arrangements is envisaged as reflected in other elements of the SSA system.

Housing

Mr. Sykes: To ask the Secretary of State for the Environment what plans he has for implementing the new powers in the Housing Act 1996 which are available to local authorities for improving standards in houses in multiple occupation. [6541]

Mr. Clappison: The Department has today issued a consultation paper inviting comments on a number of detailed provisions relating to the new policies with regard to houses in multiple occupation contained in the Housing Act 1996.

The Act contained an important package of measures to tackle poor standards of accommodation provided in houses in multiple occupation, including bedsits, hostels and some shared houses and houses converted into flats. The Government have been particularly concerned to ensure that these properties have adequate fire safety precautions. It is also important to ensure that strong powers are available to allow local authorities to deal effectively with the problem of the proliferation of hostels in resort areas.

Once the policy details set out in the consultation paper are finalised, implementation can begin early in the new year. I intend, subject to the responses we receive, that local authorities will be able to commence new registration schemes, fire safety checks and the new enforcement procedures in March next year. Implementation of the remaining parts of the package will follow as further details are settled.

The key proposals in the paper concern, first, the new form of registration schemes which local authorities may establish in their areas. Model registration schemes will be available which can be adopted by local authorities without further reference to the Department. These models specify the HMOs which will be subject to registration. These will be the larger HMO properties and will include some houses converted into self-contained flats which are predominantly let on rented tenancies and which are not converted by the 1985 or subsequent building regulations approval. Properties managed or controlled by specified landlords, such as registered social landlords, universities or health service bodies will be excluded. There are also proposals for the maximum level of fees payable by an HMO landlord. The average maximum fee is likely to be about £350 per HMO. Fees at half this level are also payable on renewal of registration after five years.

Local authorities will also be required to carry out a check on fire safety precautions in a specified category of HMOs which are regarded as most at risk. It is estimated that about 100,000 HMOs will be covered by this duty which will be phased in over a three-year period to give authorities enough time to check all the affected properties.

The paper also sets out proposals for modifying the procedures for serving enforcement notices which must be followed by authorities. Before taking formal enforcement action the authority must serve a "minded to" notice on the HMO landlord giving him the chance to make representations to the authority. If a formal notice is subsequently served, then the authority will have powers to charge for certain administrative costs up to a maximum of £300 per notice.

The proposed new duty on HMO landlords to keep their properties fit for the number of occupants will be introduced at a later date following approval by the Secretary of State of the national code of practice on HMO standards, on which work is currently underway.

I have placed a copy of the consultation paper in the Libraries of both Houses.

TRADE AND INDUSTRY

Working Time Directive

Mrs. Beckett: To ask the President of the Board of Trade if he will place in the Library the evidence in the working time directive case which the European Court examined. [4719]

Mr. Lang: It would be contrary to established practice to publish the pleadings in the case. Two pieces of scientific evidence were submitted by the UK. One was a table of fatal accident rates by industry, reproduced from OECD "Employment Outlook 1989", chapter 4, Occupational accidents in OECD countries, table 4.1 on page 143. The second was the report on health and safety aspects of working hours by Professor Harrington, which has already been placed in the Library of the House.

Mr. Blunkett: To ask the President of the Board of Trade what estimate he has made of the total cost incurred by the Government in contesting the working time directive in *(a)* legal fees, *(b)* civil service time and *(c)* payments made to outside organisations or agencies. [4720]

Mr. Lang: Disbursements incurred in bringing legal proceedings relating to the working time directive in the European Court of Justice were in the region of £50,000. No records were kept of the time spent on the case by civil servants. Payments to outside organisations totalled around £11,000.

Aerospace Exports

Mr. Caborn: To ask the President of the Board of Trade if he will list for each of the last three years the value of civil aerospace exports to the United Kingdom balance of payments. [5603]

Mr. Greg Knight: The value of UK exports of civil aerospace, and their contribution to the total current account credits, are given in the following table.

	1993	*1994*	*1995*
UK civil aerospace exports (£ billion)	5.0	4.7	5.2
Civil aerospace exports as a proportion of total current account credits (per cent.)	2.1	1.8	1.7

Source:
Overseas Trade Statistics of the United Kingdom, HM Customs and Excise.

Business Links

Mr. Ingram: To ask the President of the Board of Trade what measures his Department has put in place to ensure that business links advisers can provide support for the freelance inventors; and if he will make a statement. [5696]

Mr. Page *[holding answer 25 November 1996]:* All business links are expected to provide practical advice to their local business community on issues relating to invention and innovation. Most business links would expect to do so through the services either of their innovation and technology counsellor or their design counsellor.

The nature of the advice will vary from business link to business link, and according to the specific needs of the inventor. A number of business links hold regular surgeries or clinics which the freelance inventor could attend. In some cases, the local business link partners may have decided to delegate the responsibility for assisting freelance inventors to one of the partners, for example the Local Enterprise Agency. In other cases, the business link will have access to other local agencies—such as a business innovation centre—or to national organisations such at the Patent Office or the Institute of Patentees and Inventors.

Further practical help is available in that innovation and technology counsellors and design counsellors can issue innovation credits to provide a modest subsidy to assist their clients in seeking help on technology related issues. Over 260 innovation credits have been used for patent searches and intellectual property rights services.

European Union

Mr. MacShane: To ask the President of the Board of Trade what has been the cost in the last 12 months of sending Ministers and officials to meetings in Brussels and elsewhere in Europe in connection with his Department's handling of EU business. [4940]

Mr. Lang: The cost to the Department of Trade and Industry of visits to Europe related to EU business by Ministers, accompanied by a private secretary, in the last 12 months has been some £24,000.

The Department is heavily involved in EU business in relation to a wide range of policy areas. Officials are continually involved in negotiation on EU legislation and policies affecting the UK. The cost of sending officials to meetings in Brussels and elsewhere in Europe on EU business could be identified only at disproportionate cost.

Mr. MacShane: To ask the President of the Board of Trade what percentage of his Department's time and resources are spent dealing with administrative and policy matters connected with British membership of the European Union. [4960]

Mr. Lang: Many areas within the Department of Trade and Industry deal with matters connected with British membership of the European Union as part of wider responsibilities. The data requested could be obtained only at disproportionate cost.

Loan Guarantee Scheme

Mrs. Roche: To ask the President of the Board of Trade, pursuant to his answer of 19 November, *Official Report*, column *515*, (1) when he expects the completion of the criteria for potential lenders to the loan guarantee scheme; [6039]

(2) pursuant to his answer of 19 November, *Official Report*, column *515*, when he expects new specialist lenders in the technology sector to be added to the loan guarantee scheme list of approved lenders. [6043]

Mr. Page: We are aiming to complete the criteria for adding new specialist lenders to the scheme by the end of January 1997. At the same time we are working to identify possible candidates. Following this, we are aiming, as quickly as possible, to select the new lenders and add them to the scheme subject to the satisfactory conclusion of the necessary negotiations and legal work.

Mrs. Roche: To ask the President of the Board of Trade, pursuant to his answer of 19 November, *Official Report*, column *515*, how many loans were made *(a)* up to £30,000, *(b)* between £30,000 and £100,000, and *(c)* above £100,000. [6045]

Mr. Page *[holding answer 25 November 1996]:* Of the 35,574 loans guaranteed between 1 April 1988 and 31 October 1996, the figures are:

Loans up to £30,000: 24,932;

Loans between £30,000 and £100,000: 9,402;

Loans above £100,000: 1,240.

Libya (UN Sanctions)

Mr. Dalyell: To ask the President of the Board of Trade if he will make a statement on his discussions with the US Government on Libyan sanctions, and cases of British nationals who have allegedly transgressed UN sanctions. [5834]

Sir Nicholas Bonsor: I have been asked to reply.

We regularly discuss UN sanctions against Libya with the US Government. Both Governments remain committed to the rigorous implementation of the sanctions until Libya has complied fully with UN Security Council resolutions 731 and 748.

Any contravention of the legislation implementing these sanctions in the UK is a matter for the competent prosecuting authorities.

NATIONAL HERITAGE

British Youth Opera

Mr. Alfred Morris: To ask the Secretary of State for National Heritage what recent representations she has received from the British Youth Opera; what reply she is sending; what action she is taking; and if she will make a statement. [3796]

Mr. Sproat *[holding answer 13 November 1996]:* My right hon. Friend has received one recent representation from the British Youth Opera expressing concern about the level of public funding it receives, to which she has sent a reply.

Ministers set the overall framework for funding of the arts, but decisions on the distribution of funding, whether they concern the balance of funding between art forms or the allocation of grants to individual arts organisations, are taken by the Arts Council and 10 regional arts boards without the involvement of Ministers.

My right hon. Friend has drawn the correspondence to the attention of the chairman of the Arts Council of England.

Orchestras

Mr. Barry Jones: To ask the Secretary of State for National Heritage how many *(a)* regional and *(b)* London orchestras she has visited and listened to since her appointment. [5271]

Mrs. Virginia Bottomley: Since becoming Secretary of State for National Heritage, I have enjoyed performances by a wide range of orchestras. Some have a main base in London. Many tour throughout the country or abroad, or have residencies outside London.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for National Heritage if she will list those administrative decisions of her Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6031]

Mr. Sproat *[holding answer 25 November 1996]:* This information could be provided only at disproportionate cost.

Stonehenge

Mr. Key: To ask the Secretary of State for National Heritage what discussions *(a)* her Department and *(b)* English Heritage have held concerning the leasing of land near Stonehenge for the construction of a dual carriageway on the A303 trunk road. [5543]

Mr. Sproat: Neither the Department nor English Heritage have held any such discussions.

Trafalgar Square

Mr. Tony Banks: To ask the Secretary of State for National Heritage when she received the consultants study on pigeons in Trafalgar square; what are its recommendations; what was the total cost of the study; and what factors underlay its commission. [6218]

Mr. Sproat: The consultants' report was received in July 1996. Its recommendations are still being considered by the Department. A copy of the report is available in the House of Commons Library. The cost of the study was £1,680. It was commissioned to enable the Department to decide whether any action should be taken to control the population of the pigeons in Trafalgar square.

DUCHY OF LANCASTER

"Foresight Action"

Mr. Caborn: To ask the Deputy Prime Minister what representations he has had from the aerospace industry in respect of "Foresight Action"; and if he will make a statement. [5605]

The Deputy Prime Minister: My right hon. Friends the President of the Board of Trade and the Secretary of State for Defence and I take a close interest in developments in the aerospace industry and have discussed a range of matters with representatives of the industry in recent months, including "Foresight Action".

Engagements

Mr. Ingram: To ask the Minister without Portfolio if he will list his official engagements for the month of November; and on what basis his salary is calculated. [6259]

Mr. Freeman: My right hon. Friend the Minister without Portfolio has had many meetings with ministerial colleagues and others in the month of November.

The Minister without Portfolio does not receive a ministerial salary. He does, however, continue to draw the usual parliamentary salary.

TRANSPORT

Bypasses

Mr. Matthew Taylor: To ask the Secretary of State for Transport what is his Department's policy on the extent to which bypasses should provide for traffic growth beyond the volume of traffic to be re-routed round the town or village bypassed. [5925]

Mr. Watts: This depends on the circumstances of each individual scheme. The case for providing additional capacity to accommodate extra growth depends on such factors as the extent of the growth, the cost of accommodating it and the effect that such additional provision would have on the environment.

Mr. Taylor: To ask the Secretary of State for Transport what research has been carried out to assess the extent to which the construction of bypasses relocate traffic problems. [5988]

Mr. Watts: The Department monitors the impact of all trunk road schemes, including bypasses, after they have been opened so as to assess whether traffic problems have been reduced as expected. A report on this work, "Comparison of Forecast and Observed Traffic on Trunk Road Schemes", was published in 1993. A summary of a more recent and detailed study of a sample of schemes, "Post-implementation Scheme Evaluation: Were the COBA Assessments Accurate?" by Knight, Powell and Whittaker, was presented to the—planning and transportation research and computation—European Transport Forum in September this year.

Road Traffic Forecasts

Mr. Matthew Taylor: To ask the Secretary of State for Transport when the national road traffic forecasts advisory group last met; when revised national road traffic forecasts are to be published; and what assessment he has made of the extent to which such forecasts are likely to be sensitive to the amount of road building planned. [5923]

Mr. Watts: The national road traffic forecasts advisory group last met on 20 June 1996. No decision has yet been made on when revised national road traffic forecasts are to be published. Work is continuing to assess the extent to which such forecasts are likely to be sensitive to the amount of road building planned. Past experience suggests only a small influence.

Mr. Taylor: To ask the Secretary of State for Transport what estimate he has made of the likely effects of the policies in planning policy guidance note No. 13 about managing demand and reducing the growth in traffic, on the national road traffic forecasts. [5926]

Mr. Watts: We have commissioned research on the impact of the land-use planning policies contained in our planning policy guidance notes, the most relevant being PPG 6 and 13. This suggests that, of themselves, centralisation and higher density development will not have a significant impact on forecast traffic growth. We have not produced a formal estimate of the impact of complementary transport demand management measures. However, it is clear that both land-use policies and complementary transport measures would have to be developed and introduced together as part of any strategy to influence traffic growth.

Computers

Mr. Hoon: To ask the Secretary of State for Transport how many separate computer programmes his Department operates. [5351]

Mr. Bowis: There is no universal definition of what constitutes a computer programme. A formula or a simple line of executable code could be said to be a programme. My Department is at present responsible for 55 major software systems.

Mr. Hoon: To ask the Secretary of State for Transport how many lines of computer code there are in his Department's computer systems. [5342]

Mr. Bowis: My Department uses a number of proprietary software packages and for these information on the number of programmes or lines of source code is known only to the supplier.

My Department is carrying out an inventory of that bespoke software which is likely still to be in use in the year 2000 as part of our strategy for dealing with the year 2000 date change issue, but compilation of the inventory is not yet complete.

Air Traffic Control

Mrs. Dunwoody: To ask the Secretary of State for Transport when he expects to begin consultations with United Kingdom airlines regarding the proposals to change the two-centre strategy for air traffic control. [5110]

Mr. Bowis: It will be for the Civil Aviation Authority carry out such consultations. The chairman of the CAA will be reporting to Ministers on the review following the CAA board meeting in December and it is hoped that final decisions will be made in March 1997. Given this timetable, I would expect the CAA to consult with airlines early in the new year.

Boeing 737

Mrs. Dunwoody: To ask the Secretary of State for Transport what action the Civil Aviation Authority has taken following Boeing's instructions regarding defective rudders on Boeing 737s. [5111]

Mr. Bowis: In accordance with the Chicago convention on international civil aviation, the policy of the Civil Aviation Authority is to endorse airworthiness directives promulgated by the airworthiness authorities of the state of design of an aircraft type.

The CAA has therefore required all UK registered Boeing 737 aircraft to be inspected in line with the requirements set out in US Federal Aviation Administration airworthiness directive T96-23-51. The initial inspections have been completed within the required time scale and repeat inspections are being undertaken as directed.

Mrs. Dunwoody: To ask the Secretary of State for Transport how many accidents similar to those described in the national transport safety document of 16 October have been reported in respect of United Kingdom-registered Boeing 737s. [5562]

Mr. Bowis: None.

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 30 October, *Official Report*, column *137*, if he will make a statement on the accidents occurring in 1993. [5652]

Mr. Bowis: All of the accidents in 1993 listed in my reply of 30 October, *Official Report*, column *137*, occurred while the aircraft involved were stationary at airports and had no bearing on the airworthiness of either the individual aircraft or their type.

Mrs. Dunwoody: To ask the Secretary of State for Transport when his Department was first made aware of the problems within the Boeing 737 rudder system. [5563]

Mr. Bowis: The first known incident involving a Boeing 737 which was subsequently attributed to an uncommanded rudder deflection occurred on 3 March 1991. This was notified to the Civil Aviation Authority on the following day by the US Federal Aviation Administration. On 10 November 1992, the US National

Transportation Safety Board drew attention to six similar rudder problems which had occurred world-wide, and made some interim recommendations. This information was passed directly to all UK operators affected.

Mrs. Dunwoody: To ask the Secretary of State for Transport (1) how many Boeing 737 services are operated to and from United Kingdom airports on *(a)* scheduled and *(b)* charter operations; [5560]

(2) what percentage of total passengers travelling to and from the United Kingdom fly on Boeing 737 aircraft. [5561]

Mr. Bowis: In 1995 there were approximately *(a)* 214,000 scheduled and *(b)* 26,000 charter, passenger carrying flights operated to or from United Kingdom airports using Boeing 737 aircraft. These flights carried approximately 20 per cent. of the total number of passengers travelling to or from the United Kingdom in that year.

Moroccan Aircraft

Mrs. Dunwoody: To ask the Secretary of State for Transport how many inspections were undertaken on Moroccan registered aircraft flying to or from the United Kingdom in the last available year. [5651]

Mr. Bowis: None.

Passenger Transport Local Factor Requirements

Mr. Gapes: To ask the Secretary of State for Transport how load factor requirements in passenger service requirements will be monitored. [6010]

Mr. Watts: Franchisees are required to demonstrate that capacity levels are not exceeded by means of passenger counts. Franchisees are required to carry out passenger counts when so requested by the Franchising Director, subject to a maximum of two counts in any 12 month period and a minimum of one count in any 15-month period. The counts must be designed to ensure that the results are typical of demand on the services being monitored for that time of year and day of the week. The methods for undertaking the surveys must be approved by the Franchising Director, and the results are subject to audit by the Franchising Director.

Mr. Gapes: To ask the Secretary of State for Transport what sanctions will apply against rail franchise operators exceeding load factor requirements. [6011]

Mr. Watts: Where load factors are specified in the passenger service requirement, failure of the franchise operator to use all reasonable endeavours to provide sufficient capacity so as not to exceed the load factor specifications will constitute a breach of the franchise agreement. If there is a breach of the franchise agreement, the Franchising Director may serve an enforcement order requiring compliance. Failure to comply is an event of default.

Air Bags

Mr. French: To ask the Secretary of State for Transport what conclusion she has reached about the safety of air bags in passenger vehicles; and if he will make a statement. [5571]

Mr. Bowis: Air bags can supplement the protection given by seat belts in severe frontal collisions but seat belts remain the key safety feature in these and a much wider variety of accidents.

However, evidence from the United States, where the seat belt wearing rate is low compared with the UK, continues to show that injuries can be caused when an occupant is too close to an airbag when it deploys. This highlights two points:

the importance of wearing a seat belt;

the extreme danger of using a rearfacing child restraint in a front passenger seat where an airbag is fitted In an accident, the inflating air bag can strike the child seat with such force that the child will almost certainly receive serious or fatal head injuries.

The motor industry has agreed to label cars to alert motorists to this danger and we are continuing to press for this action to be as effective as possible. The situation is being kept under review.

European Union

Mr. MacShane: To ask the Secretary of State for Transport what has been the cost in the last 12 months of sending Ministers and officials to meetings in Brussels and elsewhere in Europe in connection with his Department's handling of EU business. [4950]

Sir George Young: The cost of attendance by Department of Transport Ministers and officials at EC Transport Councils during the period 14 November 1995 to 14 November 1996 was £17,607.

The cost of attendance by departmental officials at other EC meetings during the same period can be obtained only at disproportionate costs.

HGV Drivers (Working Hours)

Mr. Llew Smith: To ask the Secretary of State for Transport how many hours per day long-distance heavy goods vehicle drivers will be permitted to drive their vehicles under the proposed 48 hours per week work rules. [6248]

Mr. Bowis: The transport sector is excluded from the provisions of the working time directive. Existing Community and national legislation on driving time and rest periods is therefore not affected.

Private Finance Initiative

Mr. Andrew Smith: To ask the Secretary of State for Transport how much has been spent in public money in each year since 1993 on tendering costs for the private finance initiative, broken down by *(a)* consultants' and *(b)* other costs. [5755]

Mr. Watts: Information regarding tendering costs for DBFO—design, build, finance and operate—roads projects is being provided separately by the chief executive of the Highways Agency in response to the hon. Member's question relating specifically to those projects. Information relating to the other PFI transport projects is not readily available, particularly in cases where my Department is not the project promoter, and could be obtained only at disproportionate cost.

A1 Dualling

Mr. Kirkwood: To ask the Secretary of State for Transport (1) if he will list all dual carriageway schemes approved on the A1 between Newcastle and the Scottish border since 1992, indicating the location, the estimated start and completion dates and the value of the contract involved; [5541]

(2) if he will make a statement on his current policy on the proposed upgrading of the A1 to dual carriageway standard between Newcastle and the Scottish border; and what dual carriageway improvements are currently under consideration on the A1 between Newcastle and the Scottish border. [5542]

Mr. Watts: I toured this section of the A1 in July of this year. The Marshall Meadow, tender cost £2.18 million, and Brownieside—£3.49 million—improvement schemes were completed in 1993. The Willowburn-Denwick improvement remains in the programme.

In addition to these major schemes, a comprehensive programme of low cost safety schemes has been undertaken over the last few years. We continue to assess the needs of the route to identify sections where further improvements including sections of dual carriageway to provide safer opportunities for overtaking could be taken forward.

Roads (Stonehenge)

Mr. Key: To ask the Secretary of State for Transport what discussions *(a)* his Department and *(b)* its agencies have held concerning the leasing of land from the National Trust for the construction of a dual carriageway at Stonehenge; and if he will make a statement. [5544]

Mr. Watts: None. Those routes discussed at the planning conference in November 1995 which would pass through National Trust land were not supported by the conference. We have announced our intention to proceed with identifying a bypass for Winterbourne Stoke.

Rail Investment

Mr. Andrew Smith: To ask the Secretary of State for Transport what guidance he has given to the Rail Regulator in relation to levels of investment in *(a)* the rolling stock companies and *(b)* Railtrack. [5749]

Mr. Watts: None.

Road Privatisation

Mr. Andrew Smith: To ask the Secretary of State for Transport what plans he has to privatise the national roads network. [5759]

Mr. Watts: None.

Accidents (Children)

Mr. Andrew Smith: To ask the Secretary of State for Transport (1) what was the number of child accidents broken down by *(a)* casualties and *(b)* fatalities in a half-mile radius of school gates for the year 1971 and each year since 1979; [5762]

(2) what was the number of child accidents, broken down by *(a)* casualties and *(b)* fatalities in the vicinity of school gates for the year 1971 and each year since 1979. [5761]

Mr. Bowis: The information requested about the proximity of child accidents in relation to their schools is not collected in the national road accident reporting system.

Traffic Management

Mr. Andrew Smith: To ask the Secretary of State for Transport what studies he is undertaking to assess the implications of handing over strategic traffic management to private companies from the police; and if he will make a statement. [5760]

Mr. Watts: I refer the hon. Member to my reply to my hon. Friend the Member for Uxbridge (Sir M. Shersby) on 25 November 1996, *Official Report*, column *63*.

Private Finance Initiative

Mr. Andrew Smith: To ask the Secretary of State for Transport what public financial provision has been made for future liability in private finance initiative transport projects. [5754]

Mr. Watts: Aggregate projections of the level of public sector expenditure expected to arise from signed PFI contracts, including those in the transport sector, is being published today in the 1997–98 "Financial Statement and Budget Report".

Rail Franchises

Mr. Andrew Smith: To ask the Secretary of State for Transport what public financial provision has been made in case of failure of rail franchises. [5753]

Mr. Watts: The Franchising Director has required each franchisee to fund a performance bond which he can call in in the event of franchise failure. Therefore no specific public provision for franchise failure has been made.

Channel Tunnel Fire

Mr. Andrew Smith: To ask the Secretary of State for Transport, pursuant to his oral statement of 19 November, *Official Report*, column 837, on the channel tunnel fire, what response he has received to his representations to his French counterpart on the publication of the inquiry by the French authorities. [5746]

Mr. Watts: A response has not yet been received from the Secretary of State for Transport's French counterpart.

Mr. Smith: To ask the Secretary of State for Transport, pursuant to his statement of 19 November, *Official Report*, column 837, on the channel tunnel fire, what is the procedure by which Eurotunnel must prove that operations can recommence safely; from which bodies advice will be taken; and if separate evaluation will be made of the position of passenger services, care shuttles, freight services and lorry shuttles. [5747]

Mr. Watts: Eurotunnel will be making a detailed submission to the Intergovernmental Commission, setting out proposals for restarting services carrying passengers. This is expected shortly. The Safety Authority will

examine and consider the submission, taking advice from experts as necessary. Permission for Eurotunnel to operate a limited freight service was granted on 20 November 1996. After examining Eurotunnel's submission, the Safety Authority will advise the Intergovernmental Commission. The Intergovernmental Commission will then decide whether to authorise a restart of operations.

Mr. Smith: To ask the Secretary of State for Transport what were the estimates of the frequency and effects of fire on board a semi-open heavy goods vehicle shuttle train included in Eurotunnel's application for its operating certificate for this service. [5748]

Mr. Watts: Eurotunnel's proposals for the design and construction of the semi-open HGV shuttles gave estimates of the frequency of any fire occurring on board a semi-enclosed HGV shuttle in transit as about one in every 20 years.

The effects of a fire on board a shuttle which were considered included procedures for evacuation, heat and smoke and the ability of the ventilation system to control it, and the fire resistance of the amenity coach.

As part of the general safety submission in the Tunnel the fire resistance of the cross-passage doors was tested, as was the ability of the normal ventilation system to maintain the service tunnel as a "safe haven" while a cross-passage door might be open for evacuation or rescue.

Public Sector Investment

Mr. Andrew Smith: To ask the Secretary of State for Transport if he will list for each year since 1979, public sector investment in transport *(a)* overall, and *(b)* broken down for (i) roads, (ii) rail and (iii) other forms of transport, in real terms, cash terms and as a proportion of gross domestic product. [5752]

Mr. Watts: Figures are not readily available in this form. But transport investment is reported annually in "Transport statistics Great Britain" and the Transport Report. Summary information for years prior to 1985–86 was published annually in the Government's expenditure plans. GDP figures for comparative purposes can be found in the annual "Financial Statement and Budget Report".

Rail Privatisation

Mr. Andrew Smith: To ask the Secretary of State for Transport what *(a)* reorganisation and *(b)* set-up costs were incurred by (i) British Rail, (ii) Railtrack, (iii) the Office of the Rail Regulator, (iv) the Office of Passenger Rail Franchising and (v) his Department during the privatisation of the railways, broken down to show the costs of (1) consultants and (2) others, for each year since 1993–94. [5758]

Mr. Watts: Details of the costs incurred by the British Railways Board in the privatisation process are a matter for the board itself. However, the board's annual report and accounts show that it incurred costs of £85 million in 1994–95 and £101 million in 1995–96. I understand from the board that it estimates that it will incur further costs of £53 million in 1996–97. Any breakdown of those figures would be for the board to provide.

Details of the costs incurred by Railtrack are, similarly, a matter for the company itself. However, I understand from the company that it incurred costs of £46 million in 1994–95 and £32 million in 1995–96. Again, any breakdown of those figures would be for the company to provide.

The Office of the Rail Regulator and the Office of Passenger Rail Franchising were set up in November 1993, and so have incurred no set-up costs since 1993–94. The annual costs of each office for 1994–95 and 1995–96 were as follows:

£ million cash

	1994–95	*1995–96*
Office of the Rail Regulator		
Consultancy costs	2.9	3.0
Other costs	6.1	6.0
Office of Passenger Rail Franchising		
Consultancy costs	13.1	27.0
Other costs	3.5	7.4

Details of the costs incurred by my Department are as follows:

£ million cash

	1994–95	*1995–96*
Consultancy costs	11.8	20.9
Other costs	2.2	6.4

Railway Industry

Mr. David Shaw: To ask the Secretary of State for Transport what is the latest estimate of the outturn provision for the railway industry for 1996–97. [6417]

Sir George Young: The announcement of the public expenditure settlement for my Department, which I made today, included a forecast outturn of £1,760 million for Opraf passenger grant for 1996–97. For the railway industry as a whole, there have also been proceeds from the sale of businesses, which—other than those from the sale of Railtrack—have served to offset this grant. After taking account of the net revenues of the businesses sold, net forecast receipts for the railway industry are £980 million. Therefore, the latest forecast of financial provision for the railway industry in 1996–97 is £780 million—that is, Opraf grant of £1,760 million less net receipts of £980 million.

Port of Tyne Authority

Mr. Trotter: To ask the Secretary of State for Transport when the statutory period for representations about the proposed privatisation of the Port of Tyne authority ended; and if he will make copies of the responses available. [6637]

Sir George Young: The statutory period for representations ended on 31 October. Respondents were asked to confirm their agreement to publish their comments. Copies of the representations of all those who gave permission have been placed in the DOT information centre, Great Minster house, 76 Marsham street, London SW1P 3EB, where they will be available for inspection for six months from today.

Food Hygiene Regulations

Mr. Gordon Prentice: To ask the Secretary of State for Transport how many infringements of food hygiene regulations which resulted in a prosecution have occurred on United Kingdom registered cruise liners in each year since 1990. [5246]

Mr. Horam: I have been asked to reply.

This information is not held centrally.

SCOTLAND

Business Rates

Mr. Stewart: To ask the Secretary of State for Scotland (1) if he will make a statement on the costs and benefits of harmonising business rates in Scotland with those in England and Wales; [5134]

(2) what is his present estimate of the cost of harmonising business rates in Scotland with those in England and Wales in *(a)* 1995–96 and *(b)* 1996–97. [5133]

Mr. Kynoch: The 1995 revaluation was the first to be carried out with the relevant law and practice in Scotland fully harmonised with that in England and Wales. Since 1990, the Secretary of State has taken responsibility for prescribing Scottish non-domestic rate levels. The Scottish national non-domestic rate was set at the level of the English rate for 1995–96 and subsequent years. As a result of this policy, Scottish businesses have paid £1.4 billion less in rates over the five-year period from 1990 and can now plan ahead with much greater confidence. If the rate poundage had risen in line with inflation since 1990, Scottish businesses would now be faced with more than double their current rate levels.

Crime and Punishment (Scotland) Bill

Mr. Stewart: To ask the Secretary of State for Scotland what representations he has received concerning clause 45 of the Crime and Punishment (Scotland) Bill; and what response he has given. [5495]

Lord James Douglas-Hamilton: The Law Society of Scotland has made representations about the provisions in clause 45 and has asked for a meeting with Ministers. It is hoped to arrange such a meeting shortly.

Mental Illness Specific Grant

Dr. Godman: To ask the Secretary of State for Scotland (1) what plans he has to modify the regulations governing the distribution of funds from the mental illness specific grant; and if he will make a statement; [4848]

(2) what was the *(a)* amount and *(b)* percentage of the mental illness specific grant (i) in total and (ii) given to head injury projects in each year since 1991–92 to the latest available date; what are his forecasts of the figures for (1) 1997–98 and (2) 1998–99; and if he will make a statement. [4811]

Lord James Douglas-Hamilton *[holding answer 25 November 1996]:* The continuation of the mental illness specific grant—MISG—has been confirmed for 1997–98. The effectiveness of the grant and alternative funding arrangements are currently being evaluated.

I have no plans to specify to authorities the distribution of funds to particular projects and types of client groups. The distribution between authorities following local government re-organisation has encouraged stability for existing projects.

The table sets out *(a)* the level of MISG provided to head injury projects for each year since the commencement of the grant and *(b)* this as a proportion of the total allocation.

MISG allocation to head injury projects 1991–97

	1991–92[1]	*1992–93*	*1993–94*	*1994–95*	*1995–96*	*1996–97*
Total MISG allocation	£3 million	£6 million	£10 million	£14 million	£18 million	£18 million
(a) Allocation to head injury projects	£0	£277,000	£418,000	£685,000	£949,-000	£1.0 million[2]
(b) Allocation to head injury projects as a percentage of Total	£0	4.6 per cent.	4.2 per cent.	4.9 per cent.	5.3 per cent.	5.6 per cent.

[1] The eligibility criteria for the MISG was extended from 1992–93 to include head injury projects.
[2] Figures for 1996–97 allocation to head injury projects are provisional.
It is for local authorities to identify, and submit for approval, projects for MISG funding in future years.

Health and Personal Social Services

Mr. Mallon: To ask the Secretary of State for Scotland what was the per capita cost of public expenditure on *(a)* health and *(b)* personal social services in Scotland for each year since 1990. [5062]

Lord James Douglas-Hamilton *[holding answer 25 November 1996]:* The information is set out in the table:

£ per head

	Health	*Personal Social Services*
1990–91	582	112
1991–92	654	122
1992–93	718	134
1993–94	738	152
1994–95	769	176
1995–96	795	194

Thomas Hamilton

Mr. William Ross: To ask the Secretary of State for Scotland if he will place in the Library a copy of the report commissioned by Lord Cullen into Thomas Hamilton, relating to his occupations and finances, produced by Inspector Paul Hughes of Central Scotland police and submitted to the Cullen inquiry. [5534]

Lord James Douglas-Hamilton *[holding answer 25 November 1996]:* The police report in question was instructed on behalf of the Lord Advocate as part of the investigations carried out following the death of Thomas Hamilton. The report was submitted to the inquiry, but it was not introduced as evidence. Evidence given by Chief Inspector Hughes, which covered the subject matter of the report, is detailed in the transcripts of the inquiry proceedings—page 248—which are already in the Library.

Scottish Legal Aid Board

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland (1) how many staff are employed by the Scottish Legal Aid Board; and what is the total wage cost; [5661]

(2) how many employees at the Scottish Legal Aid Board are solicitors; and what is the total salary cost. [5662]

Lord James Douglas-Hamilton *[holding answer 25 November 1996]:* On 31 March 1996, the Scottish Legal Aid Board employed 268.6 full-time equivalent staff of whom eight were solicitors.

The total salary cost for the period 1995–96 was £4.8 million of which £0.3 million was paid to solicitors.

Ms Cunningham: To ask the Secretary of State for Scotland if he will list the salaries paid to *(a)* members and *(b)* the chief executive of the Scottish Legal Aid Board. [5663]

Lord James Douglas-Hamilton *[holding answer 25 November 1996]:* The information is set out in the table:

Scottish Legal Aid Board

Chairman and Board Members	*Remuneration as at 31 March 1996*	
		Salaries and NI costs £
Chairman	Christine Davis	23,512
Member	George Barrie	13,225
Member	Kay Blair	13,225
Member	Patricia Bolton	12,572
Member	Pamela Bowman	13,776
Member	Sheila Campbell	11,572
Member	Jean Couper	13,776
Member	Archibald Gilchrist	12,123
Member	Peter Grinyer	13,776
Member	David Leitch	13,776
Member	Robert Livingstone	11,572
Member	Colin McEachran	9,710
Member	Robin McEwan	Nil
Member	Gillian Peebles	12,572
Member	Alexander Wylie	8,057
Total		183,244

Chief Executive's remuneration as at 31 March 1996

Chief Executive	Richard Scott	61,875

Ms Cunningham: To ask the Secretary of State for Scotland what was the total value of abatements from legal aid accounts submitted by solicitors to the Scottish Legal Aid Board in the years 1994–95 and 1995–96; if he will list the cases where the abatement was more than (i) 25 per cent., (ii) 10 per cent. but not more than 25 per cent., (iii) 5 per cent. but not more than 10 per cent. and (iv) 3 per cent. but not more than 5 per cent. of the account rendered; and if he will express in percentage terms the relationship between the abatements and the total fund paid to solicitors exclusive of outlays. [5664]

Lord James Douglas-Hamilton *[holding answer 25 November 1996]:* The total value of abatements from legal aid accounts submitted by solicitors to the Scottish Legal Aid Board was £4.6 million in 1994–95 and £4.3 million in 1995–96.

Detailed information on abatement levels broken down by percentage is not available.

Excluded Pupils

Mr. Hall: To ask the Secretary of State for Scotland how many *(a)* primary and *(b)* secondary pupils (i) were permanently excluded from school in 1995–96 and (ii) had fixed-term exclusions; and how many of those in (i) returned to mainstream education. [5587]

Mr. Raymond S. Robertson *[holding answer 25 November 1996]:* Information on the number of primary and secondary pupils who were excluded from school on a fixed term—temporary—basis is not available. Nor is information on the number of pupils permanently excluded who returned to mainstream education.

The most recent available information, consistent with that set out in the report on attendance and absence in Scottish schools, 1994–95, published by the audit unit of HM inspectors of schools, is set out in the table.

	Number of pupils permanently excluded from schools in 1994–95	*Number of half days of temporary exclusions from schools from January to July 1995*
Primary pupils	47	20,115
Secondary pupils	296	157,958

North of Scotland Water Authority

Mr. Wallace: To ask the Secretary of State for Scotland what level of indebtedness was acquired by the North of Scotland Water Authority on 1 April from *(a)* Shetland islands council, *(b)* Orkney islands council, *(c)* Western Isles islands council, *(d)* Highland regional council, *(e)* Grampian regional council and *(f)* Tayside regional council. [5974]

Mr. Michael Forsyth *[holding answer 25 November 1996]:* The level of indebtedness acquired by the North of Scotland Water Authority on 1 April 1996 was:

Area	*Total £ million*
Shetland	3.6
Orkney	10.2
Western Isles	9.8
Highland	46.7

Area	Total £ million
Grampian	129.4
Tayside	94.7
Total	294.4

Mr. Wallace: To ask the Secretary of State for Scotland what is the expected level of capital expenditure by the North of Scotland Water Authority on *(a)* sewerage works and *(b)* water scheme works in 1996–97 and 1997–98 in (i) Orkney and (ii) Shetland. [5976]

Mr. Forsyth *[holding answer 25 November 1996]:* The expected level of capital expenditure in Orkney and in Shetland on sewerage works and water scheme works in 1996–97 is:

£ million

	Sewerage	Water
Orkney	1.25	3.15
Shetland	1.5	1.0

The programme for 1997–98 has not yet been finalised.

Mr. Wallace: To ask the Secretary of State for Scotland what amount was spent on capital works in respect of *(a)* water schemes and *(b)* sewerage schemes undertaken by (i) Orkney islands council and (ii) Shetland islands council in each financial year from 1992–93 to 1995–96. [5975]

Mr. Forsyth *[holding answer 25 November 1996]:* The information is set out in the table:

Expenditure on capital works

£000

Service	Year	Gross payments not funded from revenue	Gross payments funded from revenue	Total gross capital payments
Water				
Orkney	1992–93	1,306	78	1,384
	1993–94	1,477	–10	1,467
	1994–95	1,463	1	1,464
	1995–96	931	325	1,256
Shetland	1992–93	0	1,467	1,467
	1993–94	746	0	746
	1994–95	783	0	783
	1995–96	1,517	0	1,517
Sewerage				
Orkney	1992–93	2,193	55	2,248
	1993–94	3,313	0	3,313
	1994–95	1,611	27	1,638
	1995–96	1,996	2	1,998
Shetland	1992–93	0	1,483	1,483
	1993–94	0	481	481
	1994–95	1,130	0	1,130
	1995–96	3,124	0	3,124

Source:
Capital payments and receipts returns by local authorities.
Note:
Information for 1995–96 is provisional as it is based on unaudited returns.

Non-domestic Rates

Mr. Stewart: To ask the Secretary of State for Scotland if he will announce the non-domestic rate poundage for 1997–98. [6633]

Mr. Michael Forsyth: Yes. I propose that the Scottish non-domestic rate poundage for 1997–98 should be 45.8p. An order prescribing the poundage will be laid before Parliament in due course.

This decision maintains the link between the Scottish and English poundages. It ensures that Scottish business will continue to benefit from the Government's unified business rate policy. If the power to set poundages had not been removed from local authorities by 1994–95, the last year before full harmonisation, businesses in Scotland would have been paying around £500 million more a year in non-domestic rates than was in fact the case, and indeed a good deal more had authorities increased business rates by more than the rate of inflation.

The total cost to the Government of UBR policy over the five years to April 1995 was in the region of £1,400 million. These figures show the extent of the Government's commitment to ensuring that business in Scotland have a guarantee of stability and are not disadvantaged as compared with their competitors south of the border.

Capital Receipts

Mr. Stewart: To ask the Secretary of State for Scotland what plans he has to further regulate the use of capital receipts by Scottish local authorities; and if he will make a statement. [6634]

Mr. Michael Forsyth: Last year, I introduced measures to control the indebtedness of Scottish local authorities through limits on their ability to utilise capital receipts by requiring them to set aside 25 per cent. of those receipts for the redemption of debts.

I have decided that, from 1 April 1997, Scottish local authorities will set aside 50 per cent. of receipts raised from the sale of land and other property held on the general fund and, in the case of housing, 75 per cent. of receipts raised from the sale of housing stock. Scottish Homes will also be required to apply receipts to debt repayment from next year.

So far as the general fund is concerned, these decisions confirm the intention I announced on 28 November 1995. The exceptions to these set-aside rules will remain as in the current year, including an exemption from debt redemption rules when assets are transferred by an authority as part of a private finance initiative project.

Local Government Finance

Mr. Stewart: To ask the Secretary of State for Scotland if he will announce details of the 1997–98 local government settlement. [6635]

Mr. Michael Forsyth: For the second successive year, I have decided to improve on the plans for the local government settlement. The level of Government supported expenditure has been increased by 2.2 per cent. or nearly £132 million and the level of aggregate external finance by 1.1 per cent. or £60 million, in both cases after adjusting for the phasing-out of local government reorganisation on costs and the transfer of responsibility for funding nursery education.

Next year, Scottish local authorities will receive Government support totalling over £5.4 billion, which represents over 37 per cent. of the total Scottish Office

budget. As a result of the settlement, Scottish local government will continue to enjoy levels of spending and Government support far in excess of those available in either England or Wales. Spending in Scotland will be 30 per cent. higher per head of population than in England and Government support will be 42 per cent. higher.

In determining the settlement, I have given particular priority to the police and fire services, and have also provided additional resources for education and social work.

I have decided that capping must be retained in order to protect council tax payers, and I am today announcing my provisional capping principles for next year. Council tax payers in the areas concerned will also benefit from the second year of the transitional mismatch and district equalisation schemes. Grant totalling around £18 million will be provided in 1997–98 to fund these schemes and this will be in addition to the aggregate external finance total which I am announcing today.

The details of the settlement are:

Government supported expenditure

I propose that Government supported expenditure—GSE—for 1997–98 should be set at £6,214.3 million. This compares with previous plans of £6,186 million.

Grant aided expenditure

Local authorities will incur an estimated £793.3 million on loan and leasing charges in 1997–98. This is an increase of £15.5 million over this year's figure. These charges continue to increase and I am announcing separately the action I am taking to bring them under greater control. After deducting this sum from the GSE total, £5,421.0 million is available for allocation as grant aided expenditure—GAE. This GAE amount is also 2.2 per cent. or over £116 million higher than that for the current year, after making the above adjustments. I shall announce GAE figures for individual local authorities as soon as possible.

Aggregate external finance

I further propose that Government support for local authority current expenditure—aggregate external finance (AEF) which consists of revenue support grant, specific grants and non-domestic rate income—for 1997–98 should be set at £15,343.2 million, which compares with the previous plans of £5,298 million. Proposals for the distribution of AEF to individual local authorities are likely to be issued to councils before Christmas.

Capping

I have the power to cap a local authority either where I consider that its planned expenditure is excessive or where there is an excessive increase in its planned expenditure as compared with the previous year. My provisional capping principles for 1997–98 are:

any increase in budget between 1996–97 and 1997–98 of more than 0.5 per cent. will be an excessive increase if the resulting budget is above the council's GAE for 1997–98—in the case of Dumfries and Galloway, Fife, Highland, Orkney islands, Scottish Borders, Shetland islands and Western Isles councils—and the council's GAE for 1997–98 adjusted to take account of the second year of the self-financed mismatch scheme, in the case of all other councils;

any budget for 1997–98 more than 12.5 per cent. above the council's GAE assessment, as adjusted if necessary, will be excessive save that if that budget is no greater than the budget set by that council for 1996–97, the council will not be capped.

WALES

Teachers

Mr. Barry Jones: To ask the Secretary of State for Wales what percentage of the teaching profession in Wales has taken early retirement in each of the last five years; and if he will make a statement. [4939]

Mr. Jonathan Evans: The information requested is shown in the table:

School teachers taking early retirement as a percentage of school teachers in service[1]

	Percentage of teachers taking early retirement
1990–91	2.3
1991–92	1.8
1992–93	1.8
1993–94	2.0
1994–95	2.0

[1] Includes grant-maintained and independent school staff who are in the teachers' superannuation scheme (TSS), excludes those returning to non-pensionable occasional service.

Pig Carcases (Antibiotic Residues)

Mr. Wigley: To ask the Secretary of State for Wales what tests are required by his Department to be applied in slaughterhouses in Wales to verify the absence of antibiotics in pig carcases; what discussion he has held with the European Commission on this issue; and if he will make a statement. [5360]

Mr. Hague: Under the national surveillance scheme for residues in meat, which implements EC directive 86/469, samples from pigs are collected each year from randomly selected slaughterhouses by the Meat Hygiene Service, and tested for the presence of residues of veterinary medicines including antibiotics. The results show that the incidence of residues found in 1995 was very low. Only 83 samples out of some 16,000 tested from pigs were above the action level. Because of the considerable margins of safety involved, none of these samples was likely to have posed a health risk to consumers.

Discussions on measures intended to harmonise, improve and extend existing controls on surveillance for residues have already been held. Member states have agreed EC directive 96/23, which repeals EC directive 86/489, which among other changes will require a small number of samples from pigs to be taken on farms as well as at slaughterhouses. It is to enter into force in all member states by 1 July 1997.

Disability

Mr. Barry Jones: To ask the Secretary of State for Wales what extra financial assistance he plans to give to organisations in Wales devoted to assisting and advising those suffering from disability in the financial year 1997–98; and if he will make a statement. [5549]

Mr. Jonathan Evans: My right hon. Friend will announce his spending plans for 1996–97 in the usual way later this year.

Arable Area Scheme

Mr. Barry Jones: To ask the Secretary of State for Wales what area of land was set aside in Wales in 1995-96 under the arable area scheme. [5548]

Mr. Jonathan Evans: The area was 4479.18 hectares.

Non-domestic Rates

Sir Wyn Roberts: To ask the Secretary of State for Wales what is his proposal for the Welsh non-domestic rate poundage for the next financial year. [6539]

Mr. Hague: I propose that the national non-domestic rate poundage for Wales should rise to 41.4 p to reflect the annual increase in the retail prices index to September 1996.

Local Government Finance

Sir Wyn Roberts: To ask the Secretary of State for Wales what are his proposals for local government revenue spending in 1997–98. [6540]

Mr. Hague: I propose to set local authority and police authority total standard spending in Wales for 1997–98 at £2,931.1 million. This figure includes £169.2 million for care in the community. It represents an increase of £66.3 million, 2.3 per cent. on the comparable level of funding for 1996–97.

I propose to set central Government support for total standard spending at £2,577.7 million.

EDUCATION AND EMPLOYMENT

European Union

Mr. MacShane: To ask the Secretary of State for Education and Employment what has been the cost in the last 12 months of sending Ministers and officials to meetings in Brussels and elsewhere in Europe in connection with his Department's handling of EU business. [4943]

Mr. Paice: The cost to the DfEE of sending Ministers and accompanying officials to meetings related to European Union business between 1 November 1995 and 31 October 1996 was £13,072.51.

Many areas of the Department's business involve negotiation on EU matters. The cost of sending officials to meetings on EU business could be identified only at disproportionate cost.

Mr. MacShane: To ask the Secretary of State for Education and Employment what percentage of her Department's time and resources are spent dealing with administrative and policy matters connected with British membership of the European Union. [4953]

Mr. Paice: The information requested could be provided only at disproportionate cost.

Examination Results

Mr. Don Foster: To ask the Secretary of State for Education and Employment what percentage of young people in *(a)* England and Wales and *(b)* London gained five or more GCSEs at grade A to C or equivalent in (i) 1979–80, (ii) 1990–91 and (iii) 1995–96. [5276]

Mrs Gillan: The percentage of young people who gained five or more GCSEs at grades A to C or equivalent in England and in Greater London is as follows:

Percentage

	1979–80	*1990–91*	*1995–96*
England (all schools)	24.0	37.8	44.5
Greater London (all maintained schools)	19.7	29.7	39.0

The figures for 1979–80 and 1990–91 are based on percentages of school leavers of all ages and those for 1995–96 relate to 15-year-old pupils in schools.

The information for schools in Wales is the responsibility of my right hon. Friend the Secretary of State for Wales.

School Attendance (Electronic Monitoring)

Mrs. Bridget Prentice: To ask the Secretary of State for Education and Employment (1) what studies her Department has made in conjunction with the National Council for Educational Technology of the possible benefits to secondary schools of electronic registration schemes; [5868]

(2) what is her Department's policy on evaluating the potential of information technology as a means for monitoring pupil attendance; [5869]

(3) what estimate she has made of the amount of teaching time which could be saved in the secondary school timetable by electronic registration systems. [5871]

Mr. Forth: Information technology can play an important part in helping some schools develop more effective means of monitoring attendance patterns, and thereby underpin measures to improve attendance rates. We have encouraged experimentation with school attendance applications of IT through the truancy, disruptive and disaffected pupils component of the grants for education support and training programme. An independent evaluation of this programme found that, if properly introduced, electronic registration systems could help schools to improve the consistency and reliability of attendance information. Further advice and information is available to schools and local education authorities from the National Council for Educational Technology.

Pupil Registration

Mrs. Bridget Prentice: To ask the Secretary of State for Education and Employment what representations she has received concerning the statutory requirements to register pupils in every lesson, as well as in the morning and afternoon. [5873]

Mr. Forth: By law, schools are required to take attendance registers at the start of both the morning and afternoon sessions. Schools may also call registers at the

start of each lesson, but this is not a statutory requirement. My right hon. Friend receives a wide range of representations on the subject of pupil registration and school attendance more generally.

Investors in People

Mr. Allen: To ask the Secretary of State for Education and Employment how many employers and of what size currently hold Investors in People status; and what percentage these constitute of all employers of that size in the area *(a)* for each of his Department's regions and *(b)* nationally. [6146]

Mr. Paice: The latest available data is provided in the following table:

Number of organisations recognised as having achieved the investors in people standard and the percentage of these against agreed baselines of organisations with 50 or more employees: by Government office region and nationally

Region	Employer size					Total
	< 50	50–199		200+		
	Number	Number	Percentage	Number	Percentage	
North-East	102	67	5	80	16	249
North-West	178	126	4	131	14	435
Yorkshire and Humberside	203	122	4	100	12	425
Merseyside	75	52	8	41	20	168
West Midlands	174	137	4	146	17	457
East Midlands	127	91	4	90	13	308
Eastern counties	88	84	3	78	11	250
South-West	297	203	8	147	23	647
South-East	174	140	4	123	17	437
London	127	81	2	96	7	305
Total England	1,545	1,103	4	1,032	14	3,680

The agreed baselines are the numbers of organisations eligible for separate investors in people recognition of the relevant size as counted by English training and enterprise councils in spring this year. There are no equivalent baselines of under 50 employees.

Former Incapacity Benefit Claimants

Mr. Alan Howarth: To ask the Secretary of State for Education and Employment (1) how much has been spent by her Department during 1995–96 on placing ex-incapacity benefit claimants who are signed on as unemployed into *(a)* jobplans, *(b)* jobclubs, *(c)* job interview guarantees and *(d)* referrals to placing, assessment and counselling teams; [6193]

(2) what is her estimate of the expenditure required for 1996–97 to place ex-incapacity benefit claimants who are signed on as unemployed into *(a)* jobplans, *(b)* jobclubs, *(c)* job interview guarantees and *(d)* referrals to placing, assessment and counselling teams. [6194]

Mr. Forth: Responsibility for the subject of the questions has been delegated to the Employment Service agency under its chief executive. I have asked him to arrange for a reply to be given.

Letter from M. E. G. Fogden to Mr. Alan Howarth, dated 26 November 1996:

The Secretary of State has asked me to reply to your questions about the expenditure for 1995–96 and 1996–97 on placing ex-Incapacity Benefit clients who are registered unemployed into various Employment Service programmes. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

The anticipated number of ex-incapacity benefit (IB) people making a claim to unemployment benefits was 200,000 in 1995–96 and 145,000 in 1996–97. To support the Employment Service (ES) package of help for ex-IB clients resources were allocated through PES as follows:

	1995–96		1996–97	
	Expected number of opportunities	Funding (£000)	Expected number of opportunities	Funding (£000)
Jobplan	86,000	9,632	68,150	7,837
Jobclub/JIG	70,000	13,230	58,000	11,252
PACT support	40,000	11,840	29,000	8,787
Total	196,000	34,702	155,150	27,876

The actual number of people who actually made a claim to unemployment benefits in 1995–96 was 40,257, which was substantially less than the anticipated figure. The table below shows the actual numbers and associated costs of those attending Jobplan, Jobclub, JIG and having PACT support in 1995–96:

	1995–96	
	Number taking up opportunities	Actual spend (£)
Jobplan	350	39,200
Jobclub/JIG	855	161,595
PACT support	9,380	2,776,480
Total	10,585	2,977,275

I hope this is helpful.

Mr. Howarth: To ask the Secretary of State for Education and Employment, pursuant to her answer of 12 November, *Official Report*, column *133*, if she will publish the results of the research carried out by the Employment Service occupational psychology division, including its recommendations; and if she will implement those recommendations. [6191]

Mr. Forth: Responsibility for the subject of the question has been delegated to the Employment Service agency under its chief executive. I have asked him to arrange for a reply to be given.

Letter from M. E. G. Fogden to Mr. Alan Howarth, dated 26 November 1996:

The Secretary of State has asked me to reply to your question about whether the results of the research carried out by the Employment Service Occupational Psychology Division, including its recommendations will be published. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

In my letter of 12 November 1996, Official Report Column 133, I explained that work had been carried out to consider the appropriateness of the package the Employment Service (ES) had put in place to help jobseekers who have previously claimed Incapacity Benefit (IB) to return to employment. Occupational Psychology Division is now considering their findings so that a report can be prepared which will contain a discussion of the implications for the process of helping these jobseekers. Once this report has been published, I will arrange for a copy to be sent to you, and a copy placed in the Library of the House. I will be considering the findings further, with a view to implementing changes where possible to do so.

I hope this is helpful.

European Education Ministers

Mr. Clifton-Brown: To ask the Secretary of State for Education and Employment what were the outcomes of the Council of EC Education Ministers held on 21 November. [6535]

Mr. Plaice: On 21 November, the Council of EC Education Ministers, at which my noble Friend the Minister of State for Education and Employment represented the UK, adopted a Council decision authorising the EC Education Committee to hold informal meetings with Council of Europe representatives; a Council decision amending decision 93/246/EEC of 29 April 1993 adopting the second phase of the trans-European co-operation scheme for higher education—TEMPUS II; a Council resolution on new political priorities for the information society; and a Council decision on the adoption of a multi-annual programme to promote linguistic diversity in the information society.

The Council adopted conclusions on school effectiveness and held a public debate on this topic. The Council also adopted conclusions on lifelong learning and on local community development through education. Council and Education Ministers meeting within Council adopted a declaration on educational measures to protect children and counter paedophilia.

Council received reports from the European Commission on four thematic conferences associated with the Commission White paper, "Teaching and Learning: Towards the Learning Society"; the Commission's Green Paper on obstacles to mobility, and its action plan on learning in the information society. The Commission gave oral presentations to Council on the budgetary needs of the SOCRATES programmes; a proposed Council recommendation on the transferability of student grants; a proposed Council recommendation on the quality of higher education; and quality assessment of first and second level education systems.

Education Ministers also took part in a meeting with Education Ministers of the countries of central and eastern Europe.

A copy of the official minutes of the Council will be placed in the Library when they become available.

Departmental Expenditure

Mr. Jacques Arnold: To ask the Secretary of State for Education and Employment what plans she has for her Department's expenditure in 1997–98; and if she will make a statement. [6536]

Mrs Gillian Shephard: As my right hon. and learned Friend the Chancellor of the Exchequer announced today, the Government intend to provide £13,950 million for the Department's voted expenditure in 1997–98. This will be in addition to expenditure on schools provided through the local authority finance settlement, which my right hon. Friend the Secretary of State for the Environment will announce tomorrow.

Schools

Provision for schools is to increase by £830 million. The bulk of this will be provided through the local authority finance settlement. Detailed allocations for individual local authorities will be announced by the Secretary of State for the Environment on 27 November. The local authority settlement will allow for an increase of 3.6 per cent. for schools. It is for local authorities to decide how to allocate the available funding, but the Government expect that priority will be given to schools. the total package of funding for schools of all types (including provision for the under 5s) represents an increase over 1996–97 of 4.4 per cent.

Schools capital

In 1997–98, the amount available for school building will be £610 million. In addition local authorities will be able to benefit from the local authority capital challenge fund of £600 million over the plan period, to which my Department is contributing £25 million in 1997–98. Alongside these resources lie the opportunities available from the private finance initiative; the recently acquired right of grant maintained schools to borrow commercially; the full use of proceeds from asset disposals by grant-maintained schools; and the relaxations on the capital controls which apply to disposals of local authority school property. This combination of measures will help to maintain the school building programme at a high level. The results of the local authority capital challenge fund for 1997–98 will be announced in December.

Grant–maintained schools

The Government will continue to ensure that GM schools receive the necessary funding to meet their extra responsibilities and particular circumstances.

The plans provide for special purposes grants to schools to be maintained at broadly current levels. They also allow for the continuing development of existing GM schools, enabling the sector to play a leading role in extending

choice and diversity, and in implementing the proposals contained in the June White Paper, "Self–Government for Schools" and in the Education Bill currently before Parliament. The Funding Agency for Schools is considering the balance of provision between the various grants.

Specialist schools

The settlement includes £33 million for 1997–98, £35 million for 1998–99 and £32 million in 1999–00 for our specialist schools programme. Already over 180 schools are operating as technology colleges or language colleges. The settlement, which adds £20 million to provision over the three years, will enable us to expand the network to over 300 schools, achieving increased diversity and opportunity.

Teacher Training Agency

The total grant for the Teacher Training Agency for recurrent and capital expenditure is planned at £210 million, £206 million and £197 million in 1997–98, 1998–99 and 1999–00 respectively. The grant takes account of changes in forecast student numbers which reflect, among other things, reduced targets for intakes into initial teacher training courses, consistent with a reduction in premature retirements from the teaching force. The grant also covers the costs of developing and introducing the new national teacher training curriculum and the graduate teacher programme, as well as funding for continuing work on the Headlamp scheme, and the development and piloting of the national professional qualification for headteachers.

Further Education and Training

16 to 19-year-olds and FE student numbers

Planned provision will enable the Government to meet their commitments to 16 to 19-year-olds for education and training in schools, colleges and work-based programmes. It will allow for continuing growth in the number of students both in the 16 to 19 age group and adults. Overall numbers of full-time equivalent further education students are set to increase by a further 8 per cent. over the plan period.

Grant to the Further Education Funding Council

The total grant to the FEFC is planned at £3,072 million in 1997–98, £3,053 million in 1998–99 and £3,011 million in 1999–2000. The sector is receiving extra resources totalling £80 million in 1997–98 and 1998–99 to underpin the continuing growth of the sector, including funding for the costs of greater use of the private finance initiative.

Modern apprenticeships and youth training

Government funding for modern apprenticeships, youth training and the development of these initiative flowing from Sir Ron Dearing's review of qualifications for 16 to 19-year-olds is planned to increase by £22 million next year against anticipated expenditure in 1996–97. Plans allow for at least 62,000 entrants to modern apprenticeships next year, rising to 67,000 by the turn of the century.

Employment and training

Employment Service programmes

Unemployment has fallen by 10 per cent. in the last year and has been on a consistently downward path for almost four years. The unemployment rate in the UK is more than two and a half percentage points below the EU average. Against that background the Government's priority is to help unemployed people, and particularly the most disadvantaged, to compete effectively for available jobs and to get back into work as quickly as possible. It is therefore increasing very substantially the resources devoted to employment programmes designed to deliver the more intensive help needed by the longer term unemployed.

In addition to the already announced expansion of project work pilots, which will help up to 100,000 people, the Government will be introducing contract for work pilots to harness the private sector's talent for innovation to help longer-term unemployed people back to work. In addition, from April next year, a new mandatory programme of intensive interviews will be introduced designed to provide those reaching two or more years unemployment with concentrated back to work help from the Employment Service. This approach is expected to help about 250,000 people next year.

For those young people aged under 25 who have been out of work for two years or more, the Government will be making available throughout Britain the successful jobmatch programme. Jobmatch helps longer-term unemployed people to use part time work as a route out of unemployment. It pays a weekly allowance for six months to those who take a part time job, and provides training vouchers which individuals can use to improve their skills and enhance their employability. Some 40,000 people aged under 25 have been unemployed for two years or more. Jobmatch will help to ensure that next year more of them get back into jobs.

Training for work

With the welcome reductions in unemployment, including long-term unemployment, over the past year, the Government have been able to reduce provision for training for work by £21 million against anticipated expenditure in 1996–97. The planned number of opportunities in training for work will reduce by 9 per cent. to 180,000—less than the 11 per cent. fall over the last year in the number of long-term unemployed people.

As unemployment falls, training for work resources will be focused on the most disadvantaged and harder to help. Building on the experience of the pilots, the Government intend to integrate pre-vocational training into training for work and to triple the numbers helped. In 1997–98, 30,000 people with motivational, attitudinal and basic skill needs will be helped—with more in later years if the demand exists.

Careers Service

The Careers Service budget will rise to £209 million for each year of the period 1997–98 to 1999–2000. This level of funding will secure the entitlement of 3 million young people aged 13 to 18 to careers information and careers guidance. In particular it will allow and increase in the careers guidance available to 16 to 18-year-olds.

Lifetime learning

Following a Government review of services to business, the Department's main employer support budgets—employer investment in people, and skills for small businesses—are being combined to form the local competitiveness budget. This will simplify arrangements and delegate more responsibility to local level for the design and delivery of provision. Two new challenge funds—local and sectoral—will operate alongside the new budget. A small contribution to the new challenge funds

from previously planned provision has been transferred to DTI, which will be managing the challenges on behalf of the Government Departments involved.

In their response to the issues raised in the replies to the "Lifetime Learning" consultation document earlier this year, the Government said that they would look into the scope for introducing a national helpline and developing local partnerships to overcome the barriers faced by many people in getting objective information and advice about learning opportunities. The Government intend to introduce such a helpline and £4.4 million has been provided for it in 1997–98.

Jobseeker's allowance

The jobseeker's allowance has been introduced successfully, and is significantly increasing the amount of help and advice the Employment Service is able to provide to individuals. The Government regard JSA as a key step in their wide-ranging programme of labour market reforms.

Disability programmes

The plans announced today provide for disability programmes, including access to work, to be maintained at their current level.

Training and enterprise councils

The Government have re-affirmed their substantial commitment to TECS, and plan to continue to invest over £1.4 billion each year over the next three years on programmes delivered through TECs. In addition, measures both to ease the administrative burden on TECs and to increase their flexibility to tailor programmes to meet local needs will reinforce their role as key players in local economic development.

Higher education

Student numbers

The Government's plans for student numbers in higher education allow for the participation rate for young people to be maintained at over 30 per cent. The Government have asked the Higher Education Funding Council for England to allocate funds to higher education institutions in such a way as to promote the expansion of the numbers of part-time undergraduate students.

Student support

The plans announced today allow for the level of student support through the main rates for grants and loans to be increased next year in line with inflation. In 1997–98 the loan and grant rates will increase by 2.5 per cent. in line with the retail prices index exclusive of mortgage interest payments. Parental contributions will also be increased in line with changes in the retail prices index. Net planned expenditure in England and Wales in the financial year 1997–98 is £802 million on loans and £1,985 million on mandatory awards covering maintenance grants and tuition fees. Access funds for further and higher education will be maintained at £28 million a year.

Tuition fees

The maximum tuition fees reimbursed through mandatory awards in 1997–98 will be the same as for 1996–97: £750 for classroom-based courses; £1,600 for laboratory and workshop-based courses; and, £2,800 for the clinical elements of medical, dental and veterinary courses. The maximum tuition fee paid through post-graduate awards funded by my Department will be increased in line with forecast inflation to £2,540 in 1997–98.

University and college funding

Total provision for universities and colleges in England through HEFCE grant and income from tuition fees paid through mandatory awards is planned to rise from £4,359 million in 1996–97 to £4,407 million in 1997–98 and £4,429 million in 1998–99. The Government have asked the funding council to earmark £20 million in 1997–98 for challenge funding for scientific research equipment.

The Government are also making additional grant available to the funding council in this financial year for challenge funding for scientific research equipment. Taken with the initial allocations from public funds and contributions from private funds, this initiative will be providing nearly £50 million for research equipment in 1996–97.

Further and higher education and capital

The Government believe that colleges in the further education sector and higher education institutions can, and should, make the fullest possible use of private finance through the private finance initiative and other entrepreneurial activity. My Department has asked the funding councils to distribute grant to institutions on the basis that they promote the private finance initiative for capital investment and encourage institutions to make the maximum appropriate use of private finance and associated commercial expertise. Within the provision being made available to the funding councils, the Government are also making available resources to enable them to pay a special VAT-related grant in respect of certain PFI projects. Within this remit, and aside from some minor exceptions, the funding councils are able to distribute grant to institutions as they see fit.

Other initiatives

On top of the increase in general provision for schools, extra funding is also being provided for a range of programmes designed to widen choice, enhance diversity and promote excellence across all educational sectors as follows.

Nursery provision

Nursery vouchers will be extended throughout England on 1 April 1997, following the successful pilots that have been run in 1996–97. Provision for 1997–98 will be £674 million, including the necessary transfer from Education Standard Spending.

Grants for educational support and training

The overall level of funding available for grants for educational support and training—GEST—will increase by some 10 per cent. over the 1996–97 equivalent programme. The new total will support expenditure of £290 million by schools and local education authorities on a wide range of important educational priorities—in particular measures for supporting schools' own development plans and the in-service training of teachers. A new grant will help potential heads develop the skills needed for headship. Other new grants will focus on improving school security and child protection. Another new grant will support the introduction of nation-wide baseline assessment of children entering primary school. Literacy will also receive a boost through the innovative

family literacy grant, which will help underachieving parents and their children. Full details of these and all other GEST grants will be announced shortly.

Assisted places scheme

The plans cover the expansion of the assisted places scheme. Provision is made for continued funding of the new places allocated from September 1996 under the first phase of the expansion programme, and for an additional 1,000 entry places from September 1997 under the second phase. Subject to the passage of the Education Bill, most of the places allocated in 1997 will be for children of primary age.

NORTHERN IRELAND

BSE

Mr. Home Robertson: To ask the Secretary of State for Northern Ireland by what mechanisms his Department is able to identify the cattle assessed as being at risk from BSE which require to be slaughtered under the Florence agreement; how many such cattle there are in Northern Ireland; and what is the minimum practical time scale for completing the accelerated cull in Northern Ireland.[2133]

Mr. Ancram: In the event of a cull based on the original proposals in the Florence agreement, the Department of Agriculture for Northern Ireland, could trace all animals born during the period 1 July 1989 to 30 June 1993 which have been reared on the same farm and in the same season as cattle which have subsequently been confirmed as having developed BSE.

There are at present some 1,766 cattle in Northern Ireland which have been identified for inclusion in any such cull. The number is subject to change depending on the number of identified animals which may be slaughtered under other arrangements and additional animals identified because of any new cases of BSE which arise.

Timescale will be governed by the speed at which the on-farm identification and valuation could be carried out. The time required to slaughter these animals would be minimal.

Arson (Compensation)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland how many Chief Constable's certificates have been issued for isolated acts of arson occurring this year where evidence of criminal involvement is only assumed; what power the Compensation Agency has to agree to compensate where no such certificates are issued; and how many times that power has been used in 1995–96. [4459]

Sir John Wheeler: Information on the number of Chief Constable's certificates issued under article 5(2) of the Criminal Damage (Compensation) (Northern Ireland) Order 1977 for specific acts is not available, and could be obtained only at disproportionate cost. In the absence of a Chief Constable's certificate, the power to compensate is contained in articles 4, 5(1)(a) and 6 of the order. These provide that the Secretary of State shall pay compensation where damage has been maliciously or wantonly caused to agricultural property, or where damage has been unlawfully, maliciously or wantonly caused to any property by three or more persons unlawfully, riotously or tumultuously assembled, or where three or more persons who are tumultuously and riotously assembled, unlawfully, maliciously or wantonly cause damage to a building or to property within the curtilage of a building and in the course of the riot a person unlawfully removes any property from such a building. In 1995–96, 465 claims for criminal damage compensation were cleared under these provisions.

Terrorism (Compensation)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 1 November, *Official Report*, column *280*, what steps are taken to ensure that claims or counter-claims are taken against individuals in relation to criminal injury or damage caused by those individuals as a result of their involvement in terrorist acts where the Compensation Agency has not paid out. [4454]

Sir John Wheeler: Government Departments which suffer criminal damage do not recover compensation from the Compensation Agency. If the circumstances were such that it was feasible and practical to do so, Departments would pursue claims in the civil courts for compensation against any person who caused criminal damage to their property. No such claims or counter-claims have been made by Government Departments in Northern Ireland in the past five years.

Briggs Rock Sewage Works

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what environmental protection steps his Department is taking in relation to the proposed extension of the Briggs Rock sewage works in Groomsport. [5122]

Mr. Moss: Responsibility for the subject in question has been delegated to the Water Service under its chief executive, Mr. H.R.F. Plester. I have asked him to arrange for a reply to be given.

Letter from H. R. F. Plester to Mr. Robert McCartney, dated 25 November 1996:

Mr Moss has asked me to reply to your parliamentary question asking what environmental protection the Department is taking in relation to the proposed extension of the Briggs Rock sewage works in Groomsport.

The Water Service has recently informed North Down Borough Council of its intention to make applications for planning permission for a "small footprint" waste water treatment works and storm water retention tanks at a site near Briggs Rock. These applications will be subject to all the usual planning and consultative processes including full assessment of the environmental impact. If permission is obtained, the steps which would be required to minimise the effects of the environment will be stipulated in the planning permission. The scheme is part of a Private Finance project and is necessary to achieve compliance with EC waste water and bathing water directives.

Pension Schemes

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland for which public sector pension schemes he currently has responsibility; how many members of each of those schemes have switched or transferred out to personal pension providers in the last five years; and which schemes do not allow re-entry. [5116]

Sir John Wheeler: The details requested are not held centrally but the number of members who have opted out of public service occupational pension schemes is somewhere in the region of 2,000 to 2,500. It is not possible to be more specific nor is it possible to identify what proportion of this number switched or transferred out to personal pension providers.

In keeping with Government policy, Departments responsible for public service schemes have introduced, or are in the process of introducing, amendments which allow current employees who were victims of mis-selling to re-enter their occupational pension schemes. The amendments will also facilitates members' restoration to a financial position equivalent to what would have been the case if mis-selling had not occurred.

Royal Ulster Constabulary

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland how many fair employment and sex discrimination cases have been commenced within the RUC over the last five years; how many officers were involved; and if he will make a statement. [5119]

Sir John Wheeler: The information is set out in the table.

Complaints 1991–1996

Complaint	*Male*	*Female*	*Total*	*Concluded*	*Ongoing*	*Tribunal*
1991						
Sex	4	4	8	All	0	1
Religion	1	0	1	All	0	0
Sex and religion	0	1	1	All	0	0
Total	5	5	10	10	0	1
1992						
Sex	4	9	13	All	0	1
Religion	6	0	6	All	0	0
Sex and religion	1	1	2	All	0	0
Sexual harassment	1	4	5	All	0	0
Total	12	14	26	26	0	1
1993						
Sex	2	0	2	All	0	0
Religion	9	0	9	8	1	5
Sex and religion	0	0	0	11	0	0
Sexual Harassment	0	7	7	All	0	0
Total	11	7	18	17	1	5
1994						
Sex	8	6	14	13	1	2
Religion	12	3	15	All	0	6
Sex and religion	1	0	1	0	1	1
Sexual harassment	0	7	7	All	0	0
Total	21	16	37	35	2	9
1995						
Sex	6	3	9	8	1	2
Religion	11	2	13	11	2	2
Sex and religion	5	1	6	1	5	5
Sexual harassment	0	7	7	4	3	3
Total	22	13	35	24	11	12
1996						
Sex	5	4	9	3	6	4
Religion	6	1	7	5	2	1
Sex and religion	1	2	3	0	3	1
Sexual harassment	1	15	16	12	4	1
Total	13	22	35	20	15	7

Tribunal cases are included under concluded or ongoing. They are not additional to.

The RUC remains committed to a policy of equality of opportunity for all its members and is in the process of implementing a range of policies and initiatives to this end.

Grammar School Places (North Down)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what estimate he has made of the number of pupils in North Down likely to become eligible for grammar school places over the next five years broken down by sex and religion. [5120]

Mr. Ancram: There is no definition of a pupil who is eligible for a grammar school place. The number of pupils entering grammar schools is related to the capacity of grammar schools and in the North Down area a number of pupils choose to attend grammar schools in the Belfast area.

Economic Strategy

Mr. Trimble: To ask the Secretary of State for Northern Ireland what plans he has for an annual review of economic strategy in Northern Ireland with particular reference to the performance of the Department of Economic Development and its five boards. [5559]

Mr. Ancram: None. The annual reports of the five agencies and the periodic strategy reviews and corporate plans published by the Department and its agencies already provide the material that such a review would elicit.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for Northern Ireland if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6032]

Sir John Wheeler *[holding answer 25 November 1996]:* The information requested could be provided only at disproportionate cost.

Pollution (Fish Kills)

Mr. William Ross: To ask the Secretary of State for Northern Ireland what was in each of the last five years and the current year to the latest available date, the number of pollution incidents which resulted in fish kills in Northern Ireland waters; what waters were involved; what fish species were killed and in what approximate numbers; what action was taken to restock and the cost of restocking in each case; how many of the pollution incidents were the result of pollution material emanating from *(a)* Department of Environment premises, *(b)* farms, *(c)* industrial premises and *(d)* other; what was the number of prosecutions brought; and if he will list the results of the court proceedings. [1966]

Mr. Moss *[holding answer 1 November 1996]:* Responsibility for the subject in question has been delegated to the Environment and Heritage Service under its chief executive, Mr. Robert C. Martin. I have asked him to arrange for a reply to be given.

Letter from Robert C. Martin to Mr. William Ross, dated 22 November 1996:

As Chief Executive of Environment and Heritage Service, I am responsible for all operational aspects of the Department of the Environment's environmental policies.

I am therefore responding to the written Parliamentary Question which you put down in the House of Commons on 30 October 1996 'to ask the Secretary of State for Northern Ireland, what was in each of the last 5 years and the current year to the latest available date, the number of pollution incidents which resulted in fish kills in Northern Ireland waters, what waters were involved, what fish species were killed and in what approximate numbers; what action was taken to restock and the cost of restocking in each case; how many of the pollution incidents were the result of polluting material emanating from (a) Department of Environment premises, (b) farms, (c) industrial premises and (d) other; what was the number of prosecutions brought; and if he will list the result of the court proceedings'.

The enclosed schedule lists all reported polluted incidents which resulted in a fish kill and included cases where prosecutions have been taken under the Water Act (Northern Ireland) 1972 and the Fisheries Act (Northern Ireland) 1996. Where costs have been obtained towards the cost of restocking this is carried out by either the Fisheries Conservancy Board for Northern Ireland or by the Foyle Fisheries Commission. In cases where private fishery has been affected, we have no record of whether restocking costs have been awarded as a result of any private court action.

I trust that you find this information helpful.

Waterway affected	*Fish species affected*	*Number Killed (aprox.)*	*Pollution source*	*Action taken against the polluter*	*Fine + costs (£)*	*Restocking costs (£)*
1991						
Auglish	trout and minnows	200	silage	prosecution	601	none
Carnowen	trout	2,500	food processing	prosecution	478	2,273
Owenbeg	trout	1,500	silage	prosecution	429	600
Strule	salmon	174	industry	prosecution	1,052	pending
Castle (Roe)	trout	1,500	agriculture	prosecution	347	475
Boveva (Roe)	trout	750	agriculture	none—defendant deceased		
Faughan	minnows	10	industry	prosecution	308	none
Drum	trout	28	agriculture	warning letter	n/a	380
Ballinderry	trout	331	agriculture	prosecution—absolute discharge	costs 127	504
Ballinderry	not assessed		gas (poaching)	no offender found	n/a	none
Maine	not assessed		agriculture	warning letter	n/a	none
Maine	salmon, parr and trout	300	sewage (DOE)	warning letter	n/a	n/a (private fishery)
Maine	various	1000's	industry	prosecution	610	n/a (private fishery)
Maine	trout, fry and eels	75	sewage (DOE)	warning letter	n/a	n/a (private fishery)
Maine	trout and dollaghan	150	industry	warning letter		n/a (private fishery)
Crumlin	trout	645	agriculture	prosecution	803	550
Crumlin	trout	1,284	agriculture	prosecution	100	1,510
Crumlin	not assessed		oil	warning letter	n/a	n/a (private fishery)
Agivey	trout, salmon and fry	650	agriculture	prosecution	400	n/a (private fishery)
Agivey	trout and salmon fry	1,000	agriculture	prosecution	400	n/a (private fishery)
Agivey	various	400	agriculture	prosecution	50	n/a (private fishery)
Leitrim	trout, fry and eels	78	agriculture	prosecution—conditional discharge	198	340
Whitewater	trout, salmon and fry	280	agriculture	prosecution	100	198
Upper Bann	trout	392	agriculture	prosecution	1,166	284
Upper Bann	trout, dollaghan and salmon	186	industry	prosecution absolute discharge	238	744
Lagan	trout	150	agriculture	prosecution withdrawn		400
Lagan	trout	300	sewage (DOE)	warning letter	n/a	164
Lagan	trout and fry	350	industry	warning letter	n/a	300
Lagan	not assessed		unknown	n/a	n/a	none
Bush	trout	32	agriculture	prosecution	354	n/a (private fishery)
Grillagh	trout and salmon fry	1,000	agriculture	prosecution	446	n/a (private fishery)
Torrent	unknown	unknown	agriculture	warning letter	n/a	300
Torrent	not assessed		agriculture	warning letter	n/a	379
Torrent	not assessed		sewage (DOE)	warning letter	n/a	253
Torrent	trout	27	sewage (DOE)	warning letter	n/a	67
Mayobridge	trout	80	agriculture	warning letter	n/a	25
Lonagher	not assessed		agriculture	prosecution	607	none
Coolaness	not assessed		agriculture	prosecution	302	none
Finn	not assessed		agriculture	warning letter		none
Cusher	not assessed		sewage (DOE)	warning letter	n/a	160
Cusher	not assessed		sewage (DOE)	warning letter	n/a	none

Waterway affected	Fish species affected	Number Killed (aprox.)	Pollution source	Action taken against the polluter	Fine + costs (£)	Restocking costs (£)
Burren	trout and eels	102	sewage (DOE)	warning letter	n/a	761
Creggan	trout	80	sewage (DOE)	warning letter	n/a	189
Ghann	trout	202	sewage (DOE)	warning letter	n/a	148
Woodvale	not assessed		sewage (DOE)	warning letter	n/a	none
Quoile	not assessed		*water abstraction*	*none*	n/a	none
Ballybay	not assessed		unknown	n/a	n/a	none
Enler	trout and stickleback	4 trout and several s/back	unknown	n/a	n/a	none
1992						
Castle (Roe)	trout and salmon	850	agriculture	prosecution	383	3,280
Routing Burn	trout and salmon	100,000	agriculture	prosecution	567	assessed at 50,000
Fintona	trout	200	agriculture	prosecution	497	none
Drumquin	trout	200	agriculture	prosecution—conditional discharge	costs 313	185
Derg	trout	1,000	agriculture	prosecution	270	508
Fairywater	trout	1,200	agriculture	prosecution—conditional discharge	costs 469	612
Salterstown	not assessed		agriculture	prosecution	578	none
Ballinderry	not assessed		agriculture	prosecution	376	none
Ballinderry	not assessed		industry	no further action		3,878
Ballinderry	not assessed		low oxygen levels	none—no polluter found	n/a	none
Blackstaff	not assessed		agriculture	warning letter		none
Oona	trout, pike	77	agriculture	warning letter	n/a	470
Oona	not assessed		oil	prosecution	479	none
Oona	trout	1,141	sewage	prosecution	427	300
Bessbrook	not assessed		industry	prosecution	1,383	none
Blackwater	various	1,000's	sewage (DOE)	warning letter	n/a	1,832
Kilkeel	trout, salmon smolts	80	industry	prosecution—absolute discharge	costs 50	432
Kesh	trout	410	agriculture	prosecution	452	950
Kesh	not assessed		agriculture	prosecution	452	625
Callan	trout	347	agriculture	prosecution	412	none
Callan	not assessed		unknown	n/a	n/a	none
Finn	trout	100	agriculture	warning letter	n/a	450
Brook	trout, salmon, fry	120	oil	warning letter	n/a	221
Brook	not assessed		unknown	none—no polluter found	n/a	none
Woodville	not assessed		sewage (DOE)	no further action	n/a	none
Bann	not assessed		unknown	none—no polluter found	n/a	none
Torrent	not assessed		unknown	none—no polluter found	n/a	none
Ballygally	not assessed		unknown	none—no polluter found	n/a	none
Ravarnet	not assessed		low oxygen levels	none—no polluter found	n/a	none
Hillsborough Lake	not assessed		low oxygen levels	none—no polluter found	n/a	none
Clady	not assessed		unsubstantiated	no further action	n/a	none
Ballynahinch	not assessed		unknown	none—no polluter found	n/a	none
Woodvale	not assessed		sewage (DOE)	no further action	n/a	none
Quoile	not assessed		water abstraction	none—no pollution	n/a	none
Ballybay	not assessed		unknown	none—no polluter found	n/a	none
1993						
Routing Burn	trout and salmon	300	agriculture	prosecution	788	none
Ballinamallard	not assessed		unknown	none—no polluter found	n/a	none
Fourmile Burn	not assessed		industry	warning letter	n/a	none
Sixmilewater	trout	2,500	industry	prosecution	4,161	n/a (private fishery)
Sixmilewater	trout	60	water abstraction	none—no pollution	n/a	100
Ballinderry	not assessed		agriculture	none—no polluter found	n/a	none
Lagan	not assessed		unknown	none—no polluter found	n/a	none
Aghindarragh Lough	not assessed		agriculture	prosecution	403	n/a (private fishery)
Doagh River	not assessed		agriculture	prosecution	110	none
Whitewater	not assessed		suspected poison	none—no polluter found	n/a	none
Knockoneill	not assessed		peat slide	none—natural phenomenon	n/a	n/a (private fishery)
Rock	trout	300–400	cement	warning letter	n/a	475
Killygreen Lough	not assessed		agriculture	prosecution	319	n/a (private fishery)
1994						
Strule	all species in the river	10 miles of river	industry	prosecution	3,240	ongoing
Ballykelly	trout	1,000	agriculture	prosecution—absolute discharge	costs 251	300
Gelvin	trout	1.500	agriculture	prosecution	312	486
Glenmoran	trout and salmon	90	dairy effluent	none—extenuating circumstances	n/a	none
Muff	trout	20	agriculture	prosecution—absolute discharge	costs 115	183
Newry Canal	pike	50	landfill runoff	warning letter	n/a	none
Macosquin River	trout and salmon	213	agriculture	prosecution	670	646
Inver	trout	several 10,000s	oil (industry)	prosecution—acquitted	n/a	n/a (private fishery)
Kellswater	trout	300	low water flow	none—no pollution	n/a	none

Waterway affected	Fish species affected	Number Killed (aprox.)	Pollution source	Action taken against the polluter	Fine + costs (£)	Restocking costs (£)
Upper Bann	trout	20	sewage (DOE)	papers lost in transit	n/a	none
Cusher	trout and dollaghan	437	agriculture	prosecution—conditional discharge	380	3,773
Lagan	trout, fly	318	agriculture	prosecution—conditional discharge	312	490
Ballybay	trout	100	agriculture	none—no polluter found	n/a	none
Lisnalinchey Burn	trout	20	agriculture	prosecution	553	none
Ravarnet	trout/salmon	183	agriculture	prosecution—conditional discharge	183	470
Blackstaff	trout	25–30	agriculture	warning letter		312
Killymoon River	trout	35	unknown	none—no polluter found	n/a	none
Ravarnet	trout/salmon	183	agriculture	prosecution	251	283
Well Water	trout and salmon fry	200	agriculture	warning letter	n/a	n/a (private fishery)
Drum	trout	1,011	agriculture	prosecution	1,285	1,045
Doora	trout	96	agriculture	warning letter	n/a	none
Salterstown Burn	trout	418	agriculture	warning letter	n/a	344
Lissan	trout	1,458	industry	warning letter	n/a	2,704
Kurin Burn	trout and salmon	482	agriculture	prosecution	914	n/a (private fishery)
Tynan	trout	8	agriculture	prosecution	65	115
Tynan	not assessed		agriculture	prosecution	115	182
Moyola	unable to assess		agriculture	prosecution withdrawn	n/a	n/a (private fishery)
Tributary of Belfast L.	trout	4	agriculture	prosecution	677	none
Dibney	trout	4	unknown	none—no polluter found	n/a	none
Blackwater	trout	3	oil	prosecution	701	none
1995						
Owenreagh	trout	6,000	agriculture	prosecution	580	3,500
Drumragh	trout	4,200	abbattoir waste	prosecution	911	2,128
Foyle Tributary	trout	200	sewage	follow up correspondence	none	
Clanrye	trout and salmon	60	oil	warning letter		450
Ballynahinch	trout	250	agriculture	prosecution—(2 offenders)	1,417	688
Ballygawley	trout	943	agriculture	prosecution	1,042	
Kellswater	trout	150	unknown	n/a—no polluter found	n/a	
Cusher	trout	100	unknown	n/a—no polluter found	n/a	
Dibney	trout	117	chemical	warning letter	n/a	174
Aghintain	trout, trout fry, eels	60 trout, 1,000s of fry	sewage	prosecution	909	ongoing
Finn	trout	7	sewage (DOE)	warning letter		assessed at 477
Kellswater	trout	537	industry	prosecution	630	
Upper Bann	trout	100	sewage (DOE)	inconclusive	n/a	none
Loughbrickland lake	trout	65	low oxygen levels	none—no polluter	n/a	none
Glasswater	trout	627	sewage (DOE)	warning letter		none
Ballymartin	trout	30	agriculture	prosecution	725	none
Lagan	trout	60	low oxygen levels	n/a—no polluter	n/a	none
Farlough Lake	trout	150	low oxygen levels	n/a—no polluter	n/a	n/a (private fishery)
Upper Ballinderry	trout	368	agriculture	warning letter	n/a	337
Clanrye	trout	60	unknown	n/a—no polluter found	n/a	none
Clanrye	trout and salmon	60	sewage (DOE)	warning letter		1,878
Ballinamallard	trout and salmon	unable to assess	agriculture	prosecution	445	6,034
Tempo	trout	250	agriculture	prosecution	pending	none
Cleen	trout	40	sewage	n/a no polluter found	n/a	none
Clady	trout	35	low oxygen levels	n/a	n/a	none
Lackey	assorted coarse fish	several hundred	agriculture	prosecution	463	none
Crumlin	trout	171	sewage (DOE)	warning letter		assessed at 967
Moyola	trout	40	agriculture	prosecution	188	n/a (private fishery)
Lagan	trout	119	low oxygen levels	n/a no polluter found	n/a	none
Bush	trout and salmon	several hundreds	industry	prosecution	11,364	n/a (private fishery)
Lough Head	bream	70	sewage (DOE)	warning letter		none
Quoile	pike	175	oil/organic matter	warning letter	n/a	none
Strand Lough	eels, sticklebacks	6 eels, 147 sticklebacks	agriculture	prosecution	407	none
Lagan	sticklebacks	250	unsubstantiated	no further action		none
Lissan	trout	not assessed	unknown	no further action	n/a	none
Cusher	trout	300	low oxygen levels	n/a—no polluter found	n/a	none
Tall	trout		sewage (DOE)	warning letter		96
Quoile	assorted coarse fish	150	sewage (DOE)	warning letter		none
Rhone	perch	184	creamery effluent	prosecution	521	none
1996						
Camowen	trout	1,250	agriculture	prosecution pending		pending
Woodville	roach fry	10,000	unknown	no further action	n/a	none
Upper Bann	assorted species	13,173	chemical (DOE)	warning letter	n/a	not yet finalised
Lagan	trout and eel	42 trout, 1 eel	industry	prosecution	930	813
Farlough	trout	27	unknown	n/a—no polluter found	n/a	none

Waterway affected	Fish species affected	Number Killed (aprox.)	Pollution source	Action taken against the polluter	Fine + costs (£)	Restocking costs (£)
Ravarnet	trout, salmon	50 trout, 27 salmon	agriculture	prosecution pending		assessed at 910
Kilkeel	salmon parr and fry	200	sandwashing (DOE)	warning letter recommended		none
Ballymartin	trout	234	unknown	n/a—no polluter found	n/a	none
Wee Agivey	trout	350	agriculture	warning letter—extenuating circumstances	n/a	n/a (private fishery)
Crumlin	trout (fish farm)	1,000	agriculture	prosecution pending		assessed at 1,806
Oona	trout	not assessed	agriculture	warning letter	n/a	240
Callan	trout	150	agriculture	warning letter	n/a	450
Roughan	assorted species	70	poaching	none—no offender found	n/a	none
Camlough Lake	assorted coarse fish	10	unknown	n/a—no polluter found	n/a	none
Necarne (1 incident)	trout, eel	12 trout, 1 eel	sewage (DOE)	warning letter	n/a	none
Necarne (1 incident)	trout and eel	12 trout, 1 eel	agriculture	warning letter	n/a	none
Drum	not assessed		agriculture	prosecution pending		assessed at 859
Butterwater	trout	30	agriculture	decision pending	n/a	assessed at 375
Newry Canal	perch	50	unknown	n/a—no polluter found	n/a	none
Cunningham	trout	53	agriculture	prosecution pending		assessed at 424
Derriaghey	trout	22	sewage (DOE)	warning letter recommended	n/a	none
Fardross	not assessed		agriculture	decision pending		none
Kellswater	trout	450	industry	decision pending		n/a (private fishery)
Ballynahinch	trout	150	agriculture	warning leter recommended	n/a	assessed at 600
Ballinamallard	trout fry	unknown	agriculture	prosecution recommended		assessed at 352
Kellswater	trout	100	agriculture	prosecution recommended		none
Tonent	not assessed		sewage (DOE)	decision pending	n/a	none
Kellswater	trout	260	industry/sewage	decision pending		n/a (private fishery)
Blackwater	trout	300	poaching	none—no offender found	n/a	
Drumadonnel	trout	200	agriculture	decision pending		pending
Kellswater	trout, dollaghan	73 trout, 4 dollaghan	sewage (DOE)	decision pending	n/a	n/a (private fishery)
Inve:	trout	10 tons (fish farm)	industry	decision pending		n/a (private fishery)
Ardilee	trout	100	landfill leachate	decision pending		pending

DEFENCE

Defence Helicopter Support Authority

12. **Mr. Mark Robinson:** To ask the Secretary of State for Defence what assessment he has made of the work of the defence helicopter support authority at Yeovilton since its establishment. [4320]

Mr. Arbuthnot: By general consent among the three services, the defence helicopter support authority has been a great success since its formation in April 1994.

Trident

13. **Mr. Corbyn:** To ask the Secretary of State for Defence if he will estimate the total cost of the Trident programme. [4321]

Mr. Arbuthnot: The current estimated cost of the Trident programme is £12.2 billion. This is £3.4 billion less in real terms than the 1982 estimate.

Eurofighter

14. **Mr. Pope:** To ask the Secretary of State for Defence what recent discussions he has had with his German counterpart concerning the Eurofighter project. [4322]

Mr. Portillo: I refer the hon. Member to the answer I gave earlier to the hon. Member for Swansea, East (Mr. Anderson).

Army Recruitment

15. **Dr. Goodson-Wickes:** To ask the Secretary of State for Defence what measures he is taking to improve recruitment to the Army. [4323]

Mr. Soames: Vigorous steps are being taken to improve recruitment. In addition to a substantial increase in the recruiting budget, we are advertising armed forces careers in jobcentres, and deferred the previously planned closure of 41 Army careers information offices.

"Striking a Balance"

16. **Mr. Faber:** To ask the Secretary of State for Defence what steps he has taken further to improve the environmental management of Ministry of Defence land following his Department's report, "Striking a Balance." [4325]

Mr. Soames: "Striking a Balance" forms a key part of our overall strategy to improve the management of the defence estate as a whole. It sets out in detail the guidelines governing the management of the Army training estate.

Nuclear Defence

17. **Mr. Llwyd:** To ask the Secretary of State for Defence what were the costs of maintaining the United Kingdom's nuclear defence capability including procurement costs in the last available year; and if he will make a statement. [4326]

Mr. Arbuthnot: The Royal Navy's Trident missile submarines now provide Britain's independent nuclear deterrent and hence the ultimate guarantee of our security. Trident acquisition costs in 1995–96 amounted to £401 million, from an estimated total for the programme of £12.2 billion. Trident and Polaris running costs in 1995–96 are estimated to have totalled some £215 million. Trident running costs over the lifetime of the programme are estimated to be around £200 million per annum.

22. **Mr. Evennett:** To ask the Secretary of State for Defence what recent representations he has received about Britain's nuclear deterrent. [4331]

Mr. Soames: We regularly receive representations from hon. Members and the public about our nuclear deterrent.

NATO

18. **Dr. Michael Clark:** To ask the Secretary of State for Defence when he last met his Russian counterpart to discuss the extension of NATO. [4327]

Mr. Soames: My right hon. Friend visited Moscow last week and met the Russian Defence Minister, General Rodionov. They discussed a wide range of subjects of mutual interest, including the accession of new members to NATO.

Royal Navy

19. **Mr. Mudie:** To ask the Secretary of State for Defence what was the strength of the Royal Navy in 1990; and what estimate he has made of the strength of the Royal Navy under current plans by the end of the decade. [4328]

Mr. Soames: The strength of the fleet in 1990 is contained in table 1 of annex A to the "Statement on the Defence Estimates 1990", Cm 1022, a copy of which can be found in the Library of the House. Our current plans are to maintain the fleet broadly at the strength set out in annex B to the "Statement on the Defence Estimates 1996", Cm 3223.

Royal College of Defence Studies

20. **Mrs. Clwyd:** To ask the Secretary of State for Defence what consultations have taken place between his Department and the royal college of defence studies regarding an application from the Indonesian special forces to attend a course in London. [4329]

Mr. Soames: None.

Iraq

21. **Mr. Campbell-Savours:** To ask the Secretary of State for Defence when he next intends to visit northern Iraq to discuss the operation of the northern no-fly zone. [4330]

Mr. Soames: My right hon. Friend the Secretary of State for Defence has no plans to visit northern Iraq.

Commission for Racial Equality

23. **Mr. Wray:** To ask the Secretary of State for Defence what policies he has introduced under the programme agreed with the Commission for Racial Equality. [4332]

Mr. Soames: Following my Department's agreement with the Commission for Racial Equality earlier this year, a number of measures concerning racial equality issues in all three services have been introduced. A new system of monitoring the ethnic origin of inquirers and applicants to the armed forces was introduced on 1 June 1996 and a new survey of the ethnic origin of serving personnel has recently been completed. Work is currently in hand to analyse this material and quarterly thereafter. Considerable work has also been undertaken on revising Household Cavalry recruitment literature and all Household Cavalry personnel have been reminded of the Army's policy on racial equality. A vigorous training programme for these personnel is being undertaken and the Army's outreach work in ethnic minority communities continues to be strengthened. The Department continues to work closely with the Commission for Racial Equality in implementing the agreed programme and equal opportunities directives for all three services have now been issued.

Operation Purple Star

24. **Mr. William O'Brien:** To ask the Secretary of State for Defence how many British merchant vessels were chartered by Her Majesty's Government for Operation Purple Star; and if he will make a statement. [4333]

Mr. Soames: British registered merchant vessels were chartered by my Department to take part in Operation Purple Star.

Only one British registered merchant vessel was offered. This was declined as it did not meet the requirement, being too small and slow for the task.

Sea Crusader

25. **Mr. Brian David Jenkins:** To ask the Secretary of State for Defence if he will make a statement concerning the current status of the Japanese roll on/roll off vessel. Sea Crusader, chartered by his Department. [4335]

Mr. Soames: On 1 November 1996, RFA Sea Crusader suffered power loss in its starboard engine. The engine fault has now been rectified under guarantee and at no cost to my Department. The vessel is fully operational and has resumed its programme.

Gulf War Syndrome

26. **Mr. Austin Mitchell:** To ask the Secretary of State for Defence if he will make a statement on Gulf war syndrome. [4336]

Mr. Soames: I refer the hon. Member to the answer I gave to the hon. Member for Wallasey (Ms Eagle) on 29 October, *Official Report*, columns *446–47*.

Robert Wilsons Canning Co.

27. **Mr. Donohoe:** To ask the Secretary of State for Defence what effect the closure of Robert Wilsons Canning Co. plant at Kilwinning has had on the supply of the company's products to the armed forces. [4337]

Mr. Arbuthnot: The closure of the Wilsons plant at Kilwinning is not expected to affect adversely the supply of food to the armed forces.

The company currently has three contracts, two of which will be fulfilled before the Kilwinning plant closes, whilst the third will be undertaken by HL Foods, a sister company within the Hillsdown HL Group.

Anti-personnel Mines

28. **Mr. Kevin Hughes:** To ask the Secretary of State for Defence what recent discussions he has had with his French counterpart concerning a ban on the use of anti-personnel land mines. [4338]

Mr. Arbuthnot: My right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs considered this issue with his European Union counterparts on 1 October 1996. Discussions on work towards a total worldwide ban on anti-personnel mines takes place regularly between UK and French officials.

Mr. Parry: To ask the Secretary of State for Defence if he will make a statement on his policy in respect of anti-personnel mines. [4487]

Mr. Arbuthnot: I refer the hon. Gentleman to the answer given in reply to a question from the hon. Member for Caernarfon (Mr. Wigley) on 23 April 1996, *Official Report*, column *84*.

Boarding School Allowance

Mr. Jamieson: To ask the Secretary of State for Defence (1) if he will list the total number of children benefiting from the boarding school allowance for the past five years, indicating the number of children whose parent is *(a)* of officer rank or above and *(b)* of other junior ranks; [5593]

(2) if he will list the total spent on the boarding school allowance in each of the past five years and the total number of children benefiting from the scheme; and if he will estimate the figures for *(a)* 1996–97 and *(b)* 1997–98. [5595]

Mr. Soames *[holding answer 25 November 1996]:* The total cost to my Department of boarding school allowance for the academic years in question was:

1991–92: £115.35 million

1992–93: £116.72 million

1993–94: £113.61 million

1994–95: £107.24 million

1995–96: £110.60 million

I estimate that the total which will be spent on boarding school allowance in the next two academic years will be approximately the same as for the current year.

The total average number of children for whom boarding school allowance was claimed in the academic years in question was:

1991–92: 16,208

1992–93: 15,120

1993–94: 12,567

1994–95: 11,363

1995–96: 10,699

My Department has kept detailed statistics which analyse only the number of children whose parent is an officer or other rank, for the academic year 1995–96. In that year, the average number of children whose parent is an officer is 7,125 and the average number of children whose parent is another rank is 3,574. Statistics for the previous four academic years could be provided only at disproportionate cost.

Mr. Jamieson: To ask the Secretary of State for Defence if he will list the independent schools on the admissible schools list that received funds from his Department in respect of boarding school allowance, indicating for each *(a)* the number of pupils benefiting from the scheme and *(b)* the amount of money received in each of the past five years. [5596]

Mr. Soames *[holding answer 25 November 1996]:* The current admissible schools list—ASL—a copy of which has been placed in the Library of the House, gives details of the number of relevant pupils.

The amount of money received over the past five years by schools on successive ASLs is not held centrally and could be obtained only at disproportionate cost.

Departmental Savings

Mr. Mans: To ask the Secretary of State for Defence what were the net annual and net total savings expected of the defence cost studies carried out by his Department on *(a)* the Ministry of Defence head office, *(b)* headquarter-service commands and top-level budget holders, *(c)* the Ministry of Defence police, *(d)* research and development, *(e)* procurement projects and practices, *(f)* the procurement executive—organisation and functions, *(g)* the review of market testing and contracting out, *(h)* financial management, *(i)* estate-property, *(j)* repairs-spares-storage and distribution, *(k)* naval infrastructure, *(l)* training, *(m)* recruitment—manning arrangements, *(n)* medical, *(o)* non-operational information systems strategies and expenditure, *(p)* security, *(q)* defence intelligence, *(r)* Royal Air Force management structure and manning, *(s)* Army management structure and manning, *(t)* Royal Navy management structure and manning, *(u)* music, *(v)* animals and vets, *(w)* catering and messes, *(x)* chaplaincy services, *(y)* Ministry of Defence fire services, *(z)* terminal air traffic control services, *(aa)* legal services, *(bb)* travel and subsistence, *(cc)* cost of regulations, *(dd)* the Meteorological Office, *(ee)* radiological protection, policy, advice and audit, *(ff)* forms and publications and *(gg)* uniforms, at the time each study was complete; when these savings were expected to commence; what are the actual net annual and total savings so far achieved in each case; and what is the latest estimate of net total savings expected for each of these studies at 1995–96 prices. [5467]

Mr. Soames: The total savings expected of the defence costs study remain as published last year in the MOD's memorandum "Front Line First: a year on": some £720 million in 1996–97 rising to over £1 billion per annum by the end of the decade.

This estimate reflects decisions taken by Ministers on the recommendations made by the various study teams as subsequently ratified during the first stage of the implementation process. That ratification was not carried out on a study-by-study basis but the budget areas tasked with implementing the decisions taken. This involved breaking out the various study team recommendations, many of which crossed budgetary boundaries, and allocating them to the appropriate budget areas. Initial monitoring of progress was done on this basis too.

The savings information is not, therefore, available in the form requested. Nor since the end of 1995 have the savings been monitored centrally or separately; they have been incorporated into the budgets of the areas concerned who are responsible for ensuring they are achieved.

Challenger Tanks (Channel Tunnel)

Dr. David Clark: To ask the Secretary of State for Defence if Challenger tanks can be transported through the channel tunnel. [5709]

Mr. Soames: This is a matter for the chief executive of the Defence Transport and Movements Executive. I have asked the chief executive to write to the hon. Member.

Letter from Michael Hodson to Dr. David Clark, dated 26 November 1996:

I am replying to your Question to the Secretary of State for Defence, about the transportation of Challenger tanks through the Channel Tunnel, as this matter falls within my area of responsibility as Chief Executive of the Defence Transport and Movements Executive Agency.

Challenger tanks could be transported through the Channel Tunnel, as the Tunnel rail loading gauge is large enough to accept all variants. As I pointed out in my reply to your earlier Question on the various methods of moving tanks, the transportation means on either side of the Tunnel would vary. The UK rail loading gauge cannot accommodate Challenger tanks and loading to and from continental rolling stock would need to take place at Cheriton, the tanks having been transported there by road. Dependent on the destination on the continent, on-move on the French side could be either by rail or road.

There are no current intentions to utilize the Tunnel for moving tanks but planning continues, in order that this could be a future option.

Pilots

Dr. David Clark: To ask the Secretary of State for Defence if he will list the number, and rank, of flight qualified pilots in each of the services. [5712]

Mr. Soames: The information requested is detailed below:

	Numbers
RN	
Captain	16
Cdr.	68
Lt. Cdr.	214
Lt.	331
Sub. Lt.	6
Total	635
RM	
Brigadier	2
Lt. Col.	4
Major	4
Captain	7
Lt.	14
Acting Lt.	1
WO1	1
WO2	4
CSgt.	8
Sgt.	18
Cpl.	3
Total	66

	Total numbers	*Army Air Corps*	*Other arms*[1]
Army			
Maj. Gen.	1	0	1
Brig.	8	2	6
Col.	18	7	11
Lt. Col.	58	42	16
Maj.	171	133	38
Capt.	110	73	37
Lt.	7	7	0
WO1	29	23	6
WO2	64	60	4
SSGT	96	84	12
SGT	165	128	37
CPL	67	31	36
Total	794	590	[2]204

[1] Includes limited number of doctors who are specialists in Aviation medicine and remain in flying practice.
[2] Includes nine who no longer fly (five of whom are REME maintenance test pilots).

	Numbers
RAF	
Air Rank	68
Gp. Capt.	119
Wg. Cdr.	248
Sqn. Ldr.	604
Junior Officer	1,443
Total	[1]2,482

[1] Only 1,607 are currently in flying posts. The remainder are either employed in flying related or ground appointments.

Royal Yacht Britannia

Mr. Cyril D. Townsend: To ask the Secretary of State for Defence (1) when he expects to announce a decision on a replacement for the royal yacht Britannia; [5689]

(2) where the decommissioned royal yacht Britannia is to be located; [5691]

(3) if he will make a statement on his proposals for the decommissioning of the royal yacht Britannia; and when these will be implemented. [5690]

Mr. Soames: Britannia is scheduled to be decommissioned in the second half of 1997; her programme for next year, including decommissioning, is currently under consideration. The Government are considering Britannia's future once decommissioned, including a number of proposals for the future use of the vessel, most of which envisage a permanent mooring as a heritage attraction. The Government are examining the requirement for a replacement royal yacht, and will announce a decision in due course.

Royal Defence Medical School

Mr. Murphy: To ask the Secretary of State for Defence what representations have been made to him regarding the location of the royal defence medical school. [5567]

Mr. Soames: A number of representations have been received about the proposed transfer of the royal defence medical college from Millbank to HMS Dolphin.

Mr. Murphy: To ask the Secretary of State for Defence when he proposes to transfer the royal defence medical school to HMS Dolphin, Gosport. [5565]

Mr. Soames: The royal defence medical college will move from Millbank to HMS Dolphin at Gosport during 1997.

Mr. Murphy: To ask the Secretary of State for Defence what plans he has for the future of the royal defence medical school; and if he will make a statement. [5566]

Mr. Soames: The royal defence medical college supervises the basic and higher professional training of all service medical officers, and all training for nurses and medical technicians. In order that the college may fulfil its wider role as the centre of excellence for military medicine, it is planned to relocate it at HMS Dolphin close to the tri-service hospital at Haslar.

The new health studies division of the college is already located at HMS Dolphin in temporary accommodation; it will expand and move into a purpose-built building next year. The remaining college facilities at Millbank, including postgraduate medical education, nurse, laboratory technician and operating department practitioner training, defence medical entomology and the library, will move to HMS Dolphin next year when accommodation becomes available.

Royal Army Medical Corps

Mr. Murphy: To ask the Secretary of State for Defence what plans he has to move the RAMC headquarters mess from its present site; and if he will make a statement. [5581]

Mr. Soames: The future location of the RAMC mess is currently being studied. No decision has yet been made.

Convicted Service Men (Cyprus)

Mr. Cox: To ask the Secretary of State for Defence if he will make a statement on the case of the three British service men convicted in Cyprus of the manslaughter of a Danish tour guide. [5504]

Mr. Soames: The three British service men were tried and convicted in March this year by the Cypriot authorities for the abduction and manslaughter of Miss Jensen. The soldiers were sentenced to life imprisonment and subsequently discharged from the Army as a result of their conviction.

Air Force Crosses

Mr. Mans: To ask the Secretary of State for Defence when the criteria for the award of Air Force Crosses were changed; what were the previous criteria; and what are the new criteria. [6246]

Mr. Soames: Prior to 14 February 1994, the Air Force Cross was awarded to commissioned officers and warrant officers of the armed forces in recognition of acts of exceptional valour, courage or devotion to duty while flying, though not in active operations against the enemy. From that date, its award is reserved for acts of exceptional gallantry in the air not in the face of the enemy and, having subsumed the Air Force Medal, is available to all ranks. Devotion to duty while flying is now recognised by a meritorious award, either OBE or MBE, in the half-yearly honours lists.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Secretary of State for Defence if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6021]

Mr. Soames *[holding answer 25 November 1996.]:* This information is not held centrally and could be provided only at disproportionate cost.

Kuwait

Mr. Harry Greenway: To ask the Secretary of State for Defence how many British service men are currently on active service in Kuwait; what duties they are performing; and if he will make a statement. [4561]

Mr. Soames: There are no UK military personnel on active service as such in Kuwait. However, there are currently 13 UK military personnel serving as military observers with the United Nations Iraq-Kuwait observation mission, UNIKOM. The function of the military observers is to monitor the UN demilitarised zone along the boundary between Iraq and Kuwait in support of UN Security Council resolution 687. In addition to these, there are 57 loan personnel in the British military mission providing training to the Kuwaiti armed forces.

Employment (contracts)

Mr. Harry Greenway: To ask the Secretary of State for Defence what level of employment in the defence industry in the United Kingdom is supported by MOD contracts; and if he will make a statement. [4562]

Mr. Arbuthnot: Estimates of UK employment dependent on my Department's expenditure appear in table 1.10 of "UK Defence Statistics 1996", a copy of which is in the Library of the House.

Ex-service Personnel

Dr. David Clark: To ask the Secretary of State for Defence how many ex-service personnel are currently available for call-up in times of national emergency. [5713]

Mr. Soames: The strength of our regular reserves is shown in table 2.13 on page 43 of the 1996 edition of "United Kingdom Defence Statistics", a copy of which has been placed in the Library of the House.

Female Service Personnel

Dr. David Clark: To ask the Secretary of State for Defence how many female officers there were at 1 October 1991. [5710]

Mr. Soames: At 1 October 1991, there were 2,855 female officers in the armed forces.

Dr. Clark: To ask the Secretary of State for Defence, pursuant to his answer of 15 November, *Official Report*, column *373*, if he will provide a breakdown by rank of the female officers in the armed forces at 1 October. [5711]

Mr. Soames: The information is given below in terms of Army equivalent ranks.

UK Regular Forces: Female Officers at 1 October 1996

	Royal Navy	*Army*	*RAF*	*Total*
Total	434	1,073	891	2,398
Brigadier	0	0	2	2
Colonel	3	10	2	15
Lieutenant Colonel	12	36	39	87
Major	54	213	162	429
Captain	268	471	470	1,209
Lieutenant/2nd Lieutenant	87	235	204	526
Officer Designate	10	108	12	130

There are no female officers above the rank of Brigadier.

Women

Ms Janet Anderson: To ask the Secretary of State for Defence what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5484]

Mr. Soames: My Department's policies which are most likely to impact on women are those related to its role as an employer of service and civilian personnel. Where appropriate, statistical and other forms of monitoring are continually undertaken to assess the effectiveness of such policies. This is part of a range of practical measures included within annual programmes of action, aimed at promoting equal opportunities for female civilian personnel, and women in the armed forces. In addition, my officials are currently preparing guidance for service and civilian policy staffs on appraising policy proposals for equal treatment based on guidance which was circulated at Cabinet level for Departments to adapt to their own circumstances.

Publicity

Mr. Flynn: To ask the Secretary of State for Defence what is the outturn figure for his Department's expenditure on publicity and promotions in 1995–96. [6138]

Mr. Soames: A breakdown of expenditure on publicity for 1995–96 has been published in the MOD performance report for 1995–96—Cm 3448, page 32—a copy of which has been placed in the Library of the House. The figures now also include expenditure on the recruitment of tri-service reservists.

Gulf War

Mr. Stevenson: To ask the Secretary of State for Defence what recent discussions he has had with his French counterpart concerning the use of organophosphate pesticides during the Gulf war. [4324]

Mr. Soames: My officials are in contact with the French on a variety of Gulf health issues including the use of organophosphate pesticides.

Unexploded Bombs

Mr. Simon Hughes: To ask the Secretary of State for Defence if he will provide precise locations of the sites of unexploded world war two bombs in London. [4334]

Mr. Soames: The most precise information available to my Department on this subject was provided with my letter of 11 November to the hon. Member. A copy was also placed in the Library of the House.

Gulf War Syndrome

Mr. Dalyell: To ask the Secretary of State for Defence pursuant to his answer to the hon. Member for South Shields (Dr. Clark) on 5 November, *Official Report*, columns *409–10*, if he will make a statement of his Department's latest inquiries into Gulf war syndrome. [4480]

Mr. Soames: My Department continues to operate a medical assessment programme. As at 21 November, 875 people have been seen by the medical assessment programme. We continue to urge all Gulf veterans who believe they are ill as a result of their service to come forward for assessment. We shall shortly announce details of the research into the health problems of Gulf war veterans, recommended by the Medical Research Council.

SOCIAL SECURITY

European Union

Mr. MacShane: To ask the Secretary of State for Social Security what percentage of his Department's time and resources are spent dealing with administrative and policy matters connected with British membership of the European Union. [4959]

Mr. Burt: The information is not available and could be provided only at disproportionate cost. While some staff in this Department work solely on matters connected with UK membership of the European Union and are identifiable as such, others are engaged in EU-related work only from time to time as part of their normal duties.

Compensation Recovery Scheme

Mr. Wigley: To ask the Secretary of State for Social Security what is his timetable for the implementation of his amendments to the compensation recovery scheme; and if he will backdate these provisions. [5361]

Mr. Roger Evans: I refer the hon. Member to the reply, that I gave the hon. Member for Wakefield (Mr. Hinchliffe) on 7 November, *Official Report*, columns *681–82*.

Mental Health Needs

Mr. Alan Howarth: To ask the Secretary of State for Social Security what plans he has to undertake research into the take up of incapacity and other disability benefits by persons with mental health needs. [6053]

Mr. Burt: The Department has no plans for research specifically on the take-up of disability or incapacity benefits by persons with mental health needs, but we will be seeking to use data from the disability survey now in progress to estimate take-up of disability living allowance and attendance allowance.

Severe Disablement Allowance

Mr. Tipping: To ask the Secretary of State for Social Security what plans he has to alter the payment of severe disablement allowance. [5708]

Mr. Andrew Mitchell: We are proposing simplifications to the current arrangements which will cut down on the requirement for some claimants to undergo two separate medical tests, and better target resources on the severely disabled. These proposals are currently the subject of a Social Security Advisory Committee consultation exercise.

Departmental Expenditure

Mr. Faber: To ask the Secretary of State for Social Security what proposals he has for constraining growth in his Department's expenditure, simplifying the benefit system and combating fraud; and if he will set out the financial effect of these changes. [6582]

Mr. Lilley: I intend to introduce a range of measures which will:

simplify the administration of the benefit system;

place a greater onus of responsibility on benefit claimants;

equalise the treatment of one and two parent families;

better target the housing benefit and council tax benefit schemes;

and continue the drive to combat fraud.

Simplification and increased responsibility

I propose the following measures which will simplify the operation of the benefit system and encourage more responsibility on the part of claimants:

- a rationalisation and simplification of the rules governing backdated claims for benefit and reviews of awards. These changes will be phased in from April 1997;
- an increase in the waiting days which will apply to claims for jobseeker's allowance from three days to seven. This change will take effect from April 1999;
- a simplification of the rules governing claims to war pensions will be referred to the Central Advisory Committee on war pensions on 5 December;
- the establishment of a clearer boundary between the entitlement condition for disability living allowance and attendance allowance, providing that those over 65 should receive support through attendance allowance rather than disability living allowance. This change will take effect from October 1997.

These measures will produce savings of some £260 million a year once fully in place.

Lone parents and families

I propose to take further steps towards making the benefit system fairer to families by bringing the benefits available to lone parents further into line with those available to couples.

From April 1997, the structure of benefits for lone parents will be brought into line with that for couples. The lone parent premium will be combined with the family premium. One-parent benefit will be integrated with child benefit. Existing lone parents will continue to receive the current higher levels of benefit in future. But new lone parents will from April 1998 be paid the same rate of family premium and child benefits as couples.

Housing benefit

I also propose measures which will better target the housing and council tax benefit schemes.

In housing benefit I intend to restrict the amount of benefit that can be paid to private deregulated tenants to the general level of local rents for a suitably sized home. I also intend to limit benefit for single people under 60 living in the private deregulated sector to the average rent for a single, non self-contained room.

These measures will take effect from October 1997 and will save some £130 million per year in the long term.

Under both of these housing benefit changes local authorities will retain the discretion to pay up to the full value of eligible rents to prevent severe hardship, and the discretionary funds available to authorities will be adjusted to take account of the changes.

Council tax benefit

The proposed change to council tax benefit will restrict the amount of benefit payable to claimants living in more expensive properties.

I propose to restrict the maximum amount of council tax benefit payable to the level of a band E property. This change will take effect from April 1998 and will save around £15 million per year in the long term.

Combating fraud

As part of my major drive against fraud I am today announcing additional funding for a new spend-to-save anti-fraud and evasion package. This is in addition to the substantial sums we already spend on anti-fraud activity.

Over the next three years, I shall be investing an extra £470 million, in addition to an existing investment in fraud and security activities of some £900 million. Even excluding the impact of any prevention and deterrence the total investment is expected to save the taxpayer nearly £7 billion by 1999–2000[1]. However I expect the new powers I am taking in the Fraud Bill and the increase in anti-fraud work to produce substantial additional savings as fraud is prevented and deterred.

The new spend-to-save package will pay for: 1.3 million more visits to new benefit claimants than in 1996–97; an additional 300,000 a year checks on existing claimants; continuation of the "Spotlight on Benefit Cheats" campaigns; additional visiting activity in 1997–98 by local authorities, as well as a programme of benefit reviews of housing benefit; the extension of datamatching activities; increased activity on national insurance contribution compliance; and the setting up of the benefit-fraud inspectorate.

The Fraud Bill together with the new spend-to-save package will build upon an already successful counter fraud strategy. The Fraud Bill will provide fraud investigators with the tools they need to do their jobs, and the spend-to-save investment, when added to existing commitments, will mean for every £1 spent, an estimated £5 return in detected fraud. Both aspects of the anti-fraud drive underline the Government's determination to crack down on benefit cheats.

Note:

1. The savings are expected to be £1,900 million in 1997–98, £2,400 million in 1998–99 and £2,500 million in 1999–2000. These are estimates to the nearest £100 million. They include some £300 million, over the three years, in respect of additional revenue from the collection of National Insurance contributions. In addition to excluding any allowance for prevention and deterrence the method of estimating the savings has been changed to align them more closely with the public expenditure process. Previously the savings were accounted for in the year in which the fraud was detected but will now be spread over the average period during which the fraud would otherwise have continued. While this affects the timing of the savings, it does not affect the amount in the long term.

Incapacity Benefit

Mr. Bernard Jenkin: To ask the Secretary of State for Social Security what plans he has to amend the regulations governing incapacity benefit. [6583]

Mr. Burt: I have laid before Parliament today a package of minor amendments to regulations concerning the application of the all work test for incapacity benefit which will improve the application of the test, drawing on operational experience since the introduction of the benefit in April 1995. The package will also amend the categories under which people who fail the test are treated as incapable of work in prescribed exceptional circumstances, following a recent decision by the High Court that the wording of the current provisions are unlawful.

National Insurance

Mr. Elletson: To ask the Secretary of State for Social Security if he has yet completed his review of national insurance contributions for 1997–98. [6584]

Mr. Lilley: I have completed the annual review under section 141 of the Social Security Administration Act 1992. My proposals will take effect from 6 April 1997. As I announced last year I intend to reduce the main rate of contributions for employers by 0.2 per cent. This will save employers as a whole over £500 million a year. The additional Treasury grant necessary to make up for the shortfall in income to the national insurance fund will be met from the landfill tax announced by my right hon. Friend the Chancellor of the Exchequer in last year's Budget. There will be no change to the standard rate of contributions for employees which will remain at 10 per cent.

Employers and employees

In line with the Social Security Contributions and Benefits Act 1992, the lower earnings limit for class 1 contributions is to be raised to £62 a week. It is set at the level of the basic retirement pension rate for a single person from April 1997, rounded down to the nearest pound.

The upper earnings limit is to be raised to £465 a week which is slightly less than 7½ times the new basic pension rate as provided by the Social Security Contributions and Benefits Act. These new earnings limits will replace the current ones of £61 and £455 respectively.

Employees whose earnings reach the lower earnings limit will continue to pay an initial contribution of 2 per cent. of that limit and standard rate contributions of 10 per cent. on that portion of their earnings which exceeds the lower but not the upper earnings limit.

For employers the three lower contribution rates remain unchanged at 3 per cent., 5 per cent. and 7 per cent., respectively. The earnings thresholds for these rates have tended to rise faster than inflation in recent years and will therefore also remain unchanged for the coming year.

Non-contracted-out employees and their employers

Neither employees nor employers will have to pay any contributions if earnings are less than £62 a week. Employees whose earnings do not exceed £455 (the former upper earnings limit) will pay 8p a week less in contributions than at present. This is because a further £1 of their weekly earnings will be subject to the 2 per cent. rate rather than 10 per cent. For employees with earnings above £455, the maximum possible increase will be 92p a week.

All employers will pay less where earnings are £210 a week or more. There will be no change for employers where earnings are between £62 and £210 a week.

Contracted-out employees and their employers

In March this year I announced the new levels for the rebate on class 1 national insurance contributions for people contracted-out of the state earnings-related pension scheme which will take effect from April 1997. The financial effect, combined with changes to the lower and upper earnings limits and the reduction in the main rate of contributions paid by employers, is as follows:

Employees with earnings between £62 and £95 will pay slightly less. Those with earnings between £95 and £455—the former upper earnings limit—will pay between one penny and 72p a week more. For those who earn more than £455 the maximum possible increase will be £1.56 a week.

Employers who operate a contracted-out salary-related scheme

Where earnings are less than £210 most employers will pay 3p week extra. This is due to the increase in the lower earnings limit which means that a further £1 of earnings is not subject to the contracted-out rebate. All employers will pay less where earnings are £210 a week or more.

Employers who operate a contracted-out money purchase scheme

A new system of age-related rebates applies from April 1997. A reduced flat rate rebate will be paid to employers, with a flat rate rebate to employees at the same rate as for COSRS, and a further age related payment made by the Contributions Agency direct to the pension scheme. All employers will pay more, ranging from a few pence where earnings just exceed the lower earnings limit to a maximum of £5.01 a week where earnings reach £455 (the old upper earnings limit), although their statutory requirement to make minimum payments to the pension scheme will be less at all relevant earnings levels.

Self-employed people

The flat rate class 2 contribution will be raised by 10p to £6.15 a week.

There will be no change to the rate of class 4 contributions which will remain at 6 per cent. The annual limits of profits between which class 4 contributions are paid will be raised to £7,010 and £24,180 from £6,860 and £23,660 respectively.

Self-employed people who pay only class 2 contributions will pay an extra £5.20 a year in 1997–98.

For people with profits between £7,010 and £23,660—the former upper profits limit—class 4 contributions will be reduced by £9 a year assuming an unaltered level of profits. For those self-employed people with profits at or above the new upper profits limit the annual charge for class 4 contributions will be £22.20 higher.

class 3 (voluntary) contributions

The rate of class 3 contributions will be raised by 10p to £6.05 a week.

National health service allocation

The allocation to the national health service is unchanged at 1.05 per cent. from employees and 0.9 per cent. from employers.

Treasury grant

Although benefit expenditure from the national insurance fund will broadly match income—I need to ensure that the fund maintains a prudent working balance throughout the coming year and—in accordance with section 2(2) of the Social Security Act 1993, I propose to do so by means of a grant from the Treasury. I estimate that the grant required will be approximately £1.4 billion.

As usual, I shall be laying a draft order before Parliament together with a report by the Government Actuary describing the effects of my proposals.

Benefits

Mr. Nigel Evans: To ask the Secretary of State for Social Security if he will set out the new rates of benefit proposed from April 1997. [6585]

Mr. Lilley: As usual, the annual uprating of social security benefits will take place in the first full week of the tax year—in 1997 this will be the week beginning 7 April.

I have reviewed social security benefits in accordance with section 150 of the 1992 Administration Act. My proposals, which are set out in the schedule, will increase most of the major benefits in line with inflation. The statutory instruments to implement them will be laid before both Houses for debate. My right hon. and learned Friend the Secretary of State for Northern Ireland proposes to introduce similar changes for Northern Ireland.

All national insurance benefits will be uprated in line with the annual increase in the retail prices index up to September which this year is 2.1 per cent.

Income-related benefits will generally rise by 2.6 per cent. in line with the ROSSI index—RPI less certain housing costs.

In line with my policy, announced last year, of moving towards an even-handed treatment of one and two-parent families the family premium (lone parent) paid with income-related benefits and child benefit (lone parent) will be unchanged in April 1997.

A schedule of the new benefit rates follows.

Some key points of the 1997 increases are:

Retirement pension

The standard rate of retirement pension will be increased by £1.30 per week for a single person to £62.45 and by £2.05 per week for couples to £99.80.

Incapacity benefit

The basic rate of long term incapacity benefit will rise by £1.30 a week to £62.45.

Income support

The level of income support for a pensioner couple aged over 80 will rise from £112.25 to £115.15.

Jobseeker's allowance

Jobseeker's allowance for a single person aged over 25 will rise from £47.90 a week to £49.15.

Child benefit

Child benefit will again be raised in line with prices. For the first or eldest eligible child the weekly rate will increase from £10.80 to £11.05 and for each subsequent child the rate will rise from £8.80 to £9.00.

War pensions

War pensions will, again be uprated fully in line with prices.

Earnings top-up

Benefit rates for the pilot earnings top-up scheme will be increased by the ROSSI index.

Non-dependent deductions

Increases will be made to deductions and the income thresholds, in income support, jobseeker's allowance, housing benefit and council tax benefit in respect of non-dependent adults living in the claimant's home. Two new bands of deductions will be introduced in housing benefit and council tax benefit for those non-dependents with earnings over £200 per week. Similar bands will be introduced for income support and income-based jobseeker's allowance from April 1998.

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
ATTENDANCE ALLOWANCE		
Higher rate	48.50	49.50
Lower rate	32.40	33.10
CHILD BENEFIT		
Only, elder or eldest for whom child benefit is payable (couple)	10.80	11.05
Only, elder or eldest for whom child benefit is payable (lone parent)	17.10	17.10
Each subsequent child	8.80	9.00
CHILD'S SPECIAL ALLOWANCE		
See note on child dependency increase	11.15	11.20
COUNCIL TAX BENEFIT		
Personal allowances		
Single		
18 to 24	37.90	38.90
25 or over	47.90	49.15
Lone parent—18 or over	47.90	49.15
Couple—one or both over 18	75.20	77.15

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Dependent children		
Birth to September, following 11th birthday	16.45	16.90
From September, following 11th birthday to September, following 16th birthday	24.10	24.75
From September, following 16th birthday to day before 19th birthday	28.85	29.60
Dependent children with protected rates		
Age 11 before 1 April 1997	24.10	24.75
Age 16 before 1 April 1997	28.85	29.60
Age 18 before 1 April 1997	37.90	38.90
Premiums		
Family	10.55	10.80
Family (lone parent rate)	22.05	22.05
Pensioner		
Single	19.15	19.65
Couple	28.90	29.65
Pensioner (enhanced)		
Single	21.30	21.85
Couple	31.90	32.75
Pensioner (higher)		
Single	25.90	26.55
Couple	37.05	38.00
Disability		
Single	20.40	20.95
Couple	29.15	29.90
Severe disability		
Single	36.40	37.15
Couple (one qualifies)	36.40	37.15
Couple (both qualify)	72.80	74.30
Disabled child	20.40	20.95
Carer	13.00	13.35
Allowance for personal expenses for claimants in hospital		
Higher rate	15.30	15.60
Lower rate	12.25	12.50
Non-dependant deductions		
Aged 18 or over and in remunerative work		
Gross income: £250 or more	2.60	4.00
Gross income: £200–£249.99	2.60	3.50
Gross income: £116–£199.99	2.60	3.00
Gross income less than £116	1.30	1.50
Others, aged 18 or over	1.30	1.50
Alternative maximum council tax benefit		
Second adult on income support or income based jobseeker's allowance	25 per cent. of Council Tax	
Second adult's gross income		
Under £116	15 per cent. of Council Tax	
£116 to £151.99	7.5 per cent of Council Tax	
Capital		
Upper limit	16,000.00	16,000.00
Amount disregarded	3,000.00	3,000.00
Child's limit	3,000.00	3,000.00
Tariff income		
£1 for every complete £250 or part thereof between amount of capital disregarded and capital upper limit		
Earnings disregards		
Where disabiilty premium awarded	15.00	15.00
Various specified employments	15.00	15.00
Lone parent	25.00	25.00
Where the claimant has a partner	10.00	10.00
Single claimant	5.00	5.00
Where carer premium awarded	15.00	15.00
Childcare charges	60.00	60.00
Other income disregards		
Maintenance disregard	15.00	15.00
War disablement pension and war widow's pension	10.00	10.00
Certain voluntary and charitable payments	20.00	20.00
Student loan	10.00	10.00
Student's covenanted income	5.00	5.00
Income from boarders: disregard the fixed amount (£20) plus		
50 per cent. of the balance of the charge	20.00	20.00

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
30-hour adult allowance in disability working allowance	10.30	10.55
30-hour adult credit in family credit	10.30	10.55
Expenses for subtenants		
Furnished or unfurnished	4.00	4.00
Where heating is included, additional	9.25	9.25
DEPENDENCY INCREASES		
Adult dependency increases for spouse or person looking after children, with:		
Retirement pension on own insurance, long-term incapacity benefit, unemployability supplement	36.60	37.35
Severe disablement allowance	21.95	22.40
Invalid care allowance	21.90	22.35
Short-term incapacity benefit if beneficiary over pension age	35.15	35.90
Maternity allowance/short term incapacity benefit	28.55	29.15
Child dependency increases, with:		
Retirement pension, widows benefit, short-term incapacity benefit at the higher rate and long-term incapacity benefit, invalid care allowance, severe disability allowance, higher rate industrial death benefit, unemployability supplement and short-term incapacity benefit if beneficiary over pension age	11.15	11.20
NB—The Overlapping Benefits Regulations provide for the rate of child dependency increases, guardian's allowance and child special allowance to be adjusted where the increase or allowance is payable for the eldest eligible child for whom child benefit is also payable. The weekly rate of the increase or allowance is reduced by the differential (less the 75p derived from the October 1991 increase in child benefits between the relevant rate of child benefit payable for the oldest eligible child and that payable for a subsequent child.		
DISABILITY LIVING ALLOWANCE		
Care component		
Highest	48.50	49.50
Middle	32.40	33.10
Lowest	12.90	13.15
Mobility component		
Higher	33.90	34.60
Lower	12.90	13.15
DISABILITY WORKING ALLOWANCE		
Adult allowance		
Single people	48.25	49.55
Couples/lone parents	75.60	77.55
30 hours allowance	10.30	10.55
Child allowance		
Under 11	11.75	12.05
11 to 15	19.45	19.95
16 to 17	24.15	24.80
18	33.80	34.70
Applicable amount (ie taper threshold)		
Single people	56.40	57.85
Couples/lone parents	75.20	77.15
Disabled child's allowance	20.40	20.95
Capital		
Upper limit	16,000.00	16,000.00
Amount disregarded	3,000.00	3,000.00
Child's limit	3,000.00	3,000.00
Tariff income		
£1 for every complete £250 or part thereof between amount of capital disregarded and capital upper limit		
Disregards		
Maintenance disregard	15.00	15.00
War disablement pension and war widow's pension	10.00	10.00
Certain voluntary and charitable payments	20.00	20.00
Student loan	10.00	10.00
Student's covenanted income	5.00	5.00

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Income from boarders:		
Disregard the fixed amount (£20) plus		
50% of the balance of the charge	20.00	20.00
Childcare charges	60.00	60.00
Expenses for subtenants		
Furnished or unfurnished	4.00	4.00
Where heating is included, additional	9.25	9.25
EARNINGS RULES		
Invalid care allowance	50.00	50.00
Therapeutic earnings limit	45.50	46.50
Industrial injuries unemployability supplement permitted earnings level (annual amount)	2,366.00	2,418.00
War pensioners' unemployability supplement permitted earnings level (annual amount)	2,366.00	2,418.00
Adult dependency increases with short-term incapacity benefit where claimant is		
(a) Under pension age	28.55	29.15
(b) Over pension age	35.15	35.90
Maternity allowance	28.55	29.15
Retirement pension, long-term incapacity benefit, severe disablement allowance, unemployability supplement where dependant		
(a) Is living with claimant	48.25	49.15
(b) Still qualifies for the tapered earnings rule	45.09	45.09
Retirement pension, long-term incapacity benefit and unemployability supplement where dependant not living with claimant	36.60	37.35
Severe disablement allowance where dependant not living with claimant	21.95	22.40
Invalid care allowance	21.90	22.35
Child dependency increases level at which CDIs are affected by earnings of claimant's spouse or partner		
For first child	130.00	135.00
For each subsequent child	17.00	17.00
EARNINGS TOP-UP (see appendix)		
FAMILY CREDIT		
Adult credit	46.45	47.65
Adult credit for working 30 hours + pw.	10.30	10.55
Child credit		
Under 11	11.75	12.05
11 to 15	19.45	19.95
16 to 17	24.15	24.80
18	33.80	34.70
Applicable amount (ie taper threshold)	75.20	77.15
Capital		
Upper limit	8,000.00	8,000.00
Amount disregarded	3,000.00	3,000.00
Child's limit	3,000.00	3,000.00
Tariff income		
£1 for every complete £250 or part thereof between amount of capital disregarded and capital upper limit		
Disregards		
Maintenance disregard	15.00	15.00
War disablement pension and war widow's pension	10.00	10.00
Certain voluntary and charitable payments	20.00	20.00
Student loan	10.00	10.00
Student's covenanted incomeIncome from boarders:	5.00	5.00
disregard the fixed amount (£20) plus		
50 per cent. of the balance of the charge	20.00	20.00
Childcare charges	60.00	60.00
Expenses for subtenants		
Furnished or unfurnished	4.00	4.00
Where heating is included, additional	9.25	9.25
GUARDIAN'S ALLOWANCE		
See note on child dependency increase	11.15	11.20

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
HOSPITAL DOWNRATING		
20 per cent. rate	12.25	12.50
40 per cent. rate	24.50	25.00
HOUSING BENEFIT		
Personal allowances		
Single		
16 to 24	37.90	38.90
25 or over	47.90	49.15
Lone parent		
Under 18	37.90	38.90
18 or over	47.90	49.15
Couple		
Both under 18	57.20	58.70
One or both over 18	75.20	77.15
Dependent children		
Birth to September following 11th birthday	16.45	16.90
From September following 11th birthday to September following 16th birthday	24.10	24.75
From September following 16th birthday to day before 19th bierthday	28.85	29.60
Dependent children with protected rates		
Age 11 before 1st–7th April 1997	24.10	24.75
Age 16 before 1st–7th April 1997	28.85	29.60
Age 18 before 1st–7th April 1997	37.90	38.90
Premiums		
Family	10.55	10.80
Family (lone parent rate)	22.05	22.05
Pensioner		
Single	19.15	19.65
Couple	28.90	29.65
Pensioner (enhanced)		
Single	21.30	21.85
Couple	31.90	32.75
Pensioner (higher)		
Single	25.90	26.55
Couple	37.05	38.00
Disability		
Single	20.40	20.95
Couple	29.15	29.90
Severe disability		
Single	36.40	37.15
Couple (one qualifies)	36.40	37.15
Couple (both qualify)	72.80	74.30
Disabled child	20.40	20.95
Carer	13.00	13.35
Allowance for personal expenses for claimants in hospital		
Higher rate	15.30	15.60
Lower rate	12.25	12.50
None-dependant deductions rent rebates and allowances		
Aged 25 and over, in receipt of Income Support or income based Job Seekers Allowances		
Aged 18 or over, not in remunerative work or		
Gross income less than £78	6.00	7.00
Aged 18 or over and in remunerative work		
Gross income: less than £78.00	6.00	7.00
Gross income: £78 to £115.99	12.00	13.00
Gross income: £116 to £151.99	16.00	17.00
Gross income: £152 to £199.99	32.00	33.00
Gross income: £200.00 to £249.99	32.00	36.00
Gross income: £250.00 and above	32.00	39.00
Service charges for fuel		
Heating	9.25	9.25
Hot water	1.15	1.15
Lighting	0.80	0.80
Cooking	1.15	1.15
Amount ineligible for meals		
Three or more meals a day		
Single claimant	17.10	17.55
Each person in family aged 16 or over	17.10	17.55
Each child under 16	8.65	8.85
Less than three meals a day		
Single claimant	11.35	11.65
Each person in family aged 16 or over	11.35	11.65
Each child under 16	5.70	5.85

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Breakfast only—claimant and each member of family	2.05	2.10
Capital		
Upper limit	16,000.00	16,000.00
Amount disregarded	3,000.00	3,000.00
Child's limit	3,000.00	3,000.00
Tariff income		
£1 for every complete £250 or part thereof between amount of capital disregarded and capital upper limit		
Earnings disregards		
Where disability premium awarded	15.00	15.00
Various specified employments	15.00	15.00
Lone parent	25.00	25.00
Where the claimant has a partner	10.00	10.00
Single claimant	5.00	5.00
Where carer premium awarded	15.00	15.00
Childcare charges	60.00	60.00
Other income disregards		
Maintenance disregard	15.00	15.00
War disablement pension and war widow's pension	10.00	10.00
Certain voluntary and charitable payments	20.00	20.00
Student loan	10.00	10.00
Student's covenanted income	5.00	5.00
Income from boarders:		
Disregard the fixed amount (£20) plus		
50 per cent. of the balance of the charge	20.00	20.00
30 hour Adult Allowance in DWA	10.30	10.55
30 hour Adult Credit in FC	10.30	10.55
Expenses for subtenants		
Furnished or unfurnished	4.00	4.00
Where heating is included, additional	9.25	9.25
INCAPACITY BENEFIT		
Long-term incapacity benefit	61.15	62.45
Short-term incapacity benefit (under pension age)		
Lower rate	46.15	47.10
Higher rate	54.55	55.70
Short-term incapacity benefit (over pension age)		
Lower and higher rate	58.65	59.90
Increase of long-term incapacity benefit for age		
Higher rate	12.90	13.15
Lower rate	6.45	6.60
Invalidity allowance (transitional)		
Higher rate	12.90	13.15
Middle rate	8.10	8.30
Lower rate	4.05	4.15
INCOME SUPPORT		
Personal Allowances		
Single		
Under 18—usual rate	28.85	29.60
Under 18—higher rate payable in specific circumstances	37.90	38.90
18 to 24	37.90	38.90
25 or over	47.90	49.15
Lone parent		
Under 18—usual rate	28.85	29.60
Under 18—higher rate payable in specific circumstances	37.90	38.90
18 or over	47.90	49.15
Couple		
Both under 18	57.20	58.70
One or both 18 or over	75.20	77.15
Dependent children		
Birth to September following 11th birthday	16.45	16.90
From September following 11th birthday to September following 16th birthday	24.10	24.75
From September following 16th birthday to day before 19th birthday	28.85	29.60

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Dependent children with protected rates		
Age 11 before 7 April 1997	24.10	24.75
Age 16 before 7 April 1997	28.85	29.60
Age 18 before 7 April 1997	37.90	38.90
Residential Allowance		
Except Greater London	54.00	56.00
Greater London	60.00	62.00
Premiums		
Family	10.55	10.80
Family (lone parent rate)	15.75	15.75
Pensioner		
Single	19.75	19.65
Couple	28.90	29.65
Pensioner (enhanced)		
Single	21.30	21.85
Couple	31.90	32.75
Pensioner (higher)		
Single	25.90	26.55
Couple	37.05	38.00
Disability		
Single	20.40	29.95
Couple	29.15	29.90
Severe disability		
Single	36.40	37.15
Couple (one qualifies)	36.40	37.15
Couple (both qualify)	72.80	74.30
Disabled child	20.40	20.95
Carer	13.00	13.35
Maximum amounts for accommodation and meals in residential care homes		
Old age	203.00	208.00
Very dependent elderly	234.00	240.00
Mental disorder (not handicap)	214.00	220.00
Drug/alcohol dependence	214.00	220.00
Mental handicap	244.00	250.00
Physical disablement		
(a) (Under pension age)	276.00	285.00
(b) (Over pension age)	203.00	208.00
Others	203.00	208.00
Maximum Greater London increase	38.00	41.00
Nursing homes		
Mental disorder (not handicap)	304.00	312.00
Drug/alcohol dependence	304.00	312.00
Mental handicap	310.00	318.00
Terminal illness	303.00	311.00
Physical disablement		
(a) (Under pension age)	341.00	352.00
(b) (Over pension age)	303.00	311.00
Others (including elderly)	303.00	311.00
Maximum Greater London increase	43.00	46.00
Amounts for meals where these cannot be purchased within the accommodation (Daily rate)		
Breakfast	1.10	1.10
Midday meal	1.55	1.55
Evening meal	1.55	1.55
Allowances for personal expenses for claimants in		
Private and voluntary residential		
Care and nursing homes personal expenses	13.75	14.10
Dependent children		
(a) Under 11	5.65	5.80
(b) 11 to 15	8.25	8.45
(c) 16 to 17	9.55	9.80
(d) Age 18	13.75	14.10

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Hospital		
Higher rate	15.30	15.60
Lower rate	12.25	12.50
Local authority (Pt III) accommodation	61.15	62.45
Of which, Personal Expenses	13.75	14.10

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Allowances for personal expenses for claimants in:		
The Polish home Ilford Park		
Maximum amount of accommodation and meals	341.00	352.00
Personal expenses for claimants	17.35	17.35
Personal expenses for partner	17.35	17.35
Personal expenses for dependant children		
(a) Under 11	5.65	5.80
(b) 11 to 15	8.25	8.45
(c) 16 to 17	9.55	9.80
(d) 18	15.55	15.55
Housing costs		
Deductions for non-dependants aged 25 and over, in receipt of Income Support aged 18 or over, not in work or		
Gross income less than £78	6.00	7.00
Aged 18 or over and in remunerative work:		
Gross income: £78 to £115.99	12.00	13.00
Gross income: £116 to £151.99	16.00	17.00
Gross income: £152.00 and above	32.00	33.00
Deductions for direct payments		
Arrears of housing, fuel and water costs council tax and fines default,	2.40	2.50
Deductions for child maintenance (standard)	4.80	5.00
Deductions for child maintenance (lower)	2.40	2.50
Arrears of community charge		
Court order against claimant	2.40	2.50
Court order against couple	3.80	3.90
Maximum rates for recovery of overpayments		
Ordinary overpayments	7.20	7.50
Where claimant convicted of fraud	9.60	10.00
Reduction in benefit for strikers	26.00	26.50
Capital		
Upper limit	8,000.00	8,000.00
Amount disregarded	3,000.00	3,000.00
Child's limit	3,000.00	3,000.00
Upper limit for permanent residents of residential care/nursing homes (RC/NH)	16,000.00	16,000.00
Amount disregarded for permanent residents of RC/NH	10,000.00	10,000.00
Tariff income		
£1 for every complete £250 or part thereof between amount of capital disregarded and capital upper limit		
Disregards		
Standard earnings	5.00	5.00
Couples earnings	10.00	10.00
Higher earnings	15.00	15.00
War disablement pension and war widow's pension	10.00	10.00
Voluntary and charitable payments	20.00	20.00
Student loan	10.00	10.00
Student's covenanted income	5.00	5.00
Income from boarders:		
Disregard the fixed amount (£20) plus		
50 per cent. of the balance of the charge	20.00	20.00
Expenses for subtenants		
Furnished or unfurnished	4.00	4.00
Where heating is included, additional	9.25	9.25
INDUSTRIAL DEATH BENEFIT		
Widow's pension		
Higher rate	61.15	62.45
Lower rate	18.35	18.74
INDUSTRIAL DISABLEMENT PENSION		
18 and over, or under 18 with dependants		
100 per cent.	99.00	101.10
90 per cent.	89.10	90.99
80 per cent.	79.20	80.88
70 per cent.	69.30	70.77
60 per cent.	59.40	60.66
50 per cent.	49.50	50.55
40 per cent.	39.60	40.44
30 per cent.	29.70	30.33
20 per cent.	19.80	20.22
Under 18		
100 per cent.	60.65	61.90
90 per cent.	54.59	55.71
80 per cent.	48.52	49.52
70 per cent.	42.46	43.33
60 per cent.	36.39	37.14
50 per cent.	30.33	30.95
40 per cent.	24.26	24.76
30 per cent.	18.20	18.57
20 per cent.	12.13	12.38
Maximum life gratuity (lump sum)	6,580.00	6,720.00
Unemployability supplement	61.15	62.45
plus where appropriate an increase for early incapacity		
Higher rate	12.90	13.15
Middle rate	8.10	8.30
Lower rate	4.05	4.15
Maximum reduced earnings allowance	39.60	40.44
Maximum retirement allowance	9.90	10.11
Constant attendance allowance		
Exceptional rate	79.40	81.00
Intermediate rate	59.55	60.75
Normal maximum rate	39.70	40.50
Part-time rate	19.85	20.25
Exceptionally severe disablement allowance	39.70	40.50
INVALID CARE ALLOWANCE	36.60	37.35
JOBSEEKERS ALLOWANCE		
Personal allowances		
Single		
Under 18—usual rate	28.85	29.60
Under 18—higher rate payable in specific circumstances	37.90	38.90
18 to 24	37.90	38.90
25 or over	47.90	49.15
Lone Parent		
Under 18—usual rate	28.85	29.60
Under 18—higher rate payable in specific circumstances	37.90	38.90
18 or over	47.90	49.15
Couple		
Both under 18	28.85	29.60
Both under 18, one disabled	37.90	38.90
Both under 18, with responsibility for a child	57.20	58.70
One under 18, one 18–24	37.90	38.90
One under 18, one 25+	47.90	49.15
Both 18 or over	75.20	77.15
Dependent children		
Birth to September following 11th birthday	16.45	16.90
From September following 11th birthday to September following 16th birthday	24.10	24.75
From September following 16th birthday to day before 19th birthday	28.85	29.60
Dependent children with protected rates		
Age 11 before 7 April 1997	24.10	24.75
Age 16 before 7 April 1997	28.85	29.60
Age 18 before 7 April 1997	37.90	38.90
Residential allowance		
Except Greater London	54.00	56.00
Greater London	60.00	62.00
Premiums		
Family	10.55	10.80
Family (lone parent rate)	15.75	15.75
Pensioner		
Single	19.15	19.65
Couple	28.90	29.65
Pensioner (enhanced)		
Couple	31.90	32.75
Pensioner (higher)		
Single	25.90	26.55
Couple	37.05	38.00
Disability		
Single	20.40	20.95

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Couple	29.15	29.90
Severe disability		
Single	36.40	37.15
Couple (one qualifies)	36.40	37.15
Couple (both qualify)	72.80	74.30
Disabled child	20.40	20.95
Carer	13.00	13.35
Maximum amounts for accommodation and meals in residential care homes		
Mental disorder (not handicap)	214.00	220.00
Drug/alcohol dependence	214.00	220.00
Mental handicap	244.00	250.00
Physical disablement		
(a) (Under pension age)	276.00	285.00
Others	203.00	208.00
Maximum Greater London increase	38.00	41.00
Nursing homes		
Mental disorder (not handicap)	304.00	312.00
Drug/alcohol dependence	304.00	312.00
Mental handicap	310.00	318.00
Terminal illness	303.00	311.00
(a) (Under pension age)	341.00	352.00
Others (including elderly)	303.00	311.00
Maximum Greater London increase	43.00	46.00
Amounts for meals where these cannot be purchased within the accommodation		
(Daily rate)		
Breakfast	1.10	1.10
Midday meal	1.55	1.55
Evening meal	1.55	1.55
Allowances for personal expenses for claimants in		
Private and voluntary residential care and nursing homes personal expenses	13.75	14.10
Dependent children		
(a) Under 11	5.65	5.80
(b) 11 to 15	8.25	8.45
(c) 16 to 17	9.55	9.80
(d) Age 18	13.75	14.10
Hospital		
Higher rate	15.30	15.60
lower rate	12.25	12.50
Local authority part III accommodation, of which personal expenses	61.15 13.75	62.60 14.10
Housing costs deduction for non-dependants		
Aged 25 and over, in receipt of Income Support		
Aged 18 or over, not in work or Gross income less than £78	6.00	7.00
Aged 18 or over and in remunerative work		
Gross income: £78.00 to £115.99	12.00	13.00
Gross income: £116.00 to £151.99	16.00	17.00
Gross income: £152 and above	32.00	33.00
Deduction for direct payments		
Arrears of housing, fuel and water costs		
Council tax and fines default	2.40	2.50
Deductions for child maintenance (income-based JSA only)		
Deductions for child maintenance (standard)	4.80	5.00
Deductions for child maintenance (lower)	2.40	2.50
Arrears of community charge		
Court order against claimant	2.40	2.50
Court order against couple	3.80	3.90
Maximum rates for recovery of overpayments		
Ordinary overpayments	7.20	7.50
Where claimant convicted of fraud	9.60	10.00
Reduction in benefit for strikers	26.00	26.50
Capital		
Upper limit	8,000.00	8,000.00
Amount disregarded	3,000.00	3,000.00
Child's limit	3,000.00	3,000.00
Upper limit for perm. res. of RC/NH	16,000.00	16,000.00
Amount disregarded for perm. res. of RC/NH	10,000.00	10,000.00

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Tariff income		
£1 for every complete £250 or part thereof between amount of capital disregarded and capital upper limit		
Disregards		
Standard earnings	5.00	5.00
Couples earnings	10.00	10.00
Higher earnings	15.00	15.00
War disablement pension and war widow's pension	10.00	10.00
Voluntary and charitable payments	20.00	20.00
Student loan	10.00	10.00
Student's covenanted income	5.00	5.00
Income from boarders:		
Disregard the fixed amount (£20) plus		
50 per cent. of the balance of the charge	20.00	20.00
Expenses for subtenants		
Furnished or unfurnished	4.00	4.00
Where heating is included, additional	9.25	9.25
MATERNITY ALLOWANCE		
Lower rate	47.35	48.35
Higher rate	54.55	55.70
ONE PARENT BENEFIT	6.30	Nil
PNEUMOCONIOSIS, BYSSINOSIS, WORKMENS'S COMPENSATION (SUPPLEMENTATION) AND OTHER SCHEMES		
Total disablement allowance and major incapacity allowance (maximum)	99.00	101.10
Partial disablement allowance	36.60	37.35
Unemployability supplement	61.15	62.45
Plus where appropriate increases for early incapacity		
Higher rate	12.90	13.15
Middle rate	8.10	8.30
Lower rate	4.05	4.15
Constant attendance allowance		
Exceptional rate	79.40	81.00
Intermediate rate	59.55	60.75
Normal maximum rate	39.70	40.50
Part-time rate	19.85	20.25
Exceptionally severe disablement allowance	39.70	40.50
Lesser incapacity allowance		
Maximum rate of allowance	36.60	37.35
Based on loss of earnings over	48.50	49.50
Retirement Pension		
Category A or B	61.15	62.45
Category B (lower)—husband's insurance	36.60	37.35
Category C or D—non-contributory	36.60	37.35
Category C (lower)—non-contributory	21.90	22.35
Additional pension	Increase by: 2.10 per cent.	
Increment to:		
Basic and additional pensions	Increased by: 2.10 per cent.	
Contracted out deductions (CODs) (Pre-April 1988 earnings)		
Graduated retirement benefit (GRB)		
Increments to CODs (post-April 1988 earnings)		
[2.1 per cent. paid by schemes]		
Graduated retirement benefit (unit) (pence)	7.94	8.11
Graduated retirement benefit (Inherited)	Increase by 2.10 per cent.	
Addition at age 80	0.25	0.25
SEVERE DISABLEMENT ALLOWANCE		
Basic rate	36.95	37.75
Age-related addition (from December 1990)		
Higher rate	12.90	13.15
Middle rate	8.10	8.30
Lower rate	4.05	4.15
STATUTORY MATERNITY PAY		
Earnings threshold	61.00	62.00
Lower rate	54.55	55.70

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
STATUTORY SICK PAY		
Earnings threshold	61.00	62.00
Lower rate	54.55	55.70
WAR PENSIONS		
Disablement Pension (100 per cent. rates)		
Officer (£ per annum)	5,479.00	5,594.00
Other ranks	105.00	107.20
Age allowances		
40 per cent.–50 per cent.	7.00	7.15
Over 50 per cent. but not over 70 per cent.	10.80	11.05
Over 70 per cent. but not over 90 per cent.	15.45	15.75
Over 90 per cent.	21.60	22.10
Disablement gratuity		
(base figures for calculation purposes only)		
Specified minor injury	6,580.00	6,720.00
Unspecified minor injury	3,619.00	3,696.00
Unemployability allowance		
Personal	64.90	66.25
Adult dependency increase	36.60	37.35
(a) Increase for first child	9.90	9.90
(b) Increase for subsequent children	11.15	11.20
Invalidity allowance		
Higher rate	12.90	13.15
Middle rate	8.10	8.30
Lower rate	4.05	4.15
Constant attendance allowance		
Exceptional rate	79.40	81.00
Intermediate rate	59.55	60.75
Normal maximum rate	39.70	40.50
Part-time rate	19.85	20.25
Comforts allowance		
Higher rate	17.00	17.40
Lower rate	8.50	8.70
Mobility supplement	37.75	38.55
Allowance for lowered standard of occupation (maximum)	39.60	40.44
Exceptionally severe disablement allowance	39.70	40.50
Severe disablement occupational allowance	19.85	20.25
Clothing allowance (£ per annum, maximum)	134.00	137.00
Education allowance (£ per annum, maximum)	120.00	120.00
War widow's pension		
Widow (private)	79.35	81.00
Widow (NCO)	79.60	81.25
Widow—officer (£ p.a max)	4,907.00	5,010.00
Childless widow under 40 (private)	18.35	18.74
Childless widow under 40 (NCO)	18.63	19.02
Childless widow (officer max. £s pa)	4,907.00	5,010.00
Supplementary Pension	51.71	52.80
Age allowance		
(a) Age 65 to 69	9.05	9.25
(b) Age 70 to 79	17.40	17.75
(c) Age 80 and over	25.90	26.45
Children's allowance		
(a) Increase for first child (adjusted for ChB increase)	14.10	14.15
(b) Increase for subsequent children	15.35	15.45
Orphan's pension		
(a) Increase for first child (adjusted for child benefit increase)	15.85	15.90
(b) Increase for subsequent children	17.10	17.20
Unmarried dependant living as spouse (max)	77.30	78.95
Rent allowance (maximum)	30.00	30.65
Adult orphan's pension (maximum)	61.15	62.45
Widower's pension		
(i) Private (max)	79.35	81.00
(ii) Officer (£ per annum) max	4,907.00	5,010.00
WIDOW'S BENEFIT		
Widow's payment (lump sum)	1,000.00	1,000.00
Widowed mother's allowance	61.15	62.45

Schedule of main proposed social security benefit rates—April 1997

Weekly rates unless otherwise shown	*Old rates 1996*	*New rates 1997*
Widow's pension		
Standard rate	61.51	62.45
Age-related		
Age 54 (49)	56.87	58.08
Age 53 (48)	52.59	53.71
Age 52 (47)	48.31	49.34
Age 51 (46)	44.03	44.96
Age 50 (45)	39.75	40.59
Age 49 (44)	35.47	36.22
Age 48 (43)	31.19	31.85
Age 47 (42)	26.91	27.48
Age 46 (41)	22.63	23.11
Age 45 (40)	18.35	18.74

For deaths occurring before 11 April 1988 refer to age-points shown in brackets.

Schedule of main proposed social security benefit rates—April 1997

Appendix: Earnings top-up

	Old rates 1996 £	*New rates 1997 £*
SCHEME A		
Credit		
Couple	46.45	47.65
Single 25 and over	28.00	28.75
Single under 25	22.75	23.35
For working 30 hours + per week	10.30	10.55
Applicable amount (i.e. taper threshold)		
Couple	75.20	77.15
Single 25 and over	58.20	59.70
Single under 25	48.20	49.45
SCHEME B		
Credit		
Couple	56.05	57.50
Single 25 and over	28.00	28.75
Single under 25	22.75	23.35
For working 30 hours + per week	10.30	10.55
Applicable amount (i.e. taper threshold)		
Couple	75.20	77.15
Single 25 and over	75.20	77.15
Single under 25	75.20	77.15
BOTH SCHEMES		
Capital		
Upper limit	8,000.00	Fixed rates
Amount disregarded	3,000.00	Fixed rates
Traffic income		
£1 for every complete £250 or part thereof between amount of capital disregarded and capital upper limit		Fixed rate

Child Support Agency

Mr. Pawsey: To ask the Secretary of State for Social Security how many cases the Child Support Agency has dealt with, where the alleged absent parent disputes paternity, between January 1996 and October 1996.[4759]

Mr. Andrew Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Mr. James Pawsey, dated 25 November 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency paternity disputes.

Between January 1996 and September 1996, the Agency has had 13,863 cases of disputed paternity. In the same period 11,566 cases were cleared. Clearances include cases where the Agency has accepted the AAP's representations; cases cleared through the Courts and cases resolved by DNA Testing.

I hope this is helpful.

Mr. Pawsey: To ask the Secretary of State for Social Security how much in cash terms has been paid out in compensation by the Child Support Agency between April 1993 and October 1996. [4758]

Mr. Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Mr. James Pawsey, dated 25 November 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency compensatory payments.

Between April 1993 and September 1996 the Child Support Agency has made compensatory payments totalling £747,100.

I hope this is helpful.

Mr. Pawsey: To ask the Secretary of State for Social Security how many alleged absent parents used the Child Support Agency's subsidised DNA testing procedure between its introduction and 31 October 1996. [4760]

Mr. Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Mr. James Pawsey, dated 25 November 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency DNA testing.

The Agency introduced its Discounted DNA Scheme in July 1995 to give alleged absent parents (AAPs) a means to resolve paternity disputes quickly and without the need to go to Court. The company contracted to carry out the DNA testing, Cellmark, also carry out DNA tests directed by the courts.

Between July 1995 and March 1996, 1,377 cases were referred for DNA testing. From April 1996 to the end of September 1996, 2,095 cases have been referred.

Cases take an average of three weeks for the results to be produced by Cellmark, once samples have been provided. Of the cases tested between July 1995 and the end of September 1996, 88% were adjudged to be the absent parent.

I hope this is helpful.

Mr. Pawsey: To ask the Secretary of State for Social Security (1) how many individual payments of compensation the Child Support Agency has made to people falsely identified as fathers; and how much in cash terms the total compensation has amounted to between April 1993 and October 1996; [4756]

(2) how many false identifications of fathers the Child Support Agency made during *(a)* 1993, *(b)* 1994, *(c)* 1995 and *(d)* between January 1996 and October 1996. [4755]

Mr. Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Mr. James Pawsey, dated 25 November 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about false identification of fathers and compensatory payments made by the Child Support Agency.

You have asked how many "false identifications" of fathers the Child Support Agency has made during the years 1993 to 1997. The Agency does not collate figures of how many fathers have been falsely identified, but has monitored the numbers of incorrectly issued Maintenance Enquiry Forms (MEFs) since 1994.

A MEF can be issued incorrectly where the parent with care (PWC) has given the Agency incorrect information or where the Agency has incorrectly traced the absent parent from incomplete information provided by the PWC. Where the Agency is at fault, compensation can be considered.

The table attached gives an annual breakdown (financial year-April to March) of the numbers of MEFs that have been incorrectly issued from April 1994 to September 1996 and, to put the numbers in perspective, shows the total number of MEFs issued for each year and expresses the incorrect issue as a percentage.

Since its launch in April 1993 to September 1996, the Agency has made 6 payments amounting to £600 in compensation relating to the incorrect issue of a maintenance enquiry form.

I hope this is helpful.

	Number of maintenance enquiry forms issued	*Number of incorrect maintenance enquiry forms issued*	*Percentage of incorrect maintenance enquiry forms issued*
1993–94	466,574	[1]n/a	[1]n/a
1994–95	276,583	115	0.042
1995–96	185,459	45	0.024
1996–97[2]	103,480	9	0.009

[1] Figures have only been collated since April 1994.

[2] Latest available figures are to 30 September 1996.

Highgate and Finsbury Park Benefits Agency Offices

Mr. Corbyn: To ask the Secretary of State for Social Security if he will list the average number of daily visitors to the Benefits Agency offices at *(a)* Highgate and *(b)* Finsbury Park for (i) 1994–95, (ii) 1995–96 and (iii) the current year to date; and what assessment he has made of the adequacy of staff numbers to deal with them. [5165]

Mr. Roger Evans: This is a matter for Peter Mathison, chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Jeremy Corbyn, dated 25 November 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking if he will list the average number of daily visitors to the Benefits Agency offices at (a) Highgate and (b) Finsbury Park for (i) 1994–95, (ii) 1995–96 and (iii) the current year to date; and what assessment he has made of the adequacy of staff numbers to deal with them.

The average number of daily visitors is shown in the table below:

Branch office	1994 (January–December)	1995 (January–December)	1996 (January–October inclusive)
Highgate	210	271	269
Finsbury Park	290	261	282

Figures are provisional and subject to change. As with other Districts, Euston District, which includes the offices at Highgate and Finsbury Park, is required to review the services it provides to ensure that the most effective service is given within the resources available. Staff resources, forecast projections and actual workloads are monitored throughout the year and if a shortfall in staffing is identified extra staff are drafted in to maintain a good standard of service.

I hope you find this reply helpful.

HEALTH

Dentistry

Mr. Gordon Prentice: To ask the Secretary of State for Health (1) what assessment he has made of the additional measures necessary to discourage unnecessary dental treatment; [5244]

(2) what measures are in place to monitor the work of NHS dentists and the adequacy and appropriateness of the treatments offered. [5241]

Mr. Malone: It is part of the Dental Practice Board's responsibility to report to my right hon. Friend the Secretary of State on aspects of quality in the general dental service in England and Wales, and to identify and act in circumstances where acceptable standards have not been met.

In line with the Department's response to the recommendation by the National Audit Office the Dental Practice Board is expanding the dental reference service.

Mr. Prentice: To ask the Secretary of State for Health how many dentists have been struck off in each year since 1986 for undertaking unnecessary dental treatment. [5243]

Mr. Malone: This information is not collected centrally.

NHS Trust Admissions

Mr. Redmond: To ask the Secretary of State for Health if he will collate centrally information on NHS trusts which restrict admissions for financial reasons; and if he will make a statement. [5143]

Mr. Horam: No.

Doncaster Royal Infirmary and Mexborough Montagu NHS Trust

Mr. Redmond: To ask the Secretary of State for Health what criteria were used in the selection of the chairman of the Doncaster Royal Infirmary and Mexborough Montagu NHS trust; and if he will make a statement. [5141]

Mr. Horam: Candidates for the chairmanship of national health service trusts are assessed against the specific job description and the qualities described in the personal specification for NHS trust chairmen, copies of which have been placed in the Library.

Community Care

Mr. Thurnham: To ask the Secretary of State for Health what would be the revenue implications of raising the threshold for community care residential means tests by *(a)* £2,000, *(b)* £5,000 and *(c)* £10,000. [5440]

Mr. Burns: Information in the form requested is not readily available and could be obtained only at a disproportionate cost.

AIDS-HIV

Mr. Cox: To ask the Secretary of State for Health how many *(a)* United Kingdom and *(b)* Greater London residents were registered as suffering from (i) AIDS and (ii) HIV as at the latest available date. [5506]

Mr. Horam: The number of AIDS cases and HIV reports received by the end of September 1996 for the United Kingdom and for Greater London residents are shown in the table:

	(a) United Kingdom	*(b) reported as Greater London residents*
(i) AIDS cases	[1]13,056	[2]7,195
(ii) HIV reports	27,945	16,601

[1] 9,279 known to have died.

[2] 4,809 known to have died.

All the data are subject to reporting delay and under-reporting and thus can change.

The HIV reports underestimate the total number of infections as these reports represent only those individuals who perceive themselves to be at risk and request a confidential named HIV test. HIV/AIDs testing services are traditionally provided on an open access basis and the total number treated in Greater London exceeds those reported as resident in Greater London.

NHS Doctors

Dr. Goodson-Wickes: To ask the Secretary of State for Health what correlation he has made of statistics relating to the number of doctors needed in the NHS, relative to the number of places available in medical schools over the next 10 years. [5741]

Mr. Malone: The Government are advised by the Medical Workforce Standing Advisory Committee on the balance between future supply and demand for doctors. We have accepted the MWSAC recommendations for an additional 500 medical students by the year 2000 and funds are being provided for this through the higher education funding councils.

North Yorkshire Ambulance Service NHS Trust

Mr. Morgan: To ask the Secretary of State for Health what consultations he has had with the chairman of the

North Yorkshire Ambulance Service NHS trust concerning the computer control and command system; and if he will make a statement. [5907]

Mr. Horam: In conjunction with the national health service executive, the chairman of North Yorkshire Ambulance Srvice national health service trust has instigated an independent review of a number of matters, including the computer control and communications system.

Asylum Seekers

Mr. Merchant: To ask the Secretary of State for Health what plans he has to enable local social services authorities to meet the costs of the adult asylum seekers whom they are supporting following the High Court judgment on 8 October making them liable to provide such support. [6586]

Mr. Dorrell: I intend to appeal against the judgment, as do the social services authorities who were party to the case.

In the meantime I intend, subject to parliamentary approval of the necessary special grant report, to make funds available to meet the reasonable costs incurred by authorities supporting asylum seekers who show entitlement to such support under that judgment. My Department will discuss the detailed arrangements with local authorities. I will lay the special grant report when that has been done.

Bovine Tissue

Mr. Hinchliffe: To ask the Secretary of State for Health which medicinal products for injection or surgical implantation using materials derived from bovine brain or lymphoid tissue were licensed under the Medicines Acts *(a)* in April 1985, *(b)* in February 1989 and *(c)* in November 1996. [5665]

Mr. Malone: No medicinal products for injection or implantation derived from bovine brain were licensed in the United Kingdom in February 1989 or November 1996.

Surgical catgut and some heparin preparations derived from bovine intestine, which contains lymphoid tissue were licensed in February 1989.

All catgut and heparin licensed as at November 1996, and currently marketed in the UK, comply with the European Committee for Proprietary Medicinal Products guideline on minimizing the risk of transmission of agents causing spongiform encephalopathies via medicinal products.

No data are available for April 1985.

Notes:

Definition: Catgut consists of strands of tissues prepared from the intestinal membranes of mammals, which when formed into cords, are used in surgery as an absorbable suture.

Definition: Heparin is a preparation containing the salt of a sulphated sugar derivative present in mammalian tissues, including gut lining. It has the characteristic property of delaying the clotting of freshly shed blood. It is used as an injection to prevent blood clots.

MRSA

Mr. Flynn: To ask the Secretary of State for Health what is his Department's estimate of the percentage of hospital wards that have adequate isolation facilities for patients suffering from Methicillin-resistant staphylococcus aureus. [5778]

Mr. Horam: This information is not available centrally.

Secure Units

Mr. George: To ask the Secretary of State for Health how many places are available in secure units in mental hospitals in *(a)* the Walsall area, *(b)* Birmingham, *(c)* Staffordshire, *(d)* Warwickshire, *(e)* Sandwell, *(f)* Dudley and *(g)* Worcestershire; what is the current occupancy level; and how many vacancies currently exist. [5858]

Mr. Burns: All west midlands health authorities have access to a range of services from high secure facilities nationally through regional secure provision to more local, low secure and intensive care provision. Medium secure services are currently provided by the South Birmingham Mental Health NHS trust and the Foundation NHS trust in Staffordshire. These units provide 90 and 28 beds respectively. Occupancy levels and numbers of existing vacancies fluctuate regularly according to demand. For further information the hon. Member may wish to contact Mrs. Anne Hingley and Mr. Roy Trainor, chairmen of the two trusts.

Mr. George: To ask the Secretary of State for Health what assessment he has made of the adequacy of provision of accommodation in the secure units of mental hospitals. [5857]

Mr. Burns: This is a matter for individual health authorities who are responsible for commissioning both secure and non-secure services for mentally ill people in their area. The national health service executive regional offices recently undertook a review of management performance in purchasing comprehensive mental health services and the results were published in "A Review of Purchasing of Mental Health Services by Health Authorities in England (1996)", copies of which are available in the Library.

Ambulance Trusts

Mr. Morgan: To ask the Secretary of State for Health (1) what plans he has to review the appointment of senior officers of the North Yorkshire ambulance trust criticised by the district auditor's report into financial management in the South East Wales ambulance trust; [6219]

(2) what arrangements he has made for ensuring that *(a)* ambulance trusts in England are made aware of district auditors' reports in Wales directly affecting senior appointments in England and *(b)* ambulance trusts in Wales are made aware of such reports in England; and if he will make a statement. [6220]

Mr. Horam: Staff appointments are a matter for national health service trusts. It is the responsibility for the trust to make the necessary inquiries about the employment history of candidates.

Electro-Magnetic Fields

Mr. William O'Brien: To ask the Secretary of State for Health if he will list the established guidelines in relation to the protection of people from the known effects of electric and magnetic fields as recently evaluated by the National Radiological Protection Board. [6263]

Mr. Horam: The National Radiological Protection Board's "Documents of the NRPB—Board Statement on Restrictions on Human Exposure to Static and Time Varying Electromagnetic Fields and Radiation" volume 4 No.5, was published in 1993 and copies were placed in the Library.

Mr. O'Brien: To ask the Secretary of State for Health when he expects the National Radiological Protection Board to report on the research projects into different aspects of the electro-magnetic field and their effects on human health; and if he will make a statement. [6264]

Mr. Horam: The National Radiological Protection Board will publish the report on research projects into electro-magnetic fields and human health following the completion of two substantial epidemiological studies of childhood cancer which are currently under way.

Hospital Trusts

Mr. William O'Brien: To ask the Secretary of State for Health what assistance he offers to hospital trusts who are facing financial problems in the current financial year; and if he will make a statement. [6265]

Mr. Malone: Hospital trusts receive all their income from contracts with health authorities, general practitioner fundholders and the private sector. They do not receive allocations from the Department of Health.

Written Answers to Questions

Wednesday 27 November 1996

LORD CHANCELLOR'S DEPARTMENT

Legal Aid

Mr. Barry Jones: To ask the Parliamentary Secretary, Lord Chancellor's Department how many cases of misuse of the legal aid scheme by solicitors have been reported to his Department since 1992; and how many cases resulted in prosecutions in each of the legal aid committee areas. [5273]

Mr. Streeter: The Legal Aid Board investigates all cases of suspected misuse of the legal aid scheme. Between April 1992 and March 1996, 458 investigations were carried out into suspected misuse by firms of solicitors. There was a total of nine prosecutions during the same period in the following legal aid areas:

Birmingham: 1
Bristol: 1
Cardiff: 1
Liverpool: 1
London: 1
Manchester: 2
Newcastle: 1
Reading: 1.

Mr. Jones: To ask the Parliamentary Secretary, Lord Chancellor's Department what steps he is taking to ensure that there is no manipulation of the funds available to the legal aid scheme by solicitors operating within the scheme. [5272]

Mr. Streeter: Under the Legal Aid Act 1988, the Legal Aid Board is responsible for the administration of the legal aid scheme in England and Wales. All cases of suspected abuse of the scheme are investigated by the Legal Aid Board. Where appropriate, cases are subject to detailed examination by the board's investigation unit. To help in the early detection of irregularities, the Legal Aid Board has introduced a new green form and a new computer system. Consideration is being given to tightening up the green form scheme further by restricting the location where advice can be given to the solicitor's office.

HOME DEPARTMENT

Litter

Mr. Callaghan: To ask the Secretary of State for the Home Department how many people were fined under the Litter Act 1983 in 1995; and what proportion of these received the maximum fine. [5890]

Mr. Maclean: Under section 87 of the Environmental Protection Act 1990 which replaced section 1(3) of the Litter Act 1983 there were 677 offenders fined in 1995 for the offence of depositing litter. No offender received a fine of £2,500, the maximum for this level 4 offence. Five offenders each received the largest fine awarded in 1995 of £1,000.

Police (CS Spray)

Sir Irvine Patnick: To ask the Secretary of State for the Home Department if he will list the police forces currently using *(a)* CS and *(b)* pepper sprays; and if he will make a statement. [6107]

Mr. Maclean: I understand from a recent survey conducted by the Association of Chief Police Officers that the following forces in England and Wales have issued, or have decided to issue, CS sprays to officers:

Avon and Somerset
Cambridgeshire
Cleveland
Cumbria
Derbyshire
Devon and Cornwall
Dorset
Durham
Dyfed-Powys
Gloucestershire
Greater Manchester
Gwent
Hampshire
Kent
Leicestershire
Metropolitan
North Wales
North Yorkshire
Northamptonshire
Staffordshire
Surrey
Warwickshire
Wiltshire
West Mercia
West Yorkshire.

I am not aware of any force which has issued, or has decided to issue, pepper sprays.

West Midlands Serious Crimes Squad

Dr. Lynne Jones: To ask the Secretary of State for the Home Department (1) what information is collated by his Department in respect of people whose convictions have been quashed because of doubts over police evidence; [6189]

(2) if he will list the names and rank of members of the West Midlands serious crimes squad who gave evidence in the cases of prisoners whose convictions were subsequently overturned, together with the names of the persons they helped to convict; and if he will indicate what disciplinary action was taken against each officer together with the outcome of such actions; [6190]

(3) pursuant to his answer of 21 November, *Official Report*, column *633*, relating to convictions based on evidence supplied by the West Midlands serious crimes squad, for what reasons the information is not available. [6188]

Mr. Kirkhope: I will write to the hon. Member.

Irish Prisoners (Transfers)

Mr. McNamara: To ask the Secretary of State for the Home Department how many Irish republican prisoners have now been transferred from Britain to the Republic of Ireland (i) directly and (ii) via Her Majesty's prisons in Northern Ireland; and how many applications *(a)* are still outstanding because of lack of response from the Republic of Ireland, *(b)* are awaiting determination by him and *(c)* he has refused. [5018]

Miss Widdecombe: Four prisoners have been transferred to the Republic from prisons in England and Wales. One prisoner has been transferred to the Republic from Northern Ireland, having previously been temporarily transferred there. Some 37 repatriation requests are currently under consideration by the Republic of Ireland and 40 are under consideration in England and Wales. One repatriation request has been refused.

Mr. McNamara: To ask the Secretary of State for the Home Department what plans he has to allow Irish republican prisoners transferred for a limited period of time to remain in prison in Northern Ireland subject only to the good behaviour of the prisoner. [5019]

Miss Widdecombe: Prisoners temporarily transferred to Northern Ireland must continue to fulfil all the transfer criteria in order to be allowed to remain there for the maximum duration of any period of temporary transfer. At that point, it is open to prisoners to seek a further period of transfer. Such requests are considered in the light of all the relevant circumstances and against the transfer criteria.

Mr. McNamara: To ask the Secretary of State for the Home Department how many applications for compassionate temporary release have been made by Irish republican prisoners transferred to Northern Ireland; how many have *(a)* been granted, *(b)* been refused and *(c)* are subject to further consideration by him; and if the same criteria for temporary release apply to prisoners convicted in Northern Ireland and England and Wales. [5020]

Miss Widdecombe: Prison Service records show that 10 applications for compassionate temporary release have been received from prisoners who are nationals of the Irish Republic and who are temporarily transferred to Northern Ireland. Of these, three have been granted and seven refused. None are currently being considered by my right hon. and learned Friend.

Prisoners convicted in England and Wales and temporarily transferred to Northern Ireland are considered for temporary release by the Home Secretary with reference to the rules which apply in England and Wales. Prisoners convicted in, or permanently transferred to, Northern Ireland are considered for temporary release by the Secretary of State for Northern Ireland under the rules which apply in that jurisdiction.

Mr. McNamara: To ask the Secretary of State for the Home Department if he will make it his policy to apply the same criteria for Christmas and summer home leave for Irish republican prisoners transferred to Northern Ireland from England as apply to prisoners convicted in Northern Ireland. [5021]

Miss Widdecombe: No. It would not be right for prisoners temporarily transferred to Northern Ireland and who remain under the jurisdiction of the Home Secretary to be treated differently from other prisoners convicted and held in England and Wales.

Permanently transferred prisoners are subject to the home leave arrangements applying to prisoners convicted and held in Northern Ireland.

Ethnic Minorities

Mr. Fatchett: To ask the Secretary of State for the Home Department if he will set out his Department's proposals for the future funding of projects currently supported under section 11 of the Local Government Act 1966. [6078]

Mr. Kirkhope: I refer the hon. Member to the reply which I gave on 13 November 1996, *Official Report*, column *242*.

Police Service

Mr. Fabricant: To ask the Secretary of State for the Home Department what the key objectives and associated performance indicators will be for the police service in 1997–98. [6907]

Mr. Howard: The key objectives for the police service in 1997–98 will be:

(1) To maintain and if possible increase the number of detections for violent crimes;

(2) To increase the number of detections for burglaries of people's homes;

(3) To target and prevent crimes which are a particular local problem, including drug-related criminality, in partnership with the public and local agencies;

(4) To provide high visibility policing so as to reassure the public;

(5) To respond promptly to emergency calls from the public.

The key performance indicators associated with the key objectives are:

(1) The number of violent crimes detected per 100 officers;

(2) The number of burglaries of dwellings detected per 100 officers;

(3) On crime prevention, work remains in hand to develop a performance indicator aimed at reducing repeat victimisation. In 1996–97, the police service was asked to develop strategies to reduce repeat victimisation; in 1997–98 we would look to those forces that have fully developed strategies to implement them and those that are still in the process of developing strategies to ensure that they are ready to be implemented in 1998–99.

On drug-related criminality, work continues to develop a high level PI. Forces and police authorities will continue with the recommendations within the White Paper "Tackling Drugs Together" and progress will be assessed by the measurement of the number of arrests and disposals of offences under the Misuse of Drugs Act 1971 per 1,000 population.

(4) Public satisfaction with levels of foot and mobile patrols;

(5) (i) the percentage of 999 calls answered within the local target time;

(ii) the percentage of responses within the local target time to incidents requiring immediate response.

The key objectives for 1997–98 will be the same as those for 1996–97 in order to provide continuity of purpose. The performance indicators are also very largely the same, except for a slight modification to reflect progress made on strategies to reduce repeat victimisation.

Police Complaints Authority

Mr. Fabricant: To ask the Secretary of State for the Home Department what new appointments have been made to the Police Complaints Authority. [6908]

Mr. Howard: Mrs. Margaret Scorer and Ms Josephine Dobry have accepted my invitation to serve as members of the Police Complaints Authority. Mrs. Scorer previously served with Her Majesty's magistrates courts inspectorate; Ms Dobry has been in pupilage at the Bar and previously worked as a radio journalist and producer. Mrs. Scorer and Ms Dobry will serve for three years from 21 October and 4 November 1996 respectively.

Police Authorities (Funding)

Mr. Fabricant: To ask the Secretary of State for the Home Department when he intends to announce the *(a)* allocations of police grant for individual police authorities in 1997–98 and *(b)* allocations of the next instalment of funding for 5,000 extra officers; and if he will make a statement on the impact of these allocations on the overall funding of police authorities in that year. [6909]

Mr. Howard: I have today put a copy of my proposals for the allocation of police grant for 1997–98 in the Library. I intend to implement these proposals subject to consideration of any representations I receive about them.

The police service has indicated its support in principle for the continued distribution of police grant in accordance with a needs-based formula, and I am therefore proposing to continue to allocate the greater part of police grant according to the police funding formula.

I am, however, proposing several changes to the formula to reflect the latest data now available, and in response to the representation I have received. The principle changes I propose are:

to adjust the proportion of funding allocated on the basis of each force's expected work load in each of the five key areas of police activity;

to introduce a further component of the formula under which funding for patrol work will be allocated;

to reduce from 40 per cent. to 30 per cent. the share of funding allocated on the basis of forces' past establishments;

to increase from 12.3 per cent. to 12.9 per cent. the proportion of funding allocated on the basis of forces' pensions commitments.

My right hon. Friend the Prime Minister announced last year funding for 5,000 extra police officers over the three-year period beginning 1 April 1996. An additional £40 million of police grant has been made available in 1997–98, which is sufficient to enable a further 2,000 officers to be recruited. This is on top of the extra £20 million provided this year. I am proposing to allocate the £40 million according to the daytime and resident populations of each police force area.

I am also concerned to ensure that public confidence in policing is maintained. In particular, I consider it important for public confidence that police authorities should be seen as able to provide a similar level of service as in 1996–97. I am therefore propose to apply additional rules to ensure that every police authority, not including the receiver for the metropolitan police district or the common council of the City of London, can receive at a least 2 per cent. more funding in 1997–98, and is able to budget at a level 3.2 per cent. above its budget requirement for 1996–97. This would enable them to meet increases in pay and other costs. This does not include their share of the £40 million which has been made available for additional officers. The Metropolitan police will be able to increase spending by 3.4 per cent. above its budget requirement in 1996–97. This includes its share of extra funding for additional officers in 1997–98.

Other police funding proposals within the local government finance system are being announced today by my right hon. Friends the Secretaries of State for the Environment and for Wales. These proposals and mine would increase the total spending power of police authorities in England and Wales by 3.7 per cent. or £247 million over 1996–97.

The table shows by police authority the effect of my approvals for 1997–98. It also shows the allocations approved by Parliament for 1996–97.

Police Authority	*1996–97 Funding*[1] *£ million*	*1997–98 Funding*[1] *£ million*
English Shire forces		
Avon and Somerset	154.6	158.7
Bedfordshire	57.3	58.9
Cambridgeshire	66.4	68.2
Cheshire	98.5	101.1
Cleveland	73.3	75.2
Cumbria	57.1	58.6
Derbyshire	92.5	95.3
Devon and Cornwall	153.4	158.7
Dorset	64.9	66.6
Durham	71.5	73.3
Essex	151.7	155.9
Gloucestershire	58.5	60.1
Hampshire	175.3	180.0
Hertfordshire	89.9	92.4
Humberside	103.1	105.9
Kent	163.9	168.5
Lancashire	163.5	167.7
Leicestershire	94.8	97.3
Lincolnshire	59.0	61.5
Norfolk	76.0	78.1
North Yorkshire	69.7	71.9
Northamptonshire	58.4	60.0
Nottinghamshire	115.2	119.4
Staffordshire	108.9	111.8
Suffolk	61.7	63.4
Surrey	88.0	91.8
Sussex	151.1	155.2
Thames Valley	202.6	208.2
Warwickshire	49.2	50.6
West Mercia	103.5	106.3
Wiltshire	60.7	62.3

Police Authority	1996–97 Funding[1] £ million	1997–98 Funding[1] £ million
English Metropolitan forces		
Greater Manchester	342.5	351.1
Merseyside	221.9	227.3
Northumbria	188.2	193.4
South Yorkshire	154.7	158.8
West Midlands	344.0	353.4
West Yorkshire	260.9	267.5
London forces		
Metropolitan Police[2]	1,649.6	1,688.2
City of London[3]	59.1	61.6
English Total	6,314.9	6,484.2
Welsh forces		
Dyfed-Powys	48.6	49.9
Gwent	62.8	64.5
North Wales	69.3	71.2
South Wales	151.1	155.1
Welsh total	331.7	340.8
Total	6,646.7	6,825.0

Notes:

[1] Rounded to the nearest £100,000. Funding is the sum of all police grant, SSAs and damping grant.

[2] Figure for the Metropolitan Police does not include funding allocated to the Receiver under the Other Services Block SSA for school crossing patrols, Magistrates' Courts and the Probation Service.

[3] Figure for the City includes Police SSA and Grant, but excludes other SSAs e.g. Capital Financing which are allocated to the Common Council of the City of London as a whole in respect of all its functions.

Forensic Laboratories (Contamination)

Mr. McNamara: To ask the Secretary of State for the Home Department when he plans to publish the Caddy report on incidences of contamination at Government forensic laboratories; and what estimate he has made of the number of cases affected. [5606]

Mr. Howard *[holding answer 26 November 1996]:* Professor Caddy's report into the contamination of the centrifuge at the forensic explosive laboratory with RDX, a component of semtex, will be published shortly. The legal representatives of 14 people convicted of criminal offences have been advised that their cases were to be reviewedaspartofProfessorCaddy'sinquiry.

DEFENCE

Environmental Auditing

Mr. Martyn Jones: To ask the Secretary of State for Defence if he will list the ways in which his Department has *(a)* demonstrated by example and *(b)* promoted externally, the ability to improve efficiency and competitiveness through environmental auditing; and if he will make a statement. [4541]

Mr. Soames: My Department has in place a committee and management structure to ensure that environmental issues are managed effectively and that environmental concerns are taken into account in policy decisions at all levels.

My Department has carried out a number of investigations on environmental issues such as hazardous materials, ozone-depleting substances, and waste management, some of which are outlined in successive statements on defence estimates.

Computers

Mr. Hoon: To ask the Secretary of State for Defence (1) how many separate computer programmes his Department operates; [5518]

(2) how many lines of computer code there are in his Department's computer systems. [5519]

Mr. Arbuthnot: Information concerning the number of lines of computer code contained in my Department's computer systems and how many computer programmes are operated is not held centrally and could be provided only at disproportionate cost.

Airfields (Yorkshire)

Mr. MacShane: To ask the Secretary of State for Defence if he will list the number of MOD airfields in Yorkshire. [5727]

Mr. Soames: There are eight MOD airfields in Yorkshire. These are RAF Catterick, RAF Church Fenton, RAF Topcliffe, RAF Dishforth, RAF Elvington, RAF Leeming, RAF Linton on Ouse and RAF Finningley. The airfields at Finningley and Elvington are currently in disposal.

Helicopter Flying School

Mr. Spellar: To ask the Secretary of State for Defence, pursuant to his answer of 6 November, *Official Report*, column *521*, on the defence helicopter flying school, what arrangements have been made for industrial participation in respect of the purchase of helicopters for this school. [6018]

Mr. Soames: The suppliers of the AS350 and of the Bell 412 for the defence helicopter flying school have both committed to 100 per cent. industrial participation.

Hawk Aircraft (Training)

Mrs. Clwyd: To ask the Secretary of State for Defence what facilities are made available by his Department for training on Hawk aircraft in *(a)* Scotland, *(b)* Wales and *(c)* England. [5913]

Mr. Soames: Facilities for training on Hawk aircraft are centred at RAF Valley in north Wales. In addition to the facilities based at the station and its relief landing ground at RAF Mona, the students make use of United Kingdom airspace and may deploy to suitable airfields throughout England, Scotland and Wales. The students also use the weapons range at RAF Pembrey in south Wales.

Sea Cadets

Mr. Mans: To ask the Secretary of State for Defence what was the total number of cadets in the Sea Cadets in *(a)* 1993, *(b)* 1994 and *(c)* 1995; and what is the current number. [6240]

Mr. Soames: The total number of cadets, including juniors, in the Sea Cadets in each year was as follows:

1993: 16,464

1994: 16,233

1995: 15,531

1996: 15,697.

Note:
these figures are at 31 March each year.

Air Training Corps

Mr. Mans: To ask the Secretary of State for Defence what was the total number of commissioned reserve officers serving with the Air Training Corps in *(a)* 1993, *(b)* 1994 and *(c)* 1995; and what is the present number. [6244]

Mr. Soames: The total number of commissioned reserve officers serving with the Air Training Corps in 1993, 1994 and 1995 was as follows:

As at 31 March 1993: 2,929

As at 31 March 1994: 2,944

As at 31 March 1995: 2,984.

The most recent centrally held figure which relates to 31 March 1996, is 2,981.

Mr. Mans: To ask the Secretary of State for Defence what was the total cost of running the Air Training Corps in *(a)* 1993–94, *(b)* 1994–95 and *(c)* 1995–96; and what is the estimated cost of running the corps in this financial year at 1996 prices. [6242]

Mr. Soames: The total cost of running the Air Training Corps in the last three financial years was as follows:

FY 1993–94: £19.0 million

FY 1994–95: £19.8 million

FY 1995–96: £21.0 million

The estimated cost of running the Air Training Corps in financial year 1996–97 is currently £18.7 million.

Mr. Mans: To ask the Secretary of State for Defence what were the total numbers of squadrons in the Air Training Corps in *(a)* 1993, *(b)* 1994 and *(c)* 1995; and what is the latest figure. [6241]

Mr. Soames: The total number of squadrons in the Air Training Corps in 1993, 1994 and 1995 was as follows:

As at 31 March 1993: 928

As at 31 March 1994: 928

As at 31 March 1995: 927.

There are currently 928 Air Training Corps squadrons.

Mr. Mans: To ask the Secretary of State for Defence what was the total number of civilian instructors serving with the Air Training Corps in *(a)* 1993, *(b)* 1994 and *(c)* 1995; and what is the number currently serving. [6243]

Mr. Soames: The total number of civilian instructors serving with the Air Training Corps in 1993, 1994 and 1995 was as follows:

As at 31 March 1993: 4,556

As at 31 March 1994: 4,656

As at 31 March 1995: 4,603.

The most recent centrally held figure, which relates to 31 March 1996, is 4,662.

Mr. Mans: To ask the Secretary of State for Defence what was the total number of cadets in the Air Training Corps in *(a)* 1993, *(b)* 1994 and *(c)* 1995; and what is the present total. [6245]

Mr. Soames: The total number of cadets in the Air Training Corps in 1993, 1994 and 1995 was as follows:

As at 31 March 1993: 35,381

As at 31 March 1994: 35,474

As at 31 March 1995: 35,343.

The most recent centrally held figure, which relates to 31 March 1996, is 34,528.

Army Cadet Force

Mr. Mans: To ask the Secretary of State for Defence what was the total number of cadets in the Army Cadet Force in *(a)* 1993, *(b)* 1994 and *(c)* 1995; and what is the current number. [6237]

Mr. Soames: The average total number of cadets in the Army Cadet Force in 1993, 1994 and 1995 was 40,281, 40,786 and 40,181 respectively. The current number is 39,652.

Bosnia

Mr. Congdon: To ask the Secretary of State for Defence what plans the United Kingdom has for a contribution to a successor to the implementation force; and if he will make a statement. [6775]

Mr. Portillo: The international community is still developing its political strategy for Bosnia in 1997 and it remains too early to make any final decisions, but it seems increasingly likely that a military presence will be required to support the continuing civilian effort.

The Government have therefore decided that, in principle, the UK is prepared to make a contribution of some 5,000 ground troops to such a force, subject to the outcome of the London conference, to a satisfactory military plan being developed by NATO and to appropriate contributions from our major allies.

NATIONAL HERITAGE

Magna Steel Project

Mr. MacShane: To ask the Secretary of State for National Heritage (1) what representations she has received in connection with the Magna Steel heritage project in Templeborough, Rotherham; [3914]

(2) what representations she has received about the Magna Steel heritage project in Templeborough, Rotherham. [4843]

Mr. Sproat: I have received no such representations.

Computers

Mr. Hoon: To ask the Secretary of State for National Heritage how many separate computer programmes her Department operates. [5513]

Mr. Sproat: There is no universal definition of what constitutes a computer programme. Assuming a programme is a complete application, the Department of National Heritage operates 96 separate computer programmes.

Women

Ms Janet Anderson: To ask the Secretary of State for National Heritage what steps she is taking to measure and evaluate the effect of her Department's policies on women. [5492]

Mr. Sproat: In July of this year, the model guidance on policy appraisal for equal treatment was revised and circulated at Cabinet level for Departments to adapt to their own circumstances. A copy was placed in the Library of the House. This guidance requires officials to identify policy issues which might impact differently on women and men, to assess whether this is justified in policy terms, and to adjust the policy if it is not. My permanent secretary wrote to all senior officials in my Department in July about policy appraisal and the need for the Department and its sponsored bodies to reflect the guidance in future. My right hon. Friend the Secretary of State intends to monitor the effect of this guidance.

The recent Government report "One year On" outlines action taken by the Government to benefit women since the world conference on women, and also includes baseline statistics against which future progress can be measured.

Mr. Hoon: To ask the Secretary of State for National Heritage how many lines of computer code there are in her Department's computer systems. [5512]

Mr. Sproat: The Department uses a number of proprietary software packages and, for these, information on the number of programmes or lines of source code is known only to the supplier. An inventory is being carried out of that bespoke software which is likely still to be in use in 2000.

Amsterdam Wreck

Sir Cranley Onslow: To ask the Secretary of State for National Heritage what was the most recent occasion on which her Department discussed the wreck of the Amsterdam with the Dutch Government; what assurances she was then given that the Dutch recognise their responsibility for the protection of the wreck and intend to take appropriate action to that end; and if she will make a statement. [6300]

Mr. Sproat: An official from the Department of National Heritage met an official from the Dutch embassy on 16 October to discuss the Amsterdam. The matter has also been discussed more recently on the telephone. The Amsterdam is the property of the Dutch Government and, therefore, responsibility for decisions about the future of the site rests primarily with them. The Dutch Government are currently considering the most appropriate course of action for the site.

Trafalgar Square

Mr. Tony Banks: To ask the Secretary of State for National Heritage what was the cost to her Department of *(a)* the ceremony and *(b)* the reception for the switching on of the new lighting in Trafalgar square in 1995; and on how many occasions her officials and their families received hospitality from the sponsors of the new lighting. [6260]

Mr. Sproat *[holding answer 26 November 1996]:* The cost to the Department was £13,463 for the ceremony and £6,839 for the reception which marked the switching on of the new Trafalgar square lighting scheme by His Royal Highness the Prince of Wales in November 1995. A departmental official had one working lunch with the sponsor beforehand, in order to discuss the project.

Resource Accounting

Mr. Tim Smith: To ask the Secretary of State for National Heritage what progress her Department is making with the introduction of resource accounting and budgeting; and in respect of which financial year she expects to publish the first set of resource accounts. [4988]

Mr. Sproat *[holding answer 21 November 1996]:* The Department of National Heritage has this month introduced a new accounting system which will enable the concurrent production of cash and accruals based information. This new system will give the Department the ability to continue to produce the existing cash information required by Treasury, while at the same time develop the commercial style accounts required from 1998–99. The Department continues to discuss with Treasury the development of appropriate accounting policies, output and performance measures for the new resource accounts, as well as discuss how best to implement a resource based public expenditure survey. As set out in Cm 2929, the first published resource accounts for the Department will be in respect of 1999–2000.

Employment Contracts

Mr. Hain: To ask the Secretary of State for National Heritage how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) her Department and (2) executive agencies of her Department for each year since 1992. [5423]

Mr. Sproat *[holding answer 25 November 1996]:* The numbers of full-time and part-time posts within the Department of National Heritage since 1992 are shown in the table:

Department of National Heritage

	Permanent	*Casuals*		*Fixed term*	
Year	*Full-time*	*Part-time*	*Full-time*	*Part-time*	*Appointees*
1992–93	260	4	3	0	1
1993–94	312	5	4	1	13
1994–95	334	3	5	1	16
1995–96	349	6	6	0	9
1996–97	344	9	6	0	2

All fixed-term appointees are full time and on renewable contracts.

Historic Royal Palaces

Year	Permanent Full time	Permanent Part time	Casuals Full time	Casuals Part time	Fixed Term Full time	Fixed Term Part time
1992–93	308	14	69	0	40	0
1993–94	349	19	70	30	45	0
1994–95	396	27	62	19	48	0
1995–96	300	11	41	18	90	10
1996–97	307	8	66	22	102	12

The Royal Parks

Year	Permanent Full time	Permanent Part time	Casuals Full time	Casuals Part time	Fixed term Full time	Fixed term Part time	RPC Full time
1993–94	81	5	12	1	0	0	186
1994–95	88	5	17	2	0	0	174
1995–96	91	3	16	2	0	0	168
1996–97	76	4	11	2	1	1	T164

A distinction between temporary and casual posts cannot be made. The Royal Parks, which includes the Royal Parks constabulary, is unable to provide details of staff in post figures for 1992–93 because it did not become an agency until 1993.

ENVIRONMENT

Private Lettings Agencies

Mrs. Bridget Prentice: To ask the Secretary of State for the Environment (1) if he will commission research into the problems caused by the operation of private lettings agencies; [5876]

(2) what plans he has to set up a system whereby private lettings agencies are required to register with local authorities; [5874]

(3) what plans he has to introduce measures to regulate the operation of private lettings agencies. [5875]

Mr. Clappison: We have no plans to regulate the operation of private letting agencies or to require them to register with local authorities. However, we are keen to encourage self-regulation. My right hon. Friend has now approved the Royal Institution of Chartered Surveyors' code of practice for management of residential property, to be published next March 1997. This is aimed primarily at agents who offer a full management service but also contains much that lettings-only agents can draw on.

Research for the Department in 1995 suggests that, where an agent was used, 88 per cent. of landlords expressed themselves to be very or fairly satisfied with the service provided. We have no plans to commission further research.

Camberwell Jobcentre

Mr. Ian McCartney: To ask the Secretary of State for the Environment what proposals there are to serve a Crown notice of improvement on the Employment Service, requiring a suitable and sufficient assessment of risks of violence to staff to be carried out at the Camberwell jobcentre; and if he will make a statement. [5888]

Sir Paul Beresford: Enforcement is a matter for the Health and Safety Executive. I am informed that a notice of intention to serve an improvement notice was given to the Employment Service on 16 September 1996, in accordance with HSE procedures.

The response to the notice of intention is still under discussion with the Employment Service and appointed safety representatives.

Planning Appeals

Mr. David Nicholson: To ask the Secretary of State for the Environment when he plans *(a)* to complete consultation and *(b)* to issue a final circular in respect of the role of public inquiries and informal hearings in determining planning appeals; and he will make a statement. [5877]

Sir Paul Beresford: Consultation on the draft circular on planning appeal procedures was completed at the end of April and the final document was published as DOE circular 15/96 on 20 September.

Household Drains (Repairs)

Mr. Pickthall: To ask the Secretary of State for the Environment what assessment he has made of the advantages of changing the rules which make householders responsible for repair of drains up to the junction with the main drain. [6322]

Mr. Clappison: This issue was addressed in a review of water and sewerage law in 1986. The view was taken that, if the responsibility for private drains and sewers was transferred to sewerage undertakers, the cost of maintaining and repairing them could be very high and this could have a significant effect on the charges which have to be met by sewerage undertakers' customers generally. This was not considered to be equitable.

Green Ministers

Mr. Meacher: To ask the Secretary of State for the Environment how often the Green Ministers in each Whitehall Department have met collectively in each year. [6321]

Mr. Clappison: Since their inception in 1992, Green Ministers have met once in 1992, once in 1993, twice in 1994, once in 1995 and twice in 1996.

Local Government Finance

Mr. Congdon: To ask the Secretary of State for the Environment if he will set out the basis of his calculations of the distributable amount of non-domestic rates for 1997–98. [6552]

Mr. Curry: The distributable amount of non-domestic rates in England for 1997–98 will be £12,027 million. This is based on a non-domestic rate multiplier of 0.458 and includes an allowance of £400 million for an Exchequer payment to the non-domestic rates pool, to compensate for the shortfall which would otherwise occur as a result of regulations under section 58 of the Local Government Finance Act 1988.

The calculation for 1997–98, and the prior-year figures on which this is based, are set out in the table:

National non-domestic rates—calculation of distributable amount

£ million

	1994–95 Final outturn	*1995–96 Provisional outturn*	*1996–97 Provisional outturn*	*1997–98 Estimated in year contribution*
1. Income from local lists				
Multiplier (p)	42.3	43.2	44.9	45.8
Gross Rate Yield	12,254	12,834	13,346	13,617
(i) Reliefs				
(a) Net Transitional Relief	–410	–740	–548	–580
(b) Empty properties	–1,150	–1,056	–1,158	–1,151
(c) Charitable	–418	–447	–470	–479
(d) Discretionary	–20	–20	–25	–25
Net Yields after reliefs	10,255	10,566	11,146	11,382
(ii) Collection costs/reductions to contributions				
(a) Costs of collection	–70	–75	–77	–79
(b) Loses on collection	–166	–143	–212	–200
(c) City of London offset	–7	–7	–7	–7
Total contribution in respect of year	10,013	10,341	10,850	11,097
(iii) Adjustments				
(a) Repayments/interest payments	–1,367	–1,048	–112	–408
(b) Revisions to contributions at outturn (1996–97 only)			9	
Total adjustments	–1,367	–1,048	–103	–408
Net local yields	8,646	9,293	10,747	10,689
2. Income from central list				
Net Central List Yield	1,114	1,192	1,273	1,314
3. Income from Crown contributions in aid				
Net Crown Yield	548	481	500	470
Total NDR Yield	10,307	10,966	12,520	12,473
4. Exchequer Contributions				
Total Exchequer contributions	464	505	429	400
Total NNDR pool payments (1+2+3+4)	10,771	11,471	12,949	12,873
5. Adjustments				
Surplus brought forward	–1,262	–1,176	–1,059	–845
Combined total	9,509	10,925	11,890	12,027
Distributable amount	10,685	11,354	12,736	12,027
Surplus carried forward	–1,176	–1,059	–845	

Notes:

1. Item 1: The gross calculated rate yield represents the total value of non-domestic hereditaments on local rating lists times the multiplier. For the years to 1995–96 the yield is the amount recorded in the post-end year (NNDR3) returns. For 1996–97 it is the amount underlying authorities' provisional contributions to the non-domestic rating pool including the prescribed amount for Enterprise Zones.

2. Item 1(i)(a): The Transactional decrease adjustment includes the estimated amount of rates that will not be recouped locally due to the revised transitional arrangements under the provisions of the Non-Domestic Rating Acts 1992, 1993 and 1994.

3. Item 1(i)(b): The empty property relief adjustments include avoids and partially occupied hereditaments. Figures up to 1996–97 are as reported by authorities. The 1997–98 figure includes an allowance for the increase in the gross rates yield.

4. Item 1(i)(c): Charitable rate relief. As for empty property relief.

5. Item 1(i)(d): Discretionary relief granted to charities, non-profit making organisations and for other reasons. As for charitable rate relief.

6. Item 1(ii)(a) and (b): The allowances for the costs and losses incurred by local authorities in collecting non-domestic rates from ratepayers, including the latest estimates of additional billing and software costs arising from the Non-Domestic Rating Acts.

7. Item 1(ii)(c): City Offset—a preliminary estimate for 1997–98 (£6.5 million) of the amount which the City of London will not be required to pay into the non-domestic rating pool on account of the local rate in the City. It is the amount which will be retained by the authority to meet its own expenditure.

8. Item 1(iii)(a): Net adjustment in respect of appeals and other amendments to the rating list affecting liability for previous years rates settled in that year.

9. Item 1(iii)(b): The revisions to contributions line applies only to estimated outturn revisions to the provisional contributions for 1996–97. For earlier years all figures are already based upon the outturn contributions.

10. Item 2: The rateable value of non-domestic hereditaments on the central rating list times the multiplier, and adjusted for appeals and other changes in respect of previous year. The 1997–98 figure is calculated as the estimated Rateable Value times the multiplier, less the effect of the transitional arrangements.

11. Item 3: The 1997–98 figure for Crown properties includes an allowance for the effect of transition.

12. Item 4: The contribution from central Government to offset the amount of the Secretary of State's estimate of income forgone arising from the provisions of the Non-Domestic Rating Acts 1992, 1993 and 1994.

EDUCATION AND EMPLOYMENT

Computers

Mr. Hoon: To ask the Secretary of State for Education and Employment how many lines of computer code there are in her Department's computer systems. [5345]

Mr. Robin Squire: The Department uses a number of proprietary software packages and, for these, information on the number of programmes or lines of source code is known only to the supplier.

The Department is carrying out an inventory of that bespoke and proprietary software which is likely still to be in use in the year 2000 as part of our strategy for dealing with the year 2000 date change issue, but compilation of the inventory is not yet complete.

Mr. Hoon: To ask the Secretary of State for Education and Employment how many separate computer programmes her Department operates. [5354]

Mr. Squire: There is no universal definition of what constitutes a computer program. A formula or a simple line of executable code could be said to be a program; however, the Department is at present responsible for 106 major software systems.

Unemployment-related Benefit Claims

Mr. Hain: To ask the Secretary of State for Education and Employment what is the estimated annual administrative cost, including staff time, for processing *(a)* new unemployment-related benefit claims and *(b)* terminating unemployment-related benefit claims. [5463]

Mr. Forth *[holding answer 21 November 1996]:* Responsibility for the subject of the question has been delegated to the Employment Service agency under its chief executive. I have asked him to arrange for a reply to be given.

Letter from M. E. G. Fogden to Mr. Peter Hain, dated 27 November 1996:

The Secretary of State has asked me to reply to your question about the estimated annual administrative cost for processing new claims and terminating claims for unemployment benefit. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

It may be helpful if I explain that advisers in our Jobcentres take new claims to unemployment benefits in order to check jobseeker's eligibility for benefit, to ensure that they are available and actively seeking employment and to offer help and advice in their search for suitable employment. Claims may be terminated for a variety of reasons. For example, the jobseeker may have found work or started to claim another benefit.

It is important to mention that these processes form only a part of the total process for administering unemployment related benefits claims. Unfortunately the costs of these particular elements of the process are not available because we do not capture expenditure for individual functions.

However, the latest available information for the cost of administering unemployment benefit as published in the Departmental Report for 1995–96 was £577 million. In 1995–96 the planned unit costs for making a claim to benefit as part of the Annual Performance Agreement was £29.14

With the introduction of Jobseeker's Allowance the Employment Service continues to be involved in the public interface of the new claims process through the New Jobseeker Interview. The Benefits Agency are responsible for determining and processing benefit payments. They also have responsibility for claim termination.

I hope this is helpful.

Teachers' Pensions

Mr. Touhig: To ask the Secretary of State for Education and Employment what procedures are in place to ensure that fraudulent claims are not made after the death of a person receiving a teacher's pension. [5968]

Mrs. Gillan: Notification of the death of a teacher pensioner can come from a variety of sources. Generally, it comes from the family, but the registrars of births, marriages and deaths also notify public sector pension scheme administrators of the death of one of their members.

This process is backed up by issuing periodic declarations to pensioners to ensure continued entitlement to benefits. The declarations are issues at age 75, then at five—yearly intervals until age 90 when they are issued annually. For those living abroad, regular declarations are required from all pensioners.

Each declaration is required to be signed by the pensioner or declarant and witnessed by a qualified person. the returned declarations are examined on receipt to check signatures and ensure they have been correctly completed and witnessed.

Mr. Touhig: To ask the Secretary of State for Education and Employment how many tenders were received when the Teachers Pensions Agency was market-tested. [5967]

Mrs. Gillan: Four tenders were received for the administration of the teachers superannuation scheme.

Mr. Touhig: To ask the Secretary of State for Education and Employment what consultations she undertook with organisations representing those receiving teachers' pensions, before market testing for those agencies involved in the administration of teachers' pensions. [5969]

Mrs. Gillan: Management consultants were commissioned to consider the feasibility of letting a contract to the private sector for the administration of teachers' pensions. Their findings were published in January 1995, and formed the basis of an extensive consultation exercise during which we sought the views of a wide audience, including representatives of members of the scheme, their employers and other interested parties. The consultation period ended in April 1995.

Parental Choice

Mr. Blunkett: To ask the Secretary of State for Education and Employment what is the number of appeals made by parents on the grounds of non-admission of their child to the school of their choice, in each local education authority, in the latest year for which figures are available. [5899]

Mr. Forth: The information for the academic year 1994–95 is shown in the following table.

Appeals by parents against non-admission of their children to maintained primary and secondary schools in England: Academic year 1994–95

Local Education Authority Area	*Number of appeals lodged*
Corporation of London	0
Camden	496
Greenwich	456
Hackney	370
Hammersmith and Fulham[1]	195
Islington	265
Kensington and Chelsea	32
Lambeth[1]	336
Lewisham	799
Southwark	306
Tower Hamlets[1]	510
Wandsworth	259
Westminster	195
Barking and Dagenham	350
Barnet	803
Bexley	441
Brent	186
Bromley[1]	1,057
Croydon	1,208
Ealing	467
Enfield	1,108
Haringey	526
Harrow	375
Havering	463
Hillingdon	438
Houslow	858
Kingston upon Thames	410
Merton	250
Newham	487
Redbridge	591
Richmond upon Thames	395
Sutton	750
Waltham Forest	848
Birmingham	3,058
Coventry	638
Dudley	261
Sandwell	350
Solihull	300
Walsall	135
Wolverhampton	180
Knowsley	12
Liverpool	947
St. Helens	93
Sefton	240
Wirral	484
Bolton	328
Bury	702
Manchester	918
Oldham	253
Rochdale	300
Salford	513
Stockport	600
Tameside	499
Trafford	411
Wigan	254
Barnsley	112
Doncaster	78
Rotherham	109
Sheffield[1]	186
Bradford	1,557
Calderdale	156
Kirklees[1]	107
Leeds	2,870
Wakefield	124
Gateshead	121
Newcastle upon Tyne	372
North Tyneside[1]	41
South Tyneside	69
Sunderland	152
Isles of Scilly	0
Avon[2]	84
Bedfordshire	341
Berkshire	1,112
Buckinghamshire	656
Cambridge	348
Cheshire	263
Cleveland	199
Cornwall	109
Cumbia	252
Derbyshire	432
Devon	379
Dorset	474
Durham[1]	408
East Sussex	298
Essex	638
Gloucestershire	474
Hampshire[1]	543
Hereford and Worcester	213
Hertfordshire	1,395
Humberside	700
Isle of Wight	30
Kent[1]	2,341
Lancashire	2,747
Leicestershire	357
Lincolnshire	287
Norfolk	222
North Yorkshire	498
Northamptonshire[1]	276
Northumberland	124
Nottinghamshire[1]	493
Oxfordshire	319
Shropshire	635
Somerset	309
Staffordshire[1]	227
Suffolk	136
Surrey	1,306
Warwickshire	581
West Sussex	300
Wiltshire	160
England	54,427

[1] Incomplete returns.
[2] Information for LEA schools not available.

Former Incapacity Benefit Claimants

Mr. Alan Howarth: To ask the Secretary of State for Education and Employment what monitoring of former invalidity benefit claimants and ex-incapacity benefit claimants who have signed on as unemployed is being undertaken *(a)* by her Department and *(b)* on behalf of the Department of Social Security. [6192]

Mr. Forth: The Employment Service records the number of people leaving incapacity benefits due to the all work test who subsequently inquire at jobcentres. Records cover the numbers: who claim unemployment benefits during each month; who start a job with Employment Service help; who take a place on an Employment Service programme or training for work; who Employment Service staff know leave unemployment to claim another benefit, including family credit; who leave unemployment for any other reason known to the Employment Service; and those whose claim is referred to an adjudication officer, with the outcome of that adjudication. The Employment Service also counts the number who are

unemployed on one particular day each month and the number each month who inquire about unemployment benefits but do not pursue a claim. No distinction is made in any of these records between former invalidity benefit and ex-incapacity benefit claimants. Summaries of this information at national level are provided to the Department of Social Security and the Benefits Agency each month. The following table sets out the latest information.

ES record of incapacity benefit leavers[1]

Flow figures (since April 1995)	*Cumulative since April 1995*
Number of IB leavers claiming at ES jobcentres	72,564
Number starting a job[2]:	
with ES Mainstream help	1,134
with PACT help	1,249
Numbers starting on DfEE employment and training programmes (including TfW):	
Mainstream	4,684
PWDs on mainstream programmes	989
PWDs on specialist provision	1,359
Adjudication Decisions	
Allowed	28
Disallowed	248
Number starting on other benefits (includes family credit)	2,418
Number signing off for other reasons as a result of ES adviser action	1,778
Number enquiring but not pursuing a claim	9,682
Stock information	
ES report that on 13 September there were 25,616 IB leavers claiming unemployment benefits (compared with 27,223 on 9 August[3])	

[1] Incapacity Benefit Leavers are defined as those disallowed IB by the All Work Test, or for declining to take the AWT, or failing to complete the preliminary questionnaire.

[2] Figures shown are where ES advisers were involved in the placing. They do not include any who found work themselves, who often do not inform ES, or those who found work from Jobcentres vacancies without going through an ES adviser.

[3] The figure for the stock in any month is lower than the cumulative inflow since April 1995 because, in common with all unemployed people, some IB leavers leave unemployment each month. This table shows the destinations of those leaving where it is known to the Employment Service. Again as is the case with all unemployed people many leave unemployment for a job or other destination without informing the Employment Service.

Transsexuals

Dr. Lynne Jones: To ask the Secretary of State for Education and Employment what *(a)* legislative changes and *(b)* other measures she plans to eradicate discrimination against transsexuals in the workplace following the European Court of Justice ruling in the case of P *v.* S and Cornwall county council. [6141]

Mrs. Gillan: The Government are still considering whether it is necessary to make any changes to UK legislation. Meanwhile the industrial tribunals have interpreted one or two cases under the Sex Discrimination Act 1975 consistently with the ruling.

School Budgets (Deficits)

Mr. Pickthall: To ask the Secretary of State for Education and Employment if she will list those schools which have a 5 per cent. or more deficit on their school budget for 1996–97. [6385]

Mr. Robin Squire: In respect of schools maintained by local education authorities, the Department does not collect the information requested. The Funding Agency for Schools has responsibility for the financial monitoring of grant-maintained schools and is able to collate the information sought in respect of GM schools for 1996–97. I have written to Sir Christopher Benson, asking him to reply to this question.

Ministerial Meetings

Mr. Pickthall: To ask the Secretary of State for Education and Employment if she will list, with dates, those meetings she has personally had with representatives of individual schools from 1 October to 22 November 1996. [6386]

Mrs. Gillian Shephard: The answer is as follows:

2 October 1996: Ilford Jewish High School, Ilford, Essex.

2 October 1996: King Solomon High School, Ilford, Essex.

2 October 1996: Coopers' Company and Coburn School, Ilford, Essex.

4 October 1996: Hamond's High School, Swaffham, Norfolk.

4 October 1996: Denver VC Primary School, Swaffham, Norfolk.

15 October 1996: Westwood High School, Leek, Staffordshire.

18 October 1996: Sheringham High School, Sheringham, Norfolk.

22 October 1996: St. Martin's School, Brentwood, Essex.

29 October 1996: Heathside GM School, Weybridge, Surrey.

30 October 1996: Cardinal Vaughan Memorial GM School.

12 November 1996: Haywood High School, Hereford.

22 November 1996: Meeting with Staffordshire Headteachers.

Mr. Pickthall: To ask the Secretary of State for Education and Employment if she will list, with dates, those meetings she has personally had with representatives of local education authorities from 1 October to 22 November 1996. [6387]

Mrs. Shephard: I have not had meetings with representatives of local education authorities from 1 October to 22 November 1996. My ministerial colleagues regularly meet delegations from LEAs.

Undergraduate Students (Financial Support)

Mr. Pawsey: To ask the Secretary of State for Education and Employment if she will give details of the support that will be available to students through mandatory awards and student loans in the academic year 1997–98. [6718]

Mr. Forth: My right hon. Friend announced on 26 November, *Official Report*, columns *174–79*, that the total level of support available to students through the main rates of grant and loan together in 1997–98 will be 2.5 per cent. higher than for 1996–97, in line with forecast price increases. I am placing a memorandum in the Library giving full details of the new grant and fee rates for 1997–98. These rates will be incorporated in the

Education (Mandatory Awards) Regulations and the Education (Student Loans) Regulations to be laid before Parliament in due course.

WALES

Disabled People

Mr. Rowlands: To ask the Secretary of State for Wales what estimate he has made of the percentage of unemployed people registered disabled as a proportion of the total number of unemployed people in each Employment Service district in Wales. [5131]

Mr. Gwilym Jones: The information requested is not available centrally.

Mr. Llew Smith: To ask the Secretary of State for Wales what is the level of registered disability in Blaenau Gwent. [5917]

Mr. Jonathan Evans: At 31 March 1996, there were 4,553 people on the register of persons with a physical or sensory disability in Blaenau Gwent and 368 on the register of persons with learning disabilities.

Mr. Smith: To ask the Secretary of State for Wales what assessment he has made of the adequacy of provision of extra home heating, special food, appropriate transport, special medical care and additional clothing to those with a registered disability in Wales. [6072]

Mr. Evans: My right hon. Friend and I have made no such assessment. Local authorities are responsible for assessing the community care and public transport needs of their local communities, including people with registered disabilities, and for arranging to meet those needs. Health authorities, NHS trusts and GPs are responsible for health care. Benefits to support people with disabilities are a matter for my right hon. Friend the Secretary of State for Social Security.

Nurses (Clwyd)

Mr. Barry Jones: To ask the Secretary of State for Wales how many nurses were employed in Clwyd in *(a)* 1992 and *(b)* 1995; and if he will make a statement. [5555]

Mr. Gwilym Jones: The information is given in the following table.

Nursing and midwifery staff (excluding pre-registration learners) in post (whole-time equivalent number) at 30 September

1992[1]: 3,347

1995[2]: 3,260

[1] Staff employed by the former Clwyd Health Authority.
[2] Staff employed by the former Clwyd Health Authority and by NHS Trusts which are situated within the geographical boundaries of the former Authority.

Women

Ms Janet Anderson: To ask the Secretary of State for Wales what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5479]

Mr. Hague: In July this year, the model guidance on policy appraisal for equal treatment was revised and circulated at Cabinet level for Departments to adapt to their own circumstances. A copy was placed in the Library of the House. This guidance requires officials to identify policy issues which might impact differently on women and men, and other groups, to assess whether this is justified in policy terms, and to adjust the policy if it is not. This advice is incorporated in my Department's rules and procedures for handling departmental business.

The recent Government report "One Year On"outlines the action taken by Government to benefit women since the world conference on women, and also includes baseline statistics against which future progress can be measured.

Day Care

Mr. Barry Jones: To ask the Secretary of State for Wales what was the average number of day care hours available to day care recipients. [5551]

Mr. Gwilym Jones: The information requested is not available centrally.

Mr. Barry Jones: To ask the Secretary of State for Wales how many day care centres there are in *(a)* Wales and *(b)* Flintshire. [5553]

Mr. Jonathan Evans: The information requested is given in the following table:

	Local Authority Day Care Centres open at 31 March 1995	*NHS Day Care Facilities open at 31 March 1996*
Flintshire	5	5
Wales	254	118

Mr. Barry Jones: To ask the Secretary of State for Wales how many people in Clwyd received day care in 1995–96. [5550]

Mr. Gwilym Jones: There are 1,628 first attendances of patients using NHS day care facilities in Clwyd during 1995–96. Information on the numbers attending local authority day care centres is not available centrally.

Administrative Health Staff

Mr. Barry Jones: To ask the Secretary of State for Wales how many administrative health staff there were in Clwyd in *(a)* 1992 and *(b)* 1995; and if he will make a statement. [5556]

Mr. Gwilym Jones: The information is given in the following table.

Administrative and clerical staff (including managerial staff) in post (whole-time equivalent number) at 30 September

1992[1]: 1,080

1995[2] 1,072

[1]Staff employed by the former Clwyd Health Authority and directly employed by the former Clwyd Family Health Services Authority.

[2]Staff employed by the former Clwyd Health Authority directly employed by the former Clwyd Family Health Services Authority and by NHS Trusts which are situated within the geographical boundaries of the former Authorities.

Home Helps

Mr. Barry Jones: To ask the Secretary of State for Wales how many home helps there are in Flintshire. [5552]

Mr. Jonathan Evans: There were 168 part-time home carers, and six full-time home care organisers employed by the social services department of Flintshire county council on 30 September 1996.

Social Workers

Mr. Barry Jones: To ask the Secretary of State for Wales how many social workers there were in Wales and Clwyd in *(a)* 1979 and *(b)* 1995. [5558]

Mr. Jonathan Evans: The numbers of social workers employed by local authority social services departments in 1979 and 1994, the latest date for which information is available, are given in the following table:

Numbers of social workers in post WTE[1]

	30 September 1979	*30 September 1994*
Clwyd	118	294
Wales	998	1,936

[1] Whole-time equivalent. Includes senior social workers and team leaders.

Poultry Meat Hygiene

Mrs. Clwyd: To ask the Secretary of State for Wales if he will list the number of poultry meat inspector posts created in the new Welsh unitary authorities to implement the Poultry Meat, Farmed Game Bird Meat and Rabbit Meat (Hygiene and Inspection) Regulations 1995. [5501]

Mr. Jonathan Evans: We are not aware that any poultry meat inspection posts have been created within Welsh local authorities to enforce these regulations. Poultry meat inspectors are appointed by Ministers to assist official veterinary surgeons in carrying out functions specified in the regulations relating to the supervision of licensed premises. Enforcement responsibility in such premises rests with the Meat Hygiene Service and not local authorities.

Mrs. Clwyd: To ask the Secretary of State for Wales how many prosecutions there were for breaches of the Poultry Meat, Farmed Game Bird Meat and Rabbit Meat (Hygiene and Inspection) Regulations 1995. [5502]

Mr. Evans: There have been no prosecutions to date for offences under the Poultry Meat, Farmed Game Bird Meat and Rabbit Meat (Hygiene and Inspection) Regulations 1995.

Hospital Beds (Clwyd)

Mr. Barry Jones: To ask the Secretary of State for Wales how many hospital beds there were available to patients in Clwyd in *(a)* 1992 and *(b)* 1995; and if he will make a statement. [5554]

Mr. Gwilym Jones: The information is given in the following table. information for 1992–93 relates to beds managed by the former Clwyd health authority and for 1995–96 to beds managed by those NHS trusts which are situated within the geographical boundaries of the former authority. North Wales health authority, which is responsible for commissioning health care for residents of the former county of Clwyd, is free to obtain provision from outside this area.

	Average daily available beds		
	Psychiatric	*Non-psychiatric*	*Total*
1992–93	395	1,857	2,252
1995–96 (provisional)	382	1,762	2,144

Learning Disabilities

Mr. Llew Smith: To ask the Secretary of State for Wales what evidence he has that the services for those with learning disability living within the community have increased. [6061]

Mr. Jonathan Evans: Progress made under the mental handicap strategy is outlined in the revised Welsh mental handicap strategy guidance issued in 1994, copies of which are in the House Library. The following table shows progress in the provision of services during the first 10 years of the strategy.

	1983	*1988*	*1993*
Adults living in their own home in the community	166	614	1,427
Families receiving support in their own homes	41	1,858	4,691
Individuals with especially difficult behaviour receiving support	16	64	610
Individuals receiving new patterns of daytime care	0	193	3,665

Figures for 1995–96 are not yet available.

Poverty

Mr. Llew Smith: To ask the Secretary of State for Wales what is his latest assessment of the causes of changes in the level of poverty in Wales since 1979; and what steps he has taken to alleviate it. [5987]

Mr. Hague: Recent work from the Institute for Fiscal Studies and Essex university has shown that the poor are not a constant group and that people tend to move into and out of poverty over time. Recent Organisation for Economic Co-operation and Development research strongly suggests that people's earnings mobility, the extent to which, at different stages in their careers, people move into higher or lower income bands is very high; over a five-year period, about half of all workers move into higher or lower brackets.

The single main cause of poverty is not having a job. Unemployment in Wales is falling fast—for the past six months, at an average of 1,000 a month.

Homelessness

Mr. Llew Smith: To ask the Secretary of State for Wales what assessment he has made of the effect of homelessness or insecure housing upon people's health in Wales. [5919]

Mr. Jonathan Evans: None, but I have recently issued guidance to local authorities to take into account factors such as a property's physical condition and security of tenure when considering applications from homeless people.

Mr. Barry Jones: To ask the Secretary of State for Wales how many people in Wales are deemed to be homeless at the latest possible date and by Welsh county or predecessor authorities; and if he will make a statement. [6282]

Mr. Evans: Information on the number of people in households accepted by local authorities as homeless is provided in the following table.

People in households accepted as homeless, April to June 1996

Authority	*Number*
Blaenau Gwent	143
Bridgend	652
Caerphilly	111
Cardiff	397
Carmarthenshire	104
Ceredigion	70
Conwy	83
Denbighshire	44
Flintshire	153
Gwynedd	51
Isle of Anglesey	35
Merthyr Tydfil	85
Monmouthshire	85
Neath Port Talbot	158
Newport	368
Pembrokeshire	91
Powys	142
Rhondda Cynon Taff	475
Swansea	648
Torfaen	81
The Vale of Glamorgan	53
Wrexham	146
Wales	4,175

Source:

Local authority returns.

Health Data

Mr. Llew Smith: To ask the Secretary of State for Wales what is the public availability of the Welsh public health common data set. [6066]

Mr. Gwilym Jones: The Welsh public health common data set is distributed by the Welsh Health Common Services Authority, on an annual basis, to the chief medical officer for Wales, the public health departments of the five health authorities, Health Promotion Wales, and the academic departments within the division of public health of the university of Wales college of medicine.

The majority of the data items comprise aggregated data taken from Office for National Statistics publications—that is, publicly available information. The contents of the data set are a major source of information for the chief medical officer's annual report and also inform those of the directors of public health in Wales, most of which include statistical tables of all or part of the data. In addition to these public documents, all departments of public health in Wales will respond to data inquiries from the public by providing appropriate information from the data set.

Carers

Mr. Llew Smith: To ask the Secretary of State for Wales what additional resources he has made available to support carers who have accepted a loss of paid employment to look after a disabled relative. [5918]

Mr. Jonathan Evans: Carers may apply for the full range of social security benefits. Invalid care allowance is specifically designed for carers who have given up the opportunity of full-time work to provide regular and substantial care. Benefit arrangements are a matter for my right hon. Friend the Secretary of State for Social Security.

General Practitioner Fundholding

Mr. Morgan: To ask the Secretary of State for Wales what consultation he has had with the chairmen of the health authorities concerning the risk to authority budgets arising from GP fundholders' overspends *(a)* generally and *(b)* in respect of drug prescription expenditure. [5909]

Mr. Hague: My Department has regular meetings with health authority officials about fundholding matters, including risk management and drug prescription expenditure.

Assisted Places Scheme

Mr. Barry Jones: To ask the Secretary of State for Wales how many children benefited from the assisted places scheme in Wales in 1995; what was the amount of money involved *(a)* in total and *(b)* per school; and if he will make a statement. [6289]

Mr. Jonathan Evans: Seven hundred and twenty-six children benefited from the assisted places scheme in Wales in the academic year 1995–96, at an estimated total cost of £2,992,972. Estimated costs, broken down by school, are as follows:

School	*Cost* £
Monmouth Boys	473,000
Monmouth Girls	226,575
Howell's Cardiff	456,429
Christ College	448,309
Llandovery College	325,298
Howell's, Denbigh	392,422
Rydal School	346,393
Penrhos College	324,546
Total	2,992,972

Flintshire (Financial Assistance)

Mr. Barry Jones: To ask the Secretary of State for Wales what percentage was allowed for sparsity in his first allocations of money to the county of Flintshire. [6283]

Mr. Gwilym Jones: Central Government support for local authority revenue expenditure is calculated by reference to standard spending assessments. The formula includes indicators to reflect the additional needs associated with sparsity and these account for 2 per cent. of Flintshire's total assessments for 1996–97.

Support for capital expenditure is provided by way of credit approvals. The distribution of basic credit approvals is made according to a formula that includes an element for high levels of sparsity, but this did not contribute to Flintshire's allocation for 1996–97.

Police

Mr. Alex Carlile: To ask the Secretary of State for Wales what plans he has to review the area cost adjustment for police authorities, indicating their net effect on *(a)* the income and *(b)* the number of uniformed officers in the Welsh police authorities. [5768]

Mr. Hague: My right hon. Friend the Secretary of State for the Environment announced in the House today that the Government have decided not to implement the recommendations of the review of the area cost adjustment for 1997–98. In coming to this decision, he took account of the concerns of local government on aspects of the report's findings.

My right hon. Friend proposes to consult local government on what further work needs to be undertaken to address concerns.

Sir Wyn Roberts: To ask the Secretary of State for Wales what are his proposals for police authority revenue spending in 1997–98. [6887]

Mr. Hague: I propose to make £340.6 million available from total standard spending in Wales to fund police services in 1997–98. This sum comprises £171 million in cash-limited police grant to be paid by my right hon. and learned Friend the Home Secretary and £169.6 million in standard spending assessments. It represents an overall increase of £8.9 million, or 2.7 per cent. on 1996–97. The sums for each police authority are set out in the following table:

£ million

	Police grant	*Standard spending assessment*	*Total*
Dyfed-Powys	25.2	24.6	49.8
Gwent	32.4	32.1	64.5
North Wales	35.7	35.5	71.2
South Wales	77.7	77.4	155.1

In addition, Dyfed-Powys police authority will receive £0.2 million in reduction grant to damp the effect on council taxpayers in its area of a reduction of over 2 per cent. in its police grant and SSA allocations resulting from methodology changes in the police funding formula. The reduction grant will supplement the authority's revenue support grant and redistributed non-domestic rate entitlement in support of its spending. It does not increase the authority's spending power.

My Department is today writing to each of the police authorities in Wales to consult them on their provisional standard spending assessment for 1997–98. The figures may alter slightly if the balance of the police funding formula as between English and Welsh police authorities changes as a result of consultation.

It is essential that police authorities budget wisely and do not impose an unreasonable burden on council taxpayers. I therefore propose provisional capping principles to inform their budget decisions. Police authorities would not be capped if their budget requirements for 1997–98 were:

less than 12.5 per cent. above the sum of the authority's standard spending assessment and police grant; and

did not exceed their 1996–97 budget by more than the greater of the sum of the increases in their standard spending assessment and police grant or 3.2 per cent. excluding the sum of £3.2 million which the Home Secretary is providing through police grant for additional police officers.

I will make my final decisions on capping principles in the light of budgets set by police authorities.

I am still considering my capping proposals for local authorities in Wales. I propose to announce provisional capping principles and standard spending assessments for these authorities in the week commencing 9 December.

Copies of the consultation letter will be placed in the Library of the House.

Incomes and Mortality

Mr. Llew Smith: To ask the Secretary of State for Wales what assessments have been undertaken by his Department on the relationship between poverty and premature death in Wales. [5951]

Mr. Gwilym Jones: My Department has not made any specific assessment on this relationship. There is already a considerable body of scientific evidence to suggest an association between socio-economic classification and mortality, although it is not clear whether it is low income or other associated factors such as smoking, poor housing or poor diet which are more important.

Health authorities are responsible for the health of the populations of their respective areas.

Non-Hodgkin's Lymphoma

Mr. Flynn: To ask the Secretary of State for Wales how many *(a)* cases of and *(b)* deaths from the malignant non-Hodgkin's lymphoma have been recorded in Wales in each of the last five years, and if he will make a statement. [6223]

Mr. Gwilym Jones: The latest available information is given in the following table:

Non-Hodgkin's Lymphoma[1]

	Cases registered as newly diagnosed	*Deaths*
1986	269	166
1987	358	177
1988	375	213
1989	365	210
1990	355	210
1991	[2]—	208
1992	[2]—	205
1993	[2]—	235
1994	[2]—	203
1995	[2]—	207

[1] Lymphosarcoma and reticulosarcoma (CD 200) and other malignant neoplasm of lymphoid and histiocytic (ICD 202).
[2] Not yet available.

Local Government Finance

Sir Wyn Roberts: To ask the Secretary of State for Wales what level of aggregate external finance towards Welsh local authority revenue spending he proposes to provide for 1997–98. [6886]

Mr. Hague: On 26 November, I announced that I propose to set total standard spending in Wales for 1997–98 at £2,931.1 million; and central Government support for that level of spending through aggregate external finance at £2,577.7 million.

Within aggregate external fiance, I propose to make available £1,749.4 million in revenue support grant and council tax reduction grant; £584 million in distributable non-domestic rates; and £244.3 million in specific grants.

My Department has today written to the Welsh Local Government Association to consult it on my proposals for revenue support grant in 1997–98.

Copies of the consultation letter will be placed in the Library of the House.

Community Alarm Schemes

Sir Wyn Roberts: To ask the Secretary of State for Wales if he will make a statement on the statutory powers available to local authorities to provide community alarm schemes for their residents. [6888]

Mr. Gwilym Jones: The benefit that community alarm schemes can bring is clear. The power to summon assistance quickly and easily provides a sense of security. In the light of concerns expressed about the statutory basis on which local authorities may operate such schemes, the Welsh Office today published a consultation paper entitled "Local Authorities and Community Alarm Schemes". The paper seeks views on extending local authorities' powers to enable them to expand the service to any local resident. It examines the present statutory framework and outlines the Government's preliminary view that local authorities' role in the provision of community alarms should be extended to allow them to provide, and charge for, this service to anyone resident in their area.

If the Government were to conclude in the light of comments that this wider role should be given to local authorities, their intention would be to legislate to that effect at the next opportunity.

Copies of the consultation paper will be placed in the Library of the House. Copies are being sent to the Welsh Local Government Association and local authorities which are being invited to respond by 16 January 1997.

ATTORNEY-GENERAL

Public Interest Certificates

Mr. Cohen: To ask the Attorney-General when he expects to announce the outcome of the review of the operation of public interest certificates; and if he will make a statement. [5439]

The Attorney-General: I expect to announce the outcome of the review shortly.

George Finbar Ross

Mr. Beggs: To ask the Attorney-General if he will recommend to the Gibraltarian Government that proceedings to complete the liquidation of International Investments Ltd. Gibraltar should be deferred until such time as extradition warrants in respect of George Finbar Ross have been executed. [5846]

The Attorney-General: No. I am not aware of any reason for doing so.

LORD PRESIDENT OF THE COUNCIL

Computers

Mr. Hoon: To ask the Lord President of the Council (1) how many separate computer programmes his Department operates; [5352]

(2) how many lines of computer code there are in his Department's computer system. [5343]

Mr. Newton: The Privy Council Office operates only desktop personal computers, with a range of proprietary software.

NORTHERN IRELAND

Resurfacing Work (Bangor)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what steps his Department is taking to ensure the early resurfacing of Waverley drive and Godfrey avenue in Bangor. [5117]

Mr. Moss: Responsibility for the subject in question has been delegated to the Roads Service under its chief executive, Mr. W. J. McCoubrey. I have asked him to arrange for a reply to be given.

Letter from W. J. McCoubrey to Mr. Robert McCartney, dated 26 November 1996:

The Secretary of State for Northern Ireland has asked me to reply to your question about resurfacing of Waverley Drive and Godfrey Avenue, Bangor.

A scheme to resurface these streets, which would necessitate full carriageway reconstruction with attendant footway works and replacement of various services, would be very costly and could not be justified given the many other demands on the limited funds available for road works. Their maintenance needs will therefore continue to be addressed through the routine road maintenance programme.

I am sorry I cannot be more helpful on this occasion.

Investment (Belfast, West)

Dr. Hendron: To ask the Secretary of State for Northern Ireland what incentives for attracting inward investment towards the constituency of Belfast, West have been *(a)* assessed and *(b)* granted by his Department. [5126]

Mr. Ancram: Currently the Industrial Development Board may offer an enhanced capital grant of up to 20 per cent. above the Northern Ireland ceiling of 30 per cent. to encourage inward investment projects to locate in areas designated as disadvantaged such as Belfast, West. Combined with the land and factory accommodation which IDB can make available for immediate use, these incentives have attracted investment totalling some £177 million to the area since April 1993, promoting 1,878 new jobs and safeguarding a further 1,599.

Unemployment

Mr. Trimble: To ask the Secretary of State for Northern Ireland if he will list, for each travel-to-work area in Northern Ireland, the number and percentage of persons unemployed for *(a)* the latest available and *(b)* the earliest available date before and after the introduction of the jobseeker's allowance. [5493]

Mr. Ancram: The jobseeker's allowance came into effect on 7 October. The first set of unemployment figures after this date, relating to 10 October, is also the most recently available. The information requested is as follows:

Travel-to-work area	*Unemployment at 12 September*		*10 October*	
	Number	*Percentage of workforce*	*Number*	*Percentage of workforce*
Ballymena	2,528	8.1	2,206	7.1
Belfast	43,334	10.2	39,659	9.4
Coleraine	5,434	13.3	4,938	12.1
Cookstown	1,874	16.4	1,735	15.2
Craigavon	7,242	9.9	6,488	8.9
Dungannon	2,981	14.6	2,655	13.0
Enniskillen	3,286	13.1	2,955	11.8
Londonderry	9,499	15.9	8,828	14.8
Magherafelt	2,100	13.2	1,832	11.5
Newry	5,990	17.0	5,276	15.0
Omagh	2,877	13.2	2,653	12.2
Strabane	2,524	18.4	2,339	17.1

Women

Ms Janet Anderson: To ask the Secretary of State for Northern Ireland what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5485]

Mr. Ancram: Policy appraisal and fair treatment guidelines were issued to the Northern Ireland Office and all Northern Ireland Departments in December 1993. The guidelines require officials, in formulating and reviewing policies, to identify differential impacts on women and men, and on other groups, to assess whether they are justified in policy terms and to adjust the policy if they are not.

The recent Government report "One Year On" outlines actions taken by Government to benefit women since the world conference on women, and also includes baseline statistics against which future progress can be measured.

Arts Council

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland if he will list the people currently sitting on the Arts Council for Northern Ireland. [5838]

Mr. Ancram: The current members of the Arts Council of Northern Ireland are as follows:

Mr. Donnell Deeny QC (Chairman)
Sir Charles Brett CBE (Vice-Chairman)
Cllr. Martin Bradley
Mr. William Burns
Mr. Sam Burnside
Cllr. Fred Cobain
Mr. Patrick Donnelly
Dr. Tess Hurson
Mrs. Rosaleen McMullan
Ms Marnie O'Neill
Mr. Glenn Patterson
Ms Chrissie Poulter
Miss Irene Sandford
Mr. Aiden Shortt
Dr. Brian Walker

Mr. Taylor: To ask the Secretary of State for Northern Ireland what organisations the Arts Council for Northern Ireland has funded in the last 12 months which operate mainly through the medium of the Irish Gaelic language. [5842]

Mr. Ancram: The information requested is as follows:

Culturlann McAdam/O Fiaich
Aisteoiri Aon Drama
coisceim Feirste
An tUltach
An Clochan
Cuisle na nGael
Ti Chulainn
Glor na n Gael
Comhcheol
Scoil Sliabh gCuilinn
Comhchoiste na Gaeilg

Mr. Taylor: To ask the Secretary of State for Northern Ireland how many staff working for the Arts Council speak Irish Gaelic. [5840]

Mr. Ancram: Two.

Mr. Taylor: To ask the Secretary of State for Northern Ireland how many *(a)* Roman Catholics, *(b)* Protestants and *(c)* others are currently on the staff of the Arts Council for Northern Ireland. [5839]

Mr. Ancram: The information requested is provided in the sixth monitoring report of the Fair Employment Commission for Northern Ireland, which was published in March this year. The report includes a breakdown of Arts Council staff by community affiliation, as at December 1995, as follows:

Roman Catholic community: 17
Protestant community: 20
Non-determined: 5

Mr. Taylor: To ask the Secretary of State for Northern Ireland how many times the chief executive of the Arts Council for Northern Ireland has met his counterparts in *(a)* the Republic of Ireland, *(b)* England and *(c)* Scotland since 1 January. [5843]

Mr. Ancram: The chief executive of the Arts Council of Northern Ireland met his Irish counterpart on four occasions, while he has had three meetings with his English and Scottish counterparts during 1996.

Mr. Taylor: To ask the Secretary of State for Northern Ireland what are the salaries of the *(a)* chairman and *(b)* chief executive of the Arts Council for Northern Ireland. [5841]

Mr. Ancram: The chairman receives an honorarium, currently £12,093 per annum. The chief executive's salary is currently £47,503 per annum.

George Finbar Ross

Mr. Beggs: To ask the Secretary of State for Northern Ireland what plans there are to make an application to the department of state of the United States seeking the extradition of George Finbar Ross in respect of matters relating to the collapse of International Investments Ltd. Gibraltar. [5845]

Sir Patrick Mayhew: A set of draft extradition papers in relation to Mr. George Finbar Ross is currently being prepared for submission to the US Department of Justice for approval.

Students (Housing)

Mr. Worthington: To ask the Secretary of State for Northern Ireland (1) pursuant to his answer of 18 November, *Official Report*, column *434*, what criteria he uses to judge whether the supply of extra housing for students has been adequate; [5766]

(2) pursuant to his answer of 18 November, *Official Report*, column *434*, what action he proposes to take to ensure that there is an adequate supply of good–quality, affordable housing for students; [5771]

(3) what representations he has received from the Northern Ireland Higher Education Council about the adequacy of housing supply for students. [5767]

Mr. Ancram: None. The provision of accommodation for students is a matter for the Institutions themselves.

Non-Hodgkin's Lymphoma

Mr. Flynn: To ask the Secretary of State for Northern Ireland how many *(a)* cases of and *(b)* deaths from the malignant non-Hodgkin's lymphoma have been recorded in Northern Ireland in each of the last five years; and if he will make a statement. [6225]

Mr. Moss: The latest available information on the incidence of non-Hodgkin's lymphoma is for 1991. The number of cases of non-Hodgkin's lymphoma in each of the years from 1987 to 1991, together with the number of deaths, is as follows:

Year	*Cases*	*Deaths*
1987	134	79
1988	150	83
1989	117	82
1990	139	83
1991	141	95

The number of deaths from malignant non-Hodgkin's lymphoma in each of the last five years is as follows:

Year	*Deaths*
1991	95
1992	110
1993	104
1994	113
1995	101

The incidence of non-Hodgkin's lymphoma is increasing worldwide. There is a clear link between age and incidence. The disease rarely affects people under the age of 40. The peak incidence is in people aged between 60 and 70 years.

TRANSPORT

FV Canadian Park

Mrs. Dunwoody: To ask the Secretary of State for Transport if the mayday recently issued by the FV Canadian Park was received by coastguard stations other than Clyde. [5650]

Mr. Bowis: I have asked the chief executive of the Coastguard agency to write to the hon. Member.

Letter from C. J. Harris to Mrs. Gwyneth Dunwoody, dated 27 November 1996:

The Secretary of State has asked me to reply to your question about the mayday issued by the fishing vessel CANADIAN PARK at 0027 on 22 October 1996 on 2182 kHz.

No coastguard station other than Clyde received the distress message. Although the casualty was more than 2,400 miles away, and well outside the UK's Search & Rescue Region, it is suspected that anomalous propagation resulted in Clyde receiving the transmission. That is the nature of this particular radio medium: no reliance is placed on such long range reception—we regard the working range of 2182 kHz under normal conditions as 150 miles.

Channel Tunnel

Mrs. Dunwoody: To ask the Secretary of State for Transport if containers or vehicles carrying nuclear materials are transported on freight trains within the channel tunnel. [5933]

Mr. Watts: No materials for the nuclear fuel cycle, including reprocessed fuels, or materials for weapons production, are permitted through the channel tunnel.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will list all incidents requiring the attendance of either the Kent or French fire brigades since public services began in the channel tunnel. [5936]

Mr. Watts: Eurotunnel's first line of response teams, which on the UK side include members of Kent fire brigade, routinely attend a wide range of incidents in the channel tunnel. Most of these are minor incidents of a type to be expected in any operational transport system. Until the fire of 18 November 1996, there has been only one significant incident requiring the attendance of externally based firefighters: the car fire of 9 December 1994, which occurred at the Folkestone terminal and was extinguished by a team from the Kent fire brigade.

Mrs. Dunwoody: To ask the Secretary of State for Transport what procedures are in place for identifying car and coach passengers who will need special care in the event of an emergency in the channel tunnel; and what assistance is given to them. [5938]

Mr. Watts: Disabled drivers or drivers carrying disabled passengers are asked to identify themselves at the toll booth. They are given a sticker which identifies them to Eurotunnel's shuttle allocation staff who then ensure that they are loaded at the front of the tourist shuttle rake. In this position, the train crew are aware of them and can ensure that they receive priority attention in the event of an emergency. Specially constructed chairs

are made available for passengers with physical disabilities and are stored in readily identifiable areas in the loading wagons to the front of the shuttle. Train crew have received training in the movement of disabled persons in an emergency.

Mrs. Dunwoody: To ask the Secretary of State for Transport when the automatic de-coupling devices were last tested on the freight train involved in the recent fire in the channel tunnel. [5940]

Mr. Watts: The Department of Transport has no information on when the automatic de-coupling devices were last tested on the HGV shuttle involved in the recent fire in the channel tunnel. However, Eurotunnel carries out "level 1" maintenance checks every 18 days on the correct functioning of these devices, with more detailed "level 2" and "level 3" checks every three months and six months respectively.

Mrs. Dunwoody: To ask the Secretary of State for Transport what inspections have been undertaken by the Channel Tunnel Safety Authority to ensure that leakages between the tunnels are kept to a minimum. [5932]

Mr. Watts: This issue was extensively addressed during construction and commissioning. The safety authority and the Maitre d'Oeuvre witnessed tests to establish that the ventilation operating principles which Eurotunnel produced were sufficient to ensure the positive pressure necessary to maintain the "safe haven" of the service tunnel through any cross-passage doors that may be opened for evacuation or rescue of people in an emergency.

Mrs. Dunwoody: To ask the Secretary of State for Transport what is the estimated time delay between an incident occurring in mid-channel tunnel and the arrival of fire fighting teams from outside the tunnel. [5930]

Mr. Watts: The time of arrival of firefighting teams will depend on their location when an alarm is received. Teams are frequently present in the tunnel during the day. If an alarm is received and teams are in the fire equipment management centres at either end of the tunnel, the maximum estimated attendance time is about 20 minutes.

Mrs. Dunwoody: To ask the Secretary of State for Transport when the fire detection systems aboard freight trains operating in the channel tunnel were last inspected by *(a)* the French or Kent fire brigades or *(b)* the Channel Tunnel Safety Authority. [5934]

Mr. Watts: There are no fire detection systems aboard freight trains. There are detectors in the tunnel structures. On HGV shuttles, fire detection systems are located in the loader wagons. Inspectors from Her Majesty's railway inspectorate and Kent fire brigade review Eurotunnel's maintenance records for these systems regularly.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will place in the Library copies of the correspondence between Eurotunnel and the Channel Tunnel Safety Authority relating to the design of semi-open wagons and the changes that were made to satisfy the Channel Tunnel Safety Authority that these wagons were safe for use. [5939]

Mr. Watts: The annual reports of the Channel Tunnel Safety Authority for 1992–93 and 1993–94 commented in depth on the discussions of the semi-open heavy goods vehicle shuttle design, and set out the concerns of the safety authority, which Eurotunnel had asked to address. Copies of these reports were placed in the Library of the House on their publication.

Mrs. Dunwoody: To ask the Secretary of State for Transport if security guards patrolling the channel tunnel site have direct radio links with the railway control centre controlling trains entering or leaving the tunnel. [5931]

Mr. Watts: On the UK side, the security guards patrolling the terminal site are all equipped with radios permitting direct communication with the railway control centre. On the French terminal, the security guards patrolling the site are also equipped with radios, but their usual means of communication is by direct radio link to security control, which in turn has direct telephone access to the railway control centre.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will place in the Library copies of incident reports received by the Channel Tunnel Safety Authority relating to accidents or incidents occurring in the channel tunnel since public services began. [5935]

Mr. Watts: Since public services in the channel tunnel began, Eurotunnel has provided a wide range of reports to the safety authority on incidents and accidents at work, many of which refer to minor incidents of a type to be expected in any operational transport system. Significant incidents are reported to the intergovernmental commission and included in the annual reports of the Channel Tunnel Safety Authority, which are placed in the Library of the House.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will list the details of evacuation tests completed on the channel tunnel to date to demonstrate the likely escape times in the event of any emergency and the results for *(a)* passengers in private cars and *(b)* passengers in coaches. [5937]

Mr. Watts: A large number of tests relating to the evacuation of trains in the channel tunnel have been carried out by the operator, Eurotunnel. The methodology and conclusions of these tests were examined and found acceptable by the Channel Tunnel Safety Authority. Favourable advice was also received from the Maitre d'Oeuvre, the independent project manager. In addition, as part of routine staff training, Eurotunnel practises evacuation procedures on a regular basis. Publication of test results is a matter for the operator.

Mrs. Dunwoody: To ask the Secretary of State for Transport if reports have been made to the Channel Tunnel Safety Authority regarding problems experienced with automatic de-coupling devices fitted to channel tunnel trains. [5941]

Mr. Watts: The safety authority has had no specific reports of difficulties with de-coupling devices fitted to channel tunnel trains.

Driver Sleepiness

Mr. Dalyell: To ask the Secretary of State for Transport what research his Department has *(a)* commissioned and *(b)* evaluated in respect of problems induced by sleepiness in drivers. [6132]

Mr. Bowis: The first phase of our research programme into driver sleepiness was reported in September 1995 and preliminary advice issued to drivers on how to combat sleepiness. Further research is in progress into the relative effectiveness of other possible measures to ensure that the best possible advice is available to drivers on how to minimise the risk of having a sleep-related accident. This phase of the research will report next year.

Mr. Dalyell: To ask the Secretary of State for Transport if he will commission research into the extent to which drivers who fall asleep at the wheel are aware of drowsiness prior to their falling asleep. [6136]

Mr. Bowis: Our current research programme into driver sleepiness has shown that drivers are aware of feeling drowsy before falling asleep, although they may not be aware that their driving is seriously impaired.

Mr. Dalyell: To ask the Secretary of State for Transport what guidelines his Department issues to police forces in respect of collating data on the causes of road accidents with particular reference to sleepiness in drivers; and if he will provide funding into research relating to the collation of such data. [6133]

Mr. Bowis: Personal injury road accident data are collected by the police and reported nationally using the Stats19 accident report form. These data do not include subjective judgments on the causes of accidents.

At present, each police force has its own method of collating data on the causes of road accidents, including sleepiness; there are no national guidelines. We are midway through a research programme into the causes of accidents. This will report next year.

Bypasses

Mr. Matthew Taylor: To ask the Secretary of State for Transport what measures he is taking to ensure that the design, funding and implementation of comprehensive traffic measures in an area to be bypassed proceed on the same timetable, and are given the same priority, as the bypass itself. [5924]

Mr. Watts: It is for local highway authorities to decide the timing and content of proposals for traffic measures in bypassed towns and villages. My Department encourages authorities to take full advantage of the opportunities that new bypasses offer. In recent years, we have funded the bypass demonstration project, dedicated to promoting good practice in this area.

Cycling Safety

Mrs. Anne Campbell: To ask the Secretary of State for Transport, pursuant to his answer of 28 October, *Official Report*, column *44*, to which group of road users the education, publicity and research programmes will be targeted. [5831]

Mr. Bowis: The Department's education, publicity and research programmes are aimed at all road users, helping to promote road safety by encouraging everyone to adopt the same rules and behave in a responsible manner when using the roads.

Great Eastern Rail Franchises (Performance Bond)

Mr. Gapes: To ask the Secretary of State for Transport what level of performance bond will be required of Great Eastern franchises. [6012]

Mr. Watts: This information will be available when the franchise commences.

Road Construction Schemes

Mr. Matthew Taylor: To ask the Secretary of State for Transport if he will list all new road construction schemes in the national roads programme which have been allocated for "design, build, finance and operate" funding; and what is the estimated cost of construction in 1995 prices. [5922]

Mr. Watts: Construction schemes included in DBFO projects, and the estimated costs of construction, excluding VAT, are provided. Prices are as estimated for competition. They are necessarily best estimates and adjustment to 1995 prices is therefore not warranted:

A69: Carlisle–Newcastle Project

A69 Haltwhistle Bypass: £9.4 million

A419/A417: Swindon–Gloucester Project

A419/A417 Cirencester and Stratton Bypass: £49 million

A417 North of Stratton–Nettleton Imp.: £49 million

A419 Latton Bypass: £49 million

A1(M): Alconbury–Peterborough Project

A1(M) Alconbury–Peterborough upgrading: £128 million

M1-A1 Yorkshire Link Project

Yorkshire Link Road Lofthouse–Bramham: £214 million

M6 Extension: Carlisle–Guardsmill Project

M6 Carlisle–Guardsmill Extension: £42.3 million

A50/A564: Stoke–Derby Link Project

A564 Doveridge Bypass: £20.6 million

A30/A35 Exeter–Bere Regis Project

A30 Honiton–Exeter Imp.: £75.7 million

A35 Tolpuddle–Puddletown Bypass: £75.7 million

M40 J1 to 15 Project

M40J1 A-3 Widening: £37.1 million

A19 Dishforth–Tyne Tunnel

A19 Norton–Parkway Interchange Imp.: £29.4 million

Bradford–Cumbria Project

A590 High and Low Newton Bypass: £104 million

A65 Hellifield and Long Preston Bypass: £104 million

A65 Gargrave Bypass: £104 million

A629 Skipton–Kildwick Imp.: £104 million

A650 Hard Ings Road Imp.: £104 million

A650 Bingley Relief Road: £104 million

Weald and Downland Project

A21 Tonbridge Bypass to Pembury Bypass dualling: £142 million

A21 Lamberhurst Bypass: £142 million

A27 Polegate Bypass: £142 million

A259 Pevensey to Bexhill Imp.: £142 million

A259 Bexhill and Hastings Western Bypass: £142 million

A259 Hastings Eastern Bypass: £142 million

South Midlands Network Project

A6 Great Glen Bypass: £116 million

A6 Rothwell and Desborough Bypass: £116 million

A6 Rushden and Higham Ferrers Bypass: £116 million

A6 Clapham Bypass: £116 million

A43 Sieverstone Bypass: £116 million

A43 Whitfield Turn to Brackley Hatch dualling: £116 million

A43 M40 to B4031 Imp.: £116 million

A428 Norse Road Link: £116 million

A13/A1089 Thames Gateway Project

A13 Ironbridge–Canning Town Imp.: £146 million

A13/A117 Woolwich Manor Way Junction Imp.: £146 million

A13 Movers Lane Junction Imp.: £146 million

A13/A112 Prince Regent Lane Junction Imp.: £146 million

A40 Western Avenue Project

A40 Gypsy Corner Imp.: £75 million

A40 Western Circus Junction Imp.: £75 million

Wessex Link Project

A36 Salisbury Bypass £105 million

A303 Wylye-Stockton Wood Imp. £105 million

A303 Sparkford-Ilchester Imp. £105 million

A303 Ilminster Bypass Imp. £105 million

A36 Codford-Heytesbury Imp. £105 million

A303 Chickdale Bottom-Mere Imp. £105 million.

London Regional Transport (Directors)

Dr. Marek: To ask the Secretary of State for Transport if he will list *(a)* the present non-executive directors of London Regional Transport and *(b)* their appropriate experience elsewhere in the industry or in customer services. [5733]

Mr. Bowis *[holding answer 25 November 1996]:* The information requested is as follows:

Non-executive Director	*Experience*
Mr. Brian Appleton	Assessor assisting Lord Cullen with his public enquiry into the Piper Alpha disaster. Adviser on safety management to Union Rail Ltd.
Sir Alan Bailey	Retired Permanent Secretary, Department of Transport.
Mr. Robert Chase	Ex-Assistant Managing Director, GEC Hong Kong (when providing electrical/mechanical systems for local Mass Transit Railway). Ex-Group Managing Director, the Automobile Association.
Mrs. Rosemary Day	London Transport, Director of Administration (January 1983 October 1987); Non-executive Director, London Buses Limited (October 1987 - March 1993).
Mr. Robert Dorey	Career with London Transport. Non-executive Director, London Underground Ltd (1985 resent). Ex-member of the UITP Light Rail Commission. Transport Consultant.
Dr. Robin Jeffrey	Power Engineering experience.
Mr. Michael Lawrence	Ex non-executive Director, Port of London Authority.
Ms Sally O'Sullivan	Career in journalism.

Coach and Bus Drivers

Mr. Dalyell: To ask the Secretary of State for Transport what plans he has to introduce legislation requiring coach and bus drivers to be fit and safe to drive prior to a journey. [6135]

Mr. Bowis: None. No one should drive unless fit and alert. The Highway Code says:

"If you feel tired or ill, do not drive".

Coach and bus drivers are subject to legal limits on their hours and regulations require them to take all reasonable precautions to ensure the safety of their passengers.

Driving Legislation

Mr. Dalyell: To ask the Secretary of State for Transport what plans he has to introduce legislation relating to the offence of driving without due care and attention. [6134]

Mr. Bowis: None.

Rail Investment

Mr. Andrew Smith: To ask the Secretary of State for Transport (1) how much was invested in railway infrastructure for each year since 1979; [5750]

(2) how much was invested in railway rolling stock for each year since 1979. [5751]

Mr. Watts *[holding answer 26 November 1996]:* The table shows annual total investment in the rail network, and annual investment in railway rolling stock, between 1980 and 1995–96.

£ million cash

Year	*Annual total investment*	*Annual investment in rolling stock*[1]
1980	451	123
1981	421	108
1982	387	101
1983	447	76
1984–85[2]	481	65
1985–86	555	84
1986–87	546	81
1987–88	697	103
1988–89	728	208
1989–90	897	208
1990–91	1,069	265
1991–92	1,333	331
1992–93	1,558	387

£ million cash

Year	Annual total investment	Annual investment in rolling stock[1]
1993–94	1,253	295
1994–95	1,022	233
1995–96	[4]933	[4]32

Source:

[1] BR annual reports and accounts. Excludes BREL/ships/hotels, etc. Figures are gross and exclude PTE grants and pre-payments. Includes purchases for EPS/RfD new railway.

[2] 1984–85 was a 15-month year. The figure given is the 12-month equivalent.

[3] Comprises:

(i) Railtrack's capital expenditure, major maintenance and station backlog expenditure, as reported in Railtrack's Annual Report and Accounts 1995–96—this item is not directly comparable with figures for infrastructure investment in previous years due to changes in accounting definitions;

(ii) investment by Eurostar (UK) Ltd. (formerly European Passenger Service Ltd.) in rolling stock and tangible fixed assets; and

(iii) investment by the private sector in Heathrow Express.

[4] Excludes investment after privatisation.

Private Finance Initiative

Mr. Andrew Smith: To ask the Secretary of State for Transport how much has been spent in public money in each year since 1993 on the tendering costs for design, build, finance and operate roads projects, broken down by *(a)* consultants' and *(b)* other costs. [5756]

Mr. Watts: I have asked the chief executive of the Highways Agency to write to the hon. Member.

Letter from Lawrie Haynes to Mr. Andrew Smith, dated 27 November 1996:

The Secretary of State for Transport has asked me to reply to your recent question asking if he will list how much has been spent in public money in each year since 1993 on the tendering costs for Design, Build, Finance and Operate road projects, broken down by (a) consultants' and (b) other costs.

Because of the nature of the DBFO Programme, we are unable to disaggregate money spent on policy work from money spent on the tendering exercises. The figures given below represent the total costs to the Department and the Highways Agency.

Year	Cost to the Department of DBFO advisors	Department's internal costs
1993–94	£0 million	Less than £0.1 million
1994–95	£3.3 million	£1.4 million
1995–96	£5.2 million	£2.5 million
1996–97 (to date)	£5.0 million	£1.1 million

Please note that the 1996–97 figures are for spend from April to the end of October. The Department's costs are the combined estimated costs of staff wages, ERNIC, superannuation, travel and subsistence and accommodation costs for both the Department of Transport and for the Highways Agency.

National Bus Company Pension Trustees Ltd.

Mr. Hawkins: To ask the Secretary of State for Transport when he will reply to the National Bus Company Pension Trustees Ltd. on the matter of the recent determination by the pensions ombudsman. [6716]

Sir George Young: Following the determination by the pensions ombudsman on a complaint against the trustees of the Bus Employees Superannuation Trust—BEST—one of the pension funds of the former National Bus Company, the NBC pension trustees wrote to me on 20 September asking for my proposals for repayment by my Department of the surplus of the fund paid to it in 1990 or, if the Department were not prepared to repay the surplus, for financial resources to enable the trustees to seek its recovery through the courts. The pensions ombudsman had ruled that the trustees should take all practicable steps to obtain the return of the moneys from the pension fund received by the Department of Transport on behalf of the National Bus Company. His determination was, however, directed to the trustees, and makes it clear that he has not carried out an investigation, or made a determination, with respect to the National Bus Company, or to my Department.

I have obtained legal advice on the points raised in the trustees' letter. I have considered carefully the background to the events with which the determination is concerned and the legal advice which I have now obtained. It is clear that those involved in the decisions at the time—the trustees, the National Bus Company and the Government—were satisfied, after taking legal and expert advice and after lengthy consideration of the options available, that the agreement reached in 1986 represented a reasonable and balanced solution to the difficult and contentious problem of how to secure, in advance of the company's privatisation, the accrued pension benefits of NBC employees. The arrangements provided the necessary protection for members' accrued benefits, and involved a Government undertaking that funds would be made available to cover any deficiency in the pension fund at wind-up, in return for a change in the fund's rules which provided for any surplus in the fund to be paid to the NBC. There was no certainty at that time whether the fund would be in deficit or surplus at the date of wind-up.

The amount at issue in this matter is substantial, and payment of such a sum would raise serious accounting issues. My Department has been advised that it has good grounds to put these matters before the courts. The Department's accounting officer would need to show conclusive reasons for making the payment and a determination as to its amount. I have therefore concluded that, if the trustees wish to pursue their claim, they must do so through the courts. If a legal action were commenced by the trustees, both parties could present all relevant evidence and legal arguments and the court could make a definitive ruling which would be binding both on the Department and on the trustees.

I have therefore today written to the NBC Pension Trustees Ltd. to say that, if it is minded to commence a legal action against my Department in the High Court, my Department would be prepared to meet its legal costs, given that it has no resources of its own to pursue litigation. I hope that any litigation could be carried out in as co-operative and speedy a manner as possible. A copy of my letter has been placed in the Library.

Finally, I should make it clear that the pensions ombudsman's determination and my announcement today address only the BEST pension fund which covered the majority of the NBC's employees. Management staff were covered by a separate pension fund, the National Bus pension fund. I understand that the NBPF is the subject of a separate complaint to the pensions ombudman which he is still considering.

Rail Privatisation

Mr. Lidington: To ask the Secretary of State for Transport if he will list the names of purchasers, prices paid and dates of sale for those companies previously owned by British Rail which have been sold, pursuant to the Railways Act 1993. [6885]

Mr. Watts: The table summarises sales of those companies previously owned by British Rail which have been sold pursuant to the Railways Act 1993. The table updates all sales announced previously. Where appropriate, gross proceeds are subject to post-completion adjustments.

In addition, the sale of Railtrack plc will realise gross proceeds of £1.93 billion. Including this, and dividends of some £800 million and £50 million paid before the sales of the rolling stock leasing companies and the BR infrastructure service companies respectively, total gross proceeds are £5.28 billion.

Company	*Purchaser*	*Gross proceeds £ million*	*Sale date*
BR Infrastructure Services Design Offices			
DCU Birmingham Ltd.	Owen Williams Railways Ltd. (a subsidiary of Owen Williams Consulting Engineers)	1.0	25 July 1995
IDG Glasgow Ltd.	Scott Wilson Kirkpatrick (a subsidiary of SWK Holdings)	0.6	18 August 1995
Mainline Swindon Ltd.	Scott Wilson Kirkpatrick (a subsidiary of SWK Holdings)		18 August 1995
BPE Mechanical and Electrical Engineering Consultancy Ltd.	James Scott BPE (a subsidiary of AMEC Group plc)	*0.24	15 September 1995
Civil Engineering Design Group, York Ltd.	British Steel plc	*2.9	15 September 1995
CEDAC London Ltd.	W S Atkins	3.6	15 December 1995
Powertrack Engineering Co. Ltd.	W S Atkins		15 December 1995
BR Infrastructure Service Companies			
Scotland Track Renewals Co. Ltd.	Relayfast Ltd. (MBO funded by Hambro European Ventures Ltd.)	*10.7	8 February 1996
Scotland Infrastructure Maintenance Co. Ltd.	TrackAction Ltd. (MBO)	*27.5	14 February 1996
Central Track Renewals Co. Ltd.	Tarmac Construction Ltd.	*2.9	29 February 1996
Western Infrastructure Maintenance Co. Ltd.	Amey Railways Ltd. (MBO)	*15	7 March 1996 (exchanged) 25 March 1996 (completed)
Eastern Track Renewals Co. Ltd.	Fastline Rail Services Ltd.	*11	15 March 1996
Eastern Infrastructure Maintenance Co. Ltd.	Balfour Beatty Ltd.	[1]*29.7	2 April 1996
South East Infrastructure Maintenance Co. Ltd.	Broomco (919) Ltd. (an MBO/Balfour Beatty joint venture)	*20.3	2 April 1996
Southern Track Renewals Co. Ltd.	Balfour Beatty Ltd.		2 April 1996
South West Infrastructure Maintenance Co. Ltd.	AMEC plc	*11	18 April 1996
Central Infrastructure Maintenance Co. Ltd.	GT. Railway Maintenance Ltd. (a joint venture between GEC Alsthom Ltd. and Tarmac Construction Ltd.)	*18.8	7 March 1996 (exchanged) 19 April 1996 (completed)
Northern Infrastructure Maintenance Co. Ltd.	Jarvis plc	[2]*9	21 May 1996 (exchanged) 18 June 1996 (completed)
Northern Track Renewals Co. Ltd.	Fastline Group Ltd.	*4.6	23 May 1996
Western Track Renewals Co. Ltd.	Relayfast Ltd.	*8.5	23 July 1996
BR Maintenance Ltd.			
Swindon Electronics Service Centre Ltd.	ABB Customer Support Services Ltd.	*19.46	13 April 1995
Chart Leacon Rail Maintenance Ltd.	ABB Customer Support Services Ltd.		5 June 1995
Doncaster Rail Maintenance Ltd.	ABB Customer Support Services Ltd.		5 June 1995
Ilford Rail Maintenance Ltd.	ABB Customer Support Services Ltd.		5 June 1995
Glasgow Rail Maintenance Ltd.	Railcare (a joint venture of Babcock International Group plc and Siemens plc)	*5.7	6 June 1995
Wolverton Rail Maintenance Ltd.	Railcare (a joint venture of Babcock International Group plc and Siemens plc)		6 June 1995
Eastleigh Rail Maintenance Ltd.	Wessex Traincare Ltd. (MBO)	*7.15	7 June 1995
BR Central Services			
Meldon Quarry Ltd.	ECC Construction Materials Ltd.	4.5	February 1994
Special Trains Unit	Waterman Railways	1.25	31 March 1995
Baileyfield Switch and Crossings Works	VAE Baileyfield Ltd., (a subsidiary of VAE Aktiengesellschaft of Vienna)	*1.13	7 July 1995
Ditton Timber Treatment Works	PTG Holdings (a subsidiary of The Phoenix Timber Group plc)	*0.47	1 September 1995
Quality and Safety Services Ltd.	Ingleby (805) Ltd. (MBO)	0.32	10 November 1995

Company	Purchaser	Gross proceeds £ million	Sale date
Railways Occupational Health Ltd.	Occupational Health Care plc	0.7	30 November 1995
Signalling Control UK Ltd.	Westinghouse Brake and Signal Holdings Ltd. (a subsidiary of BTR)	39.5	1 December 1995
Interlogic Control Engineering Ltd.	ABB Daimler-Benz Transportation (Signal) Ltd.	17.5	4 January 1996
Castleton (Long Welded Rail and Track) Works	British Steel plc	0.2	15 March 1996
The engineering link Ltd.	MBO	1.0	19 March 1996
Interfleet Technology Ltd.	Broomco (909) Ltd. (MBO)	0.69	22 March 1996
College of Railway Technology Ltd.	Advicepart Ltd. (MBO)	0.6	29 March 1996
Network Train Engineering Services Ltd.	W S Atkins (Consultants) Ltd.	0.8	1 April 1996
BR Projects Ltd.	Addspice Ltd. (MBO)	1.25	26 June 1996
BR Freight and Parcels			
Red Star Parcels Ltd.	MBO	'0	5 September 1995
Rail express systems Ltd.	North and South Railways (consortium led by Wisconsin Central Ltd.) but now forms part of English, Welsh and Scottish Railway	24.2	9 December 1995
Transrail Freight Ltd.	North and South Railways (consortium led by Wisconsin Central Ltd.) but now forms part of English, Welsh and Scottish Railway	225.15	24 February 1996
Mainline Freight Ltd.	North and South Railways (consortium led by Wisconsin Central Ltd.) but now forms part of English, Welsh and Scottish Railway		24 February 1996
Loadhaul Ltd.	North and South Railways (consortium led by Wisconsin Central Ltd.) but now forms part of English, Welsh and Scottish Railway		24 February 1996
Freightliner (1995) Ltd.	MBO now known as Freightliners Ltd.	5.39	25 May 1996
Rolling Stock Leasing Companies			
Porterbrook Leasing Co. Ltd.	Consortium led by management team with funds managed by Charterhouse Development Capital	*528	8 January 1996
Angel Train Contracts Ltd.	GRS Holdings (including Prideaux and Associates, Babcock and Brown, and Nomura International)	*696	17 January 1996
Eversholt Leasing Ltd.	Eversholt Holdings, a consortium led by Candover Partners Ltd. together with the management team, and including Electra Fleming Ltd. and the Royal Bank of Scotland	*[4]598	2 February 1996
Other companies			
OBS Services Ltd.	European Rail Catering Company Ltd. (MBO)	*11.15	3 October 1995
British Rail Telecommunications plc	Racal Electronics plc	*132.75	21 December 1995

[1] This figure includes deferred amounts.
[2] This figure includes deferred amounts.
[3] £2.25 million was made available to the purchaser to reflect movements in the value of fixed assets, reduced gross profits and other changes from the basis of his final bid.
[4] Includes £80 million deferred consideration in respect of Networker vehicles.

Details of the sales marked with an "*" have been previously announced.

PRIME MINISTER

Investors in People

Mr. Allen: To ask the Prime Minister which Departments *(a)* have already met the Investors in People standard and *(b)* are aiming to meet it. [6147]

The Prime Minister: All Departments are meeting, or aiming to meet, the Investors in People standard. The White Paper "Development and Training for Civil Servants: A Framework for Action", Command Paper 3321, issued in July 1996 announced the target that "by the year 2000, all civil servants will be employed in organisations recognised as Investors in People".

As at 31 March this year, 58 Departments and agencies, or parts of them, had achieved the standard. These accounted for 12 per cent. of civil servants. This compared with 5 per cent. of the national work force employed in recognised organisations at that time. Figures for the position at the end of September will be available shortly.

TRADE AND INDUSTRY

Digital Television

Mr. Hendry: To ask the President of the Board of Trade how he intends to take forward the regulation of conditional access for digital television. [6884]

Mr. Ian Taylor: Regulations—1996/2185—were brought into effect on 23 August 1996 governing the licensing of proprietary conditional access technology to manufacturers of consumer equipment—that is, set-top boxes. These provide that licensing of conditional access technology must take place on fair, reasonable and non-discriminatory terms. They also prohibit anyone granting such a licence from discouraging the manufacturer from including, in the same equipment, another conditional access system or a common interface.

I have today published, for a final round of consultation, our proposals covering the provision of conditional access services—that is, the services which allow broadcasters access to the set-top boxes, once they are available in the market. These near-final documents take account of comments we have received during representations on the previous drafts, published in June.

Given the extensive consultation already undertaken, comments are invited within two weeks. Copies have been placed in the Libraries of the House. The final draft of the regulations will then be made available to the House for consideration, together with the final text of the Telecommunications Act 1984 licence which will govern service provision.

The basic approach of these regulations is to ensure that all broadcasters can gain access on fair, reasonable and non-discriminatory terms, to any digital set-top boxes which can receive their signal. We have made provision for a range of powers to allow the director general of the Office of Telecommunications to move quickly to firm and effective enforcement action in the event of any anti-competitive behaviour which may significantly distort competition. We have also sought to retain incentives to invest early in the development of new services by making it clear that these powers will be triggered by anti-competitive behaviour. In this way, we aim to strike an appropriate balance in regulation, avoiding over-implementation of the underlying directive, and encouraging the early development of a competitive market in digital television services.

Small Firms Loan Guarantee Scheme

Mr. Gunnell: To ask the President of the Board of Trade what estimate he has made of the cost of the small firms loan guarantee scheme schemes to the Exchequer in 1996–97; what it was in 1994–95 and 1995–96; and what he estimates it will be in 1997–98. [4815]

Mr. Page: Net expenditure in 1994–95 and 1995–96 was £16.2 million and £27.6 million respectively. The forecast net expenditure for 1996–97 is £39.8 million, and for 1997–98 planned net expenditure, based on the 1995 public expenditure survey, is £53.1 million.

Research Establishments

Mr. Ingram: To ask the President of the Board of Trade what contingency funding has been provided within the science budget to meet the full costs arising from the disposal of public sector research establishments within the current financial year and the next financial year. [4584]

Mr. Ian Taylor: The allocations of the science budget for 1996–97 did not include any specific contingency funds. The cost implications for PSREs are considered on a case-by-case basis of evaluation. My right. hon Friend the President of the Board of Trade expects to announce the allocation of the science budget for 1997–98 early next year.

Arms Exports

Mrs. Clwyd: To ask the President of the Board of Trade what steps he is taking to ensure that Government guidance on arms exports is up to date, and that industry is informed of changes immediately. [6000]

Mr. Lang *[holding answer 25 November 1996]:* Guidance on the interpretation of arms embargoes and details of the destinations concerned is set out in "A Guide to Export Controls," published by the export control organisation of the Department of Trade and Industry, from which copies are available. The guide is currently being revised and a new edition will be published shortly. When there is a change in policy or in the legislation, every effort is made to notify those affected by, for example, the publication of notices to exporters in *Lloyd's List* and elsewhere.

Balance of Payments

Mr. Caborn: To ask the President of the Board of Trade if he will list those industries in the United Kingdom which make a positive contribution to the balance of payments. [5604]

Mr. Greg Knight *[holding answer 26 November 1996]:* All industries which export make a positive contribution to the balance of payments.

Aerospace Research and Development

Mr. Caborn: To ask the President of the Board of Trade if he will list for each of the past three years the amount spent on civil aerospace research and development in *(a)* the United Kingdom, *(b)* the United States of America, *(c)* France and *(d)* Germany. [5602]

Mr. Greg Knight *[holding answer 26 November 1996]:* It is not possible to provide the figures requested as data for total national expenditure in each country are not available.

SCOTLAND

Computers

Mr. Hoon: To ask the Secretary of State for Scotland how many separate computer programmes his Department operates. [5350]

Lord James Douglas-Hamilton: There is no universal definition of what constitutes a computer programme. A formula or a simple line of executable code could be said to be a programme. The Department is at present responsible for 19 major software systems.

Business Rates

Mr. Stewart: To ask the Secretary of State for Scotland what is his estimate of the cost of excluding from liability for business rates *(a)* the first £2,500 and *(b)* the first £5,000 of rateable value for business premises in Scotland; and if he will make a statement. [5135]

Mr. Kynoch: The loss to the non-domestic rating pool of excluding from liability for business rates the first £2,500 and first £5,000 of rateable value of business premises is estimated at £140 million and £240 million respectively. The Government have provided support of £137 million for businesses in Scotland since 1995–96, with special protection extended to small businesses, through the transitional arrangements which phase in the effects of the 1995 revaluation. This support will continue until 1999–2000.

Additional support for small rural shops and post offices will be provided by the proposed village shops rate relief scheme proposed in the Local Government and Rating Bill, currently before the House.

Crime and Punishment (Scotland) Bill

Mr. Stewart: To ask the Secretary of State for Scotland what is his estimate of the impact on the numbers of those employed in *(a)* the public sector and *(b)* the private sector if clause 45 of the Crime and Punishment (Scotland) Bill were implemented. [5494]

Lord James Douglas-Hamilton: It is anticipated that the Scottish Legal Aid Board will employ six solicitors and 14 administrative staff in the pilot planned under the proposals set out in clause 45.

It is not possible to guage the impact of the pilots on the private sector as the location, volume of business and method of allocating clients have still to be established.

Judicial Process

Mr. Davidson: To ask the Secretary of State for Scotland what statistics the Government collect on the interval between a report being made to, or received by, the procurator fiscal and a court appearance for offences or groups of offences in Scotland. [6104]

Lord James Douglas-Hamilton: My noble and learned Friend the Lord Advocate informs me that the Crown Office collects information in summary proceedings on the average time between (1) receipt of a report and service of a complaint and (2) service of the complaint and the pleading diet. Between April and September 1996 the average time taken to serve a complaint was 5.1 weeks in the sheriff court and five weeks in the district court. Between April and October 1996 the average time between service of the complaint and the pleading diet was four weeks in both the sheriff and district courts.

Mr. Davidson: To ask the Secretary of State for Scotland what is the maximum permissible time between a charge being made by the police, or a report being made to the procurator fiscal on the procedure for a court appearance being otherwise inactivated and the case reaching court for *(a)* murder, *(b)* assault, *(c)* class A drug trafficking, *(d)* burglary, *(e)* lesser drug offences and *(f)* other. [6105]

Lord James Douglas-Hamilton : There is no statutory time limit within which proceedings for common law offences such as murder, assault and theft by housebreaking must be taken. A plea in bar of trial may be sustained, however, where there has been undue delay which has caused grave prejudice to the accused. Section 136 of the Criminal Procedure (Scotland) Act 1995 makes provision for the commencement of proceedings for statutory offences triable only summarily. Proceedings must be commenced within six months after the contravention occurred, unless the enactment fixes a different time limit. Summary proceedings for contraventions of the Misuse of Drugs Act 1971 must be commenced within 12 months from the time when the offence was committed—section 25(5).

Non-Hodgkin's Lymphoma

Mr. Flynn: To ask the Secretary of State for Scotland how many *(a)* cases of and *(b)* deaths from the malignant non-Hodgkin's lymphoma have been recorded in Scotland in each of the last five years, and if he will make a statement. [6226]

Lord James Douglas-Hamilton: The numbers of cases registered of and deaths from non-Hodgkin's lymphoma recorded in Scotland for each year since 1990 are set out.

Year	*Registrations*	*Deaths*
1990	714	377
1991	674	354
1992	717	383
1993	782	395
1994	712	383
1995	715	[1]397

[1] Provisional.

Terrorist Prisoners

Dr. Godman: To ask the Secretary of State for Scotland how many prisoners are serving sentences following conviction for terrorist activities; how many such prisoners have been *(a)* released from prison, *(b)* transferred to prisons in Northern Ireland, *(c)* repatriated to the Republic of Ireland to complete their sentences and *(d)* granted compassionate leave in Northern Ireland or the Irish Republic since 1983; and if he will make a statement. [4746]

Lord James Douglas-Hamilton *[holding answer 25 November 1996]:* The subject of the question relates to matters undertaken by the Scottish Prison Service. I have asked its chief executive, Mr. E. W. Frizzell, to arrange for a reply to be given.

Letter from E. W. Frizzell to Dr. Norman A. Godman, dated 27 November 1996:

Lord James Douglas-Hamilton has asked me to reply to your question relating to the number of prisoners serving sentences following conviction for terrorist activities and their release or transfer to Northern Ireland and The Republic of Ireland.

Currently there are no prisoners held in Scottish prisons convicted of offences under the prevention of Terrorism Act. Two prisoners convicted under this legislation were permanently transferred to Northern Ireland, one in 1991 and the other 1993. The question of whether these prisoners were granted compassionate leave following transfer is a matter for the Secretary of State for Northern Ireland. The information you requested on how many such prisoners have been released from prison is not held centrally.

The Republic of Ireland ratified The Council of Europe Convention on the Transfer of Sentenced Persons on 1 November 1995. Since that time no prisoners convicted under the Prevention of Terrorism Act have been repatriated to that country from Scotland.

Firearms

Mr. William Ross: To ask the Secretary of State for Scotland if he will place in the Library a copy of the thematic report by Her Majesty's inspectorate of constabulary, Scotland relating to the administration of the firearms licensing system in Scotland in 1995 submitted to the Cullen inquiry. [5533]

Lord James Douglas-Hamilton *[holding answer 25 November 1996]:* The inspectorate of constabulary's report was never completed, although a draft of it was made available to Lord Cullen to help his inquiry. The content of the report, which related to the administrative efficiency of the police operation of the present licensing system, is overtaken by the changes to the licensing system announced by the Government in their response, Cm 3392, to the inquiry.

A1 Dualling

Mr. Kirkwood: To ask the Secretary of State for Scotland if he will list all dual carriageway schemes approved on the A1 between Edinburgh and the Scottish border since 1992, indicating the location, the estimated start and completion dates and the value of the contract involved. [5539]

Lord James Douglas-Hamilton *[holding answer 26 November 1996]:* Design work has been authorised on the following dual carriageway schemes:

£ million

Scheme	*Estimated start*	*Estimated completion*	*Expected value of contract*
East Lothian			
Haddington to Dunbar	[1]—	[1]—	35
Thistly Cross to Bowerhouse	[1]—	[1]—	1.35
Bowerhouse to Spott Road	[1]—	[1]—	2.8
Spott Road to Oswald Dean	[1]—	[1]—	2.8
Oswald Dean to Innerwick	Early 1997	Late 1997	4.5
Scottish Borders			
Lemington to Howburn	Early 1997	Late 1997	2.2
Howburn to Houndwood	[1]—	[1]—	2.8

[1] Construction will depend on progress with statutory procedures and/or the availability of finance.

In addition, construction work has been approved on the following:

Scheme	*Estimated actual completion date*	*Value £ million*
East Lothian		
Tranent to Haddington	November 1996	30.3
Scottish Borders		
Tower Farm to Penmanshiel	Late November 1996	1.5
Marshall Meadows Extension	August 1993	2.0

Mr. Kirkwood: To ask the Secretary of State for Scotland if he will make a statement on his current policy on the proposed upgrading of the A1 to dual carriageway standard between Edinburgh and the Scottish border; when he estimates the work will be completed; and what other improvement schemes are currently under consideration in respect of the A1 between Edinburgh and the Scottish border. [5540]

Lord James Douglas-Hamilton *[holding answer 27 November 1996]:* The A1 is Scotland's second most important cross-border route. I attach a high priority to upgrading the road and announced in 1992 the desirability to plan in the longer term for dualling. It is not possible to say when this work will be completed. Approximately 15.5 km of new dualling has been completed since 1992 and a further 25 km of dualling is being planned, but progress will depend upon the success of statutory procedures and/or the availability of finance. Scottish borders council has been invited to undertake further analysis of the road to identify the sequencing of design work on further schemes at this time.

AGRICULTURE, FISHERIES AND FOOD

BSE

Mr. Sheerman: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the assistance available to beef farms which have been affected by the BSE crisis. [2582]

Mr. Baldry: I refer the hon. Member to the reply given to the hon. Member for Wentworth (Mr. Hardy) on 16 October 1996, *Official Report*, columns *934–35.*

The Government have also:

- announced that an additional £60 million will be made available to eligible cattle producers under the 1997 hill livestock compensatory allowances scheme;
- allocated some £29 million of national funds to a second beef marketing payments scheme, covering cattle sold for slaughter for human consumption during the period 1 July to 30 September 1996. Claim forms and guidance notes will be issued in early December;
- secured a further £50 million of EU funds. It is our intention that as much as possible of this extra assistance will benefit suckler producers. Further details will be announced once a Commission proposal is available and discussions have taken place with the farming unions.

In all, nearly £250 million of additional aid has now been committed for direct support for UK beef producers. This is in addition to the considerable sums spent on market support measures, such as the expanded intervention arrangements and the calf processing scheme, which have protected producers' incomes.

Computers

Mr. Hoon: To ask the Minister of Agriculture, Fisheries and Food how many separate computer programmes his Department operates. [5517]

Mr. Boswell: There is no universal definition of what constitutes a computer programme. However, my Department is at present responsible for approximately 500 software systems—in core MAFF and its executive agencies—comprising an estimated 30,000 programmes. "Packaged" systems are excluded from these estimates.

Mr. Hoon: To ask the Minister of Agriculture, Fisheries and Food how many lines of computer code there are in his Department's computer systems. [5516]

Mr. Boswell: It is estimated that there are approximately 20,000,000 lines of code in the Ministry's computer systems. This excludes "packaged" systems purchased from external suppliers where such information is known only to the supplier.

My Department is carrying out an inventory of systems that are likely to still be in use in 2000 as part of our strategy for dealing with the year 2000 date change issue.

North Sea Cod

Mr. Morley: To ask the Minister of Agriculture,

Fisheries and Food what is his response to the latest advice from the International Council for the Exploration of the Sea on levels of North sea cod; and what action he intends to take to combat the stock depletion. [6326]

Mr. Baldry: The advisory committee on fishery management of the International Council for the Exploration of the Sea has recommended a reduction in fishing mortality in order to bring the North sea cod stock within safe biological limits in the medium term. In order to contribute to restoring this stock, the Government will seek a 1997 total allowable catch consistent with advice from the ICES.

Cattle Cull

Mr. Purchase: To ask the Minister of Agriculture, Fisheries and Food (1) what are the Government's plans for emergency incineration provision to help clear the backlog of over-30-month cull cattle carcases in each region; and what is the timetable for their implementation; [5763]

(2) what plans he has for considering proposals to construct regional incinerators for the incineration of cattle carcases; [5764]

(3) what progress has been made on the scheme for existing power station furnaces to be utilised for incineration of carcases; and when he expects any such scheme to be in place. [5765]

Mr. Baldry: The Government have no plans for emergency incineration provision for over-30-month scheme cattle carcases. Incineration, however, does have an important part to play in the scheme and the Government are pursuing the prospect of direct carcase incineration with interested companies. A competitive tender exercise was held in June for the provision of incineration services as a means of disposing of some of the carcases of animals slaughtered under the OTMS over and above those services already provided on a limited basis for BSE suspect cases and casualty animals. Following evaluation of all the offers received, the Intervention Board has issued letters of intent to nine companies to provide incineration capacity over the country.

The Government have managed to increase the slaughter rate under the OTMS in recent weeks. It has increased from 23,000 in the third week of August to around 60,000 by the middle of November. The backlog of animals on farms at 2 November has been registered at just under 330,000 animals and, at current disposal rates, the backlog in England and Wales is expected to be cleared by christmas.

There are no proposals to incinerate carcases in power stations. The possibility of burning materials derived from rendered carcases—that is, meat and bonemeal and tallow—in power stations is under consideration and combustion trials have been carried out at a number of facilities. No decision will be made on any option until the test results have been fully evaluated. In considering destruction options, full weight is given to protecting the environment and human health.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food how many carcases, from the BSE over 30-month and calf slaughter schemes, are currently in refrigerated storage, by location, at the latest available date. [6228]

Mr. Baldry: All calf carcases are consigned direct to rendering. The numbers of carcases of over 30-month cattle held in storage, by location as at 18 November are set out as follows:

Location	*Number of carcases*
Avonmouth	4,782
Cambridge	3,362
Craven Arms	6,017
Exeter	1,936
Gainsborough	20,724
Gillingham (Kent)	16,174
Grimsby	3,117
Hereford	1,182
Hull	5,114
Isle of Grain	5,930
Liverpool	918
London	1,764
Manchester	369
Newcastle	2,605
Paddock Wood	13,016
Preston	357
Richmond, Yorkshire	533
Sheffield	3,008
Stoke on Trent	1,780
Wigan	5,593
Conan Bridge	9,479
Aberdeen	1,257
Locharbriggs	3,786
Glasgow	917
Inverness	7,628
Enniskillen	1,834
Ardglass	3,054
Dundrum	334
Craigavon	14,202
Gaerwen	1,155
Cardiff	2,775
Newport, Wales	2,547

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food what competitive tenders he has obtained for the incineration of carcases, from the BSE over-30-month scheme; and if he will list the successful bidders indicating in each case the numbers involved. [6231]

Mr. Baldry: The Intervention Board received 35 responses from interested parties who were shortlisted to tender for the incineration of carcases from the over-30-month scheme. The nine respondents which were offered a contract, subject to their obtaining all necessary licences and consents, are listed, together with their indicative weekly carcase capacity:

Bronzeoak: 2,800

Canfield: 5,000

Durga: 1,000

Euromet: 570

P. J. Hayman and Sons: 200

Kingsclere: 360

Sacone: 1,500

TRG: 200

WRE Services: 1,200.

Live Animal Exports

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what route for crossing the channel was declared in the journey plan in respect of the consignment of sheep rejected by P and O in the week beginning 4 November; what steps were taken to safeguard the animals' welfare between their being rejected and their eventual export; and if he will make a statement. [6324]

Mrs. Browning: A vehicle was refused passage on a P and O cross-channel ferry at approximately 2300 on 7 November. The vehicle returned to a lairage in the vicinity of Dover where the sheep were unloaded. The incident is under investigation by the enforcement authority and it would be inappropriate to comment further.

Quarantine

Mr. Flynn: To ask the Minister of Agriculture, Fisheries and Food how many people have been prosecuted for contravention of the quarantine regulations in the United Kingdom in each of the last five years; and if he will make a statement. [6312]

Mrs. Browning: The Ministry instituted prosecutions against one individual in 1993, and two individuals—in relation to the same premises—in 1995. The latter case has yet to be tried. The local authorities also have responsibilities in this area and records of their prosecution activity are not readily available to the Ministry. Details could be gathered only at disproportionate cost.

Mr. Flynn: To ask the Minister of Agriculture, Fisheries and Food how many animals have been seized entering the United Kingdom in contravention of the quarantine regulations in each of the *(a)* ports, *(b)* airports and *(c)* channel tunnel in each of the last five years; and if he will make a statement. [6313]

Mrs. Browning: The information is not held in the exact format requested.

The number of animals that have been seized in the United Kingdom in each of the last five years in contravention of the quarantine regulations is as follows.

	1991	*1992*	*1993*	*1994*	*1995*
Airport					
Heathrow	33	15	22	12	22
Gatwick	28	53	46	8	19
Manchester	2	5	5	8	2
Other	3	4	4	8	5
Port					
Dover	24	32	37	49	38
Portsmouth	2	1	2	6	6
Folkestone	2	—	—	1	4
Ramsgate	1	1	4	3	2
Southampton	1	1	1	3	—
Felixstowe	1	1	3	5	3
Other	11	15	10	14	7
Channel Tunnel	—	—	—	—	1
Other/unknown means of entry	27	11	11	6	6

Calf Herds (Banned Antibiotics)

Mr. Flynn: To ask the Minister of Agriculture, Fisheries and Food what is his Department's policy on testing calf herds for banned antibiotics; and if he will make a statement. [6314]

Mrs. Browning: Samples of calf kidney are tested for the presence of residues of the antibiotic chloramphenicol, which is banned under Council regulation 2377/90/EEC, under the Ministry's non-statutory residues surveillance programme. Thirteen samples were tested in 1995 and 14 have been tested to date in 1996. They were all negative. Samples of cattle kidney are also tested and there was no positive among 41 samples tested in 1995 and 22 tested to date in 1996. Samples of cattle kidney are also tested for chloramphenicol under the Ministry's statutory residues programme. None was positive from the 100 tested in 1995 or the 67 tested to date in 1996.

The results of this surveillance are published in the Veterinary Medicine Directorate's annual report on surveillance for veterinary residues and updated quarterly in its Medicines Act veterinary information service newsletter.

Arable Area Payments

Dr. Strang: To ask the Minister of Agriculture, Fisheries and Food how many payments were made in England in 1995–96 under the arable area payments scheme between *(a)* £0 and £5,000, *(b)* £5,001 and £10,000, *(c)* £10,001 and £15,000, *(d)* £15,001 and £20,000, *(e)* £20,001 and £25,000, *(f)* £25,001 and £50,000, *(g)* £50,001 and £75,000, *(h)* £75,001 and £100,000, *(i)* £100,001 and £150,000, *(j)* £150,001 and £200,000, *(k)* £200,001 and £250,000, *(l)* £250,001 and £300,000, *(m)* £300,001 and £350,000, *(n)* £350,001 and £400,000, *(o)* £400,001 and £450,000, *(p)* £450,001 and £500,000, *(q)* £500,000 and £999,999 and *(r)* £1 million and over. [6316]

Mr. Douglas Hogg: The following table sets out the number of payments made by the Ministry under the 1995 arable area payments scheme in the bands requested. Some claimants will have received more than one payment.

1995 Arable Area Scheme payments in England, banded by size of payment

Size band	*Number of payments*
(a) £0 and £5,000	34,012
(b) £5,001 and £10,000	11,746
(c) £10,001 and £15,000	7,404
(d) £15,001 and £20,000	4,570
(e) £20,001 and £25,000	3,212
(f) £25,001 and £50,000	7,507
(g) £50,001 and £75,000	2,421
(h) £75,001 and £100,000	1,100
(i) £100,001 and £150,000	771
(j) £150,001 and £200,000	238
(k) £200,001 and £250,000	120
(l) £250,001 and £300,000	40
(m) £300,001 and £350,000	16
(n) £350,001 and £400,000	15
(o) £400,001 and £450,000	8
(p) £450,001 and £500,000	14
(q) £500,001 and £999,999	12
(r) £1 million and over	4

OVERSEAS DEVELOPMENT ADMINISTRATION

South Africa

Mr. Barry Field: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the measures she has taken to assist South Africa since its general election. [4613]

Dr. Liam Fox: In 1994, the Prime Minister announced technical assistance worth £60 million over three years. Most of these funds are now committed to projects covering health, education, enterprise development, rural development and good governance, including support for policing. A further £60 million bilateral assistance package was announced during President Mandela's state visit last July. We are providing an advisory team to assist in the integration of South Africa's armed forces. We are also contributing aid worth around £16 million a year through EU channels.

In the long term, the key to South Africa's prosperity is economic growth. We are therefore encouraging trade and investment, through "Opportunity South Africa" launched in 1994. In addition, we are pressing for the greatest possible access to EU markets for South African exports.

FOREIGN AND COMMONWEALTH AFFAIRS

Zaire, Rwanda and Burundi

19. **Mr. Clifton-Brown:** To ask the Secretary of State for Foreign and Commonwealth Affairs what proposals he has to alleviate the refugee situation in Zaire, Rwanda and Burundi. [4605]

36. **Mr. Canavan:** To ask the Secretary of State for Foreign and Commonwealth Affairs what action he intends taking regarding the situation in Zaire and Rwanda. [4623]

Mrs. Jane Kennedy: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the Governments of Zaire, Rwanda and Burundi concerning developments in the region. [4614]

Dr. Liam Fox: I refer the hon. Members to the answer given in the House today by my right hon. and learned Friend the Foreign Secretary to the hon. Members for Meirionnydd Nant Conwy (Mr. Llwyd) and for Wolverhampton, South-East (Mr. Turner).

International Criminal Court

20. **Dr. Wright:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to support the establishment of an international criminal court. [4606]

Sir Nicholas Bonsor: We support the establishment of an international criminal court to try certain of the most serious crimes of concern to the international community.

30. **Dr. Godman:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with ministerial colleagues from other member states of the European Union on the creation of a United Nations permanent criminal court. [4617]

Sir Nicholas Bonsor: My right hon. and learned Friend the Foreign Secretary has had no recent discussions with ministerial colleagues from other EU member states on the establishment of an international criminal court.

Intergovernmental Conference

21. **Sir Russell Johnston:** To ask the Secretary of State for Foreign and Commonwealth Affairs which are the principal issues on which Her Majesty's Government are at variance with all other members of the European Union in respect of the intergovernmental conference. [4607]

Mr. David Davis: The intergovernmental conference will continue until mid-1997. Good progress is being made, but it is too soon to draw up the sort of balance sheet sought by the hon. Gentleman.

29. **Mr. Gapes:** To ask the Secretary of State for Foreign and Commonwealth Affairs what preparations his Department is making for the British presidency of the European Union in 1998 in respect of implementing the decisions of the intergovernmental conference. [4616]

Mr. Davis: It is too soon to say what, if any, measures will need to be taken as a result of the intergovernmental conference.

35. **Mr. Kevin Hughes:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the agenda for the next European Council with particular reference to preparations for the intergovernmental conference. [4622]

Mr. Davis: The December European Council will discuss an outline for a draft revision of the treaties, which the Irish presidency is preparing.

Zambia

24. **Mr. McFall:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Zambian high commissioner regarding potential developments in that country. [4610]

Dr. Liam Fox: None, but my noble Friend the Minister of State for Overseas Development keeps in close touch with developments in Zambia and has had frequent contacts with President Chiluba, other Zambian Ministers and the Zambian high commissioner.

Australia

25. **Mr. Sweeney:** To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to maintain and improve United Kingdom relations with Australia. [4611]

Mr. Hanley: Our bilateral relations with Australia are excellent. To reinforce the close links between the two countries, we are about to embark on a year-long programme of events under the banner of "New Images". This will run throughout 1997. We hope it will highlight the importance that we attach to a modern and dynamic relationship, and set it on a strong footing into the next century.

Cuba

28. **Mr. McAllion:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he next intends to meet representatives of the United States Government to discuss relations with Cuba. [4615]

Sir Nicholas Bonsor: We regularly discuss relations with Cuba with the United States Government.

China

31. **Mr. Nicholas Winterton:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on United Kingdom relations with China. [4618]

Mr. Hanley: Relations with China have recently shown good progress in many areas. Both countries attach importance to a successful transfer of sovereignty in Hong Kong in 1997, and are continuing their efforts to achieve that end.

East Timor

32. **Mr. Dafis:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will take steps to support the implementation of the principle of self-determination in East Timor. [4619]

Mr. Hanley: We continue to support the UN Secretary-General's efforts to find a just, comprehensive and internationally acceptable settlement to the question of East Timor.

Middle East Peace Process

33. **Mr. Davidson:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the middle east peace process. [4620]

Mr. Hanley: We are concerned that no agreement has yet been reached on redeployment of Israeli forces in Hebron, as envisaged under the Israeli-Palestinian interim agreement. We are in close contact with both sides to support an early agreement, and rapid progress towards implementation of other outstanding elements of the interim agreement. We are pressing for an early resumption of negotiations between Israel and Syria.

Ukraine

34. **Dr. Goodson-Wickes:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with his counterpart in Ukraine in respect of United Kingdom-Ukraine relations; and if he will make a statement. [4621]

Sir Nicholas Bonsor: My right hon. and learned Friend the Foreign Secretary last met his Ukranian counterpart, Hennady Udovenko, at the United Nations General Assembly in New York on 27 September.

We are committed to helping Ukraine develop as an independent, democratic and prosperous partner in Europe. This commitment is reflected in frequent high-level contacts, an increase in know how fund aid this year and intensive co-operation in many fields.

West Bank (Israeli Settlements)

37. **Mr. Gunnell:** To ask the Secretary of State for Foreign and Commonwealth Affairs what response he has made to recent Israeli pronouncements on additional settlement developments on the west bank. [4624]

Mr. Hanley: My right hon. and learned Friend the Foreign Secretary raised this issue with Prime Minister Netanyahu when he called on him on 3 November. We regard Israeli settlements on the west bank to be illegal, to be an obstacle to peace and to contravene the spirit of the Oslo agreements, by pre-empting final status negotiations.

Burma

Mr. Miller: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent developments in Burma. [4593]

Mr. Hanley: We are deeply concerned about recent events in Burma. We issued a statement on 11 November condemning the recent attacks on Aung San Suu Kyi and other leaders of the National League for Democracy and urging the Burmese authorities to respond constructively to calls for dialogue and to prevent further deterioration in the situation.

Mr. Bill Michie: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the Government of Burma in respect of human rights abuses in that country. [4816]

Mr. Hanley: We have made several representations to the ruling State Law and Order Restoration Council in recent months about human rights violations in Burma. We did so most recently with our EU partners in a demarche to the Ministry of Foreign Affairs in Rangoon by the acting EU presidency on 16 November. I also raised our concerns with the Burmese ambassador in London on 21 November.

India

Mr. Chris Davies: To ask the Secretary of State for Foreign and Commonwealth Affairs when he next plans to visit India to discuss bilateral relations. [4609]

Dr. Liam Fox: My right hon. and learned Friend the Foreign Secretary visited India from 28 to 30 August this year and held wide-ranging discussion with Prime Minister Deve Gowda, Mr. I. K. Gujral, the Indian Minister of External Affairs and others. I visited India on 21 to 26 October to follow up this visit. There are no immediate plans for my right hon. and learned Friend the Foreign Secretary to visit again.

Arms Exports

Mrs. Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will take steps to increase international transparency in respect of conventional arms and their technologies and components. [5995]

Mr. David Davis *[holding answer 26 November 1996]:* We continue to play a full and active role in promoting greater transparency in respect of the transfer of conventional arms and their technologies and components. To this end, we continue to support the work

and further development of the UN register of conventional arms, which was established in 1991 at the initiative of the Prime Minister. We shall also continue to submit full and timely returns, including information on military holdings and national procurement, to the register and expect to send a national representative to the UN group of governmental experts which is expected to meet in March 1997 to discuss its further development.

We also welcome the formal launch of the Wassenaar arrangement in July 1996. The United Kingdom participated actively in the negotiations to establish this arrangement, which aims to promote transparency and greater responsibility in the transfer of conventional arms and dual-use goods and technologies. We shall continue to work for the future success of the arrangement.

Mrs. Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to co-ordinate efforts with members of the EU, the Wassenaar arrangement and the UN Security Council to pursue and prosecute companies and individuals who traffic arms in contravention of internationally agreed embargoes. [6006]

Mr. Davis: It is the responsibility of individual states to ensure that they implement fully all internationally agreed embargoes to which they are committed. The United Kingdom will continue to fulfil its obligations in this regard, in co-operation with other interested parties as appropriate.

An interdepartmental committee established on 19 November 1996 will examine rigorously procedures in relation to the trafficking of arms and determine whether there has been a gap in our controls and if so what action needs to be taken. It will report within one month, and Ministers will report its conclusions to the House.

Mrs. Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to ensure that there are effective sanctions and monitoring of controls on arms exports to countries violating human rights. [5878]

Mr. Davis: All export licence applications for arms are considered on a case-by-case basis in the light of the established international criteria to which we are committed. These require us, inter alia, to take into account the respect of human rights in the country of final destination. We do not export equipment we consider likely to be used for internal repression.

Mrs. Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will urge those countries that are the source of illegal arms shipments to strengthen and improve their export and customs controls. [6007]

Mr. Davis: We fully support greater responsibility in the transfer of arms and military goods and regularly raise any concerns we might have with the countries concerned. It is the responsibility of the exporting country to introduce and enforce effective controls on the export of arms.

We also have regular exchanges with those countries which are making efforts to improve their export control and enforcement procedures.

We are also active participants in the Wassenaar arrangement—aimed at promoting transparency and greater responsibility—in the transfer of conventional arms and dual-use goods and technologies as well as several supplier regimes—aimed at preventing the proliferation of weapons of mass destruction—and urge other countries to show similar responsibility in their exports of defence equipment.

Churches (China)

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what action Her Majesty's Government *(a)* have taken and *(b)* propose to take to encourage the Government of the People's Republic of China to cease taking measures against churches that are not registered with the official religious organisations. [5722]

Mr. Hanley: Restrictions on religious activity in China and persecution of those who practise outside the official church framework are causes for great concern. We and our EU partners continue to urge the Chinese authorities to regard freedom of worship as fulfilling a basic human need, not as a threat.

Bishop Zeng Jingmu

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what action Her Majesty's Government are taking to urge the Government of the People's Republic of China to ensure the release of Bishop Zeng Jingmu, currently imprisoned in Jiangxi province, and to ensure that he receives adequate medical treatment. [5726]

Mr. Hanley: We have not raised the specific case of Bishop Zeng Jingmu with the Chinese, but we and our EU partners continue to press the Chinese authorities to respect fundamental rights, such as religious freedom, and to respect international standards on the treatment of prisoners.

Churches (Egypt)

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what action Her Majesty's Government are taking to encourage the Government of Egypt to repeal laws that require presidential permission for the building, repair and maintenance of churches. [5724]

Mr. Hanley: While the laws in question can cause problems for Christians, our contacts with Christians in Egypt show that they would not welcome outside intervention on their behalf.

Human Rights (Iran)

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what action Her Majesty's Government are taking to urge the Government of Iran to allow independent human rights monitors to visit that country to investigate the deaths of the Rev. Mohammad Bagher Yusefi, the Rev. Haik Hovsepian Mehr, the Rev. Tateos Michaelian and the Rev. Mehdi Dibaj; and if he will make a statement. [5725]

Mr. Hanley: We have protested about the deaths of the Rev. Haik Hovsepian Mehr, the Rev. Tateos Michaelin and the Rev. Mehdi Dibaj. Through the EU, we pressed

for thorough and impartial investigations into their deaths and, as a result, a public trial was subsequently held in 1995. We were concerned about certain aspects of the trial, but a public trial in Iran was, none the less, a welcome development in itself. We were also deeply disturbed by the death of the Rev. Mohammad Bagher Yusefi and we have raised his case with our EU partners for further action. We fully support the involvement of UN special rapporteurs in Iran.

Indigenous People (Rights)

Mr. Foulkes: To ask the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy towards the United Nations draft declaration on the rights of indigenous peoples; what discussions his Department are currently involved in on this matter; and if he will make a statement. [5894]

Sir Nicholas Bonsor: We attach importance to the early adoption by the United Nations of an effective declaration to help protect the rights of indigenous people worldwide. We participate in the UN's working group tasked with producing a declaration and are contributing to the drafting of a suitable text.

Mr. Foulkes: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of when the United Nations draft declaration on the rights of indigenous peoples will be adopted. [5896]

Sir Nicholas Bonsor: A UN working group on indigenous populations is still working on the draft declaration on the rights of indigenous people. The latest draft has been sent to Governments and others for comment. We hope that the declaration can be completed and agreed by the end of 2004 at the very latest.

Mr. Foulkes: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress has been made towards a United Nations draft declaration on the rights of indigenous peoples; and if he will make a statement. [5895]

Sir Nicholas Bonsor: Last year, the UN Commission on Human Rights referred a draft declaration on the rights of indigenous people to a working group for further work. The working group has met twice, but progress has been slow. Once agreed, the text will be submitted to the Commission for Human Rights, then to the Economic and Social Council and finally to the UN General Assembly. We hope the declaration can be completed and agreed by the end of 2004.

Human Rights Policy Department

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what has been the budget for his Department's human rights policy department for each financial year since 1979; and if he will publish details of its annual staffing levels over this period. [6070]

Mr. Hanley: The human rights policy department has existed as a separate entity since 1991–92. The total operating costs and staffing level are as follows:

Years	*£*	*Staff numbers*
1991–92	290,370	12
1992–93	390,826	11
1993–94	496,740	11
1994–95	621,679	10
1995–96	596,958	10

Previous work was carried out within the United Nations department and it is not possible to isolate the cost.

Criminal Injuries Compensation Scheme

Mr. Sheerman: To ask the Secretary of State for Foreign and Commonwealth Affairs what protection a United Kingdom resident has under criminal injuries compensation schemes if he or she becomes a victim of crime while working in Germany. [6143]

Dr. Liam Fox: British nationals resident in Germany have the same rights to compensation from the German criminal injuries compensation scheme as any German or other EU national.

Iraq

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has had from Arab countries about the humanitarian situation in the valleys of the Tigris and Euphrates and the desirability of a Government initiative to lift sanctions on Iraq at the United Nations. [4710]

Mr. Hanley: We share the concerns of Arab countries at the humanitarian situation in Iraq and at Saddam Hussein's indifference to the suffering of the Iraqi people. Sanctions cannot be relaxed while Saddam Hussein continues to refuse to comply with Iraq's obligations under the relevant UN Security Council resolutions. The UK co-sponsored Security Council resolution 986 to help alleviate the suffering in Iraq caused by Saddam Hussein's policies. We look forward to early implementation following the delay caused by Iraqi obstruction.

Hong Kong

Mr. Parry: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on discussions he has had with the Legislative Council deputation from Hong Kong about the future of Hong Kong. [4589]

Mr. Hanley: My right hon. and learned Friend the Foreign Secretary and I held separate meetings with LegCo delegation on 12 November. We discussed a range of current issues, including: immigration and nationality questions, notably British citizenship for Hong Kong dependent territory citizens and the ethnic minorities;

visa-free travel for holders of the passport of the Hong Kong special aministrative region; the future application to Hong Kong of the UN human rights covenants; Vietnamese migrants; and the work of the Sino-British joint liaison group after 30 June 1997.

EU Economic and Social Committee

Mr. Denzil Davies: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the *(a)* names, *(b)* substitutes, and *(c)* sponsoring organisations of each of the present United Kingdom members of the Economic and Social Committee of the EU. [5508]

Mr. David Davis: The United Kingdom members of the Economic and Social Committee are:

Mr. Neville Beale
Mr. Kenneth Gardner, MA FRSC
Mr. Malcolm Levitt
Mr. John Little
Mr. Michael Mobbs
Mr. Peter Morgan
Mr. Kenneth Walker
Mr. John Whitworth OBE
Mr. John Andrews
Mr. Campbell Christie
Mr. Tom Jenkins
Mr. John Lyons CBE
Miss Ada Maddocks OBE
Mr. Roy Sanderson OBE
Mr. George Wright
Mr. Wilfred Aspinall
Dame Jocelyn Barrow DBE
Ms Beta Brookes
Mrs. Ann Davidson
Mrs. Angela Guillaume
Mr. Robert Moreland
Mr. John Simpson
Mr. Michael Strauss

One seat is vacant. There are no substitute members. Members are nominated by the Government. They are not sponsored as such but some are supported by their employers or unions in so far as they are given time off to attend ESC meetings. Other members are retired or self-employed.

HEALTH

Computers

Mr. Hoon: To ask the Secretary of State for Health how many lines of computer code there are in his Department's computer systems. [5349]

Mr. Horam: The Department uses a number of proprietary software packages. For these, information on the number of programs or lines of source code is known only to the supplier.

The Department is carrying out an inventory of those bespoke information technology systems that will still be in use in 2000 as part of our strategy for dealing with the year 2000 date change issues, but compilation of the inventory is not yet complete.

Mr. Hoon: To ask the Secretary of State for Health how many separate computer programmes his Department operates. [5358]

Mr. Horam: There is no universal definition of what constitutes a computer program; a formula on a single line of code could be said to be a program. However, the Department, excluding next steps agencies, is currently responsible for 140 major software systems.

CAMS Ltd.

Mr. Morgan: To ask the Secretary of State for Health if he will make a statement on the contract between the NHS centre for coding and classification and CAMS Ltd.; and on what date any changes will take effect. [5908]

Mr. Horam: The contract with CAMS Ltd. on Read code licensing and support is with the Department of Health, and not with the national health service centre for coding and classification. Its operation is managed and audited annually by a civil service branch of the NHS executive.

That contract takes the form of an NHS agreement and a non-NHS agreement. Their effect is to grant to CAMS Ltd. exclusive rights for the licensing and support of Read codes worldwide. The earliest termination dates are 20 March 1999, and 20 September 1999 respectively.

Following recent publication of the Silicon Bridge Research report on Read code licensing and support arrangements, the NHS executive has accepted the recommendation that the exclusive agreements should not be continued beyond the earliest termination dates. The executive will be negotiating changes in the manner in which the existing contract is executed—dates for implementation of any changes have not been determined.

Personal Social Services

Mr. David Martin: To ask the Secretary of State for Health what money is being provided through the standard spending assessment for personal social services for 1997–98. [6776]

Mr. Dorrell: A sum of £7,392.1 million will be distributed by personal social services standard spending assessments in 1997–98, compared with £6,908.6 million in 1996–97. Total standard spending on social services, including specific and special grants, will be £7,846 million in 1997–98, compared with £7,511 million in 1996–97 plans, an increase of 4.5 per cent.

Mr. Duncan: To ask the Secretary of State for Health what specific and special grants and what capital resources he is making available to local authorities for personal social services for 1997–98. [6777]

Mr. Dorrell: Specific grants will be available in 1997–98 for:

AIDS and HIV services: £13.7 million

Services for alcohol and drugs misusers: £2.5 million

Guardians ad litem and reporting officers: £6.3 million

Mental illness services: £67.3 million

Social services training: £35.5 million.

A special grant will be available in 1997–98 for:

Services for unaccompanied asylum seeking children: £3 million.

The capital grant for the secure accommodation for young people development programme will be £13.2 million in 1997–98.

Annual capital guidelines of £60.5 million will be notified to local authorities. Supplementary credit approvals will again be available for AIDS/HIV services, £3.1 million, and mental illness services, £11.6 million.

Special Transitional Grant

Mr. David Martin: To ask the Secretary of State for Health what plans he has for the special transitional grant in 1997–98. [6778]

Mr. Dorrell: There will be a special transitional grant of £325 million in 1997–98. It will have attached a condition which requires local authorities to spend 85 per cent. of this sum in the independent sector.

Mixed and Same-sex Wards

Mr. Betts: To ask the Secretary of State for Health (1) what instructions or guidance have been issued to health authorities with regard to requirements for same-sex wards to be included in their purchasing policies or plans; [6079]

(2) what instructions or guidance have been issued to hospital trusts over the phasing out of mixed-sex wards; and what target dates have been set; [6077]

(3) what instructions or guidance have been issued to fundholding general practitioners with regard to requirements for same-sex wards to be included in the purchasing policies or plans. [6076]

Mr. Horam: It is for trusts, health authorities and fundholding general practitioners to manage their local priorities within the overall context for the planning and delivery of health services set out in the planning and priorities guidance for the national health service. A baseline requirement and objective is to deliver the rights and standards set out in the patients charter.

Social Services Departments

Mr. Alfred Morris: To ask the Secretary of State for Health what submissions he has had from local government associations in relation to the funding deficit faced by social services departments in seeking to fulfil their statutory duties; what action he is taking; and if he will make a statement. [5822]

Mr. Burns: We are in regular touch with the local government associations, both through formally constituted channels and informally. In such discussions, the associations raise a wide range of issues concerning the funding of personal social services, and the discharge of their statutory duties.

Community Care

Mr. Alfred Morris: To ask the Secretary of State for Health if he will make a statement on his policy on the long-term funding of community care, with special reference to disabled people. [5950]

Mr. Burns: My right hon. Friend the Secretary of State for the Environment will be announcing the provisional financial allocations to local government for 1997–98 this afternoon. This will include details of funding for community care.

Non-Hodgkin's Lymphoma

Mr. Flynn: To ask the Secretary of State for Health what research his Department has (a) commissioned and (b) evaluated into the connection between the consumption of over-cooked red meat and malignant non-Hodgkin's lymphoma; and if he will make a statement. [6227]

Mr. Horam: Information on research commissioned by the Department of Health is contained in "The Centrally Commissioned Research Programme" and "The Centrally Commissioned Research Programme: Commissions in 1994–95", copies of which are available in the Library.

The relationship between nutritional aspects of the diet and the development of cancer is presently being reviewed by the Committee on Medical Aspects of Food and Nutrition Policy. Its report is expected in 1997.

RHAs (Management Spending)

Mr. Kirkwood: To ask the Secretary of State for Health if he will list the level of management spending in each of the regional health authorities; and if he will make a statement. [6318]

Mr. Malone: Regional health authorities were abolished on 31 March 1996, with an expected saving of about £100 million by the end of 1997–98.

Waiting Lists

Mr. Kirkwood: To ask the Secretary of State for Health if he will list the average time taken between a patient *(a)* being referred to and *(b)* seeing a specialist (i) for the United Kingdom, (ii) England, (iii) Scotland, (iv) Wales and (v) each regional health authority; and if he will make a statement. [6317]

Mr. Horam: This information is not available centrally. Questions relating to Wales, Scotland and Northern Ireland are matters for my right hon. Friends the Secretaries of State for Wales and for Scotland, and my right hon. and learned Friend the Secretary of State for Northern Ireland, respectively.

Blood Donations (Mandatory Testing)

Mr. Flynn: To ask the Secretary of State for Health on what date mandatory testing of blood donations for Creutzfeldt-Jakob disease was introduced in the United Kingdom; and if he will make a statement. [6311]

Mr. Horam: There is no test available to detect any transmissible agent which may cause Creutzfeldt-Jakob disease in the blood of living persons. There is no evidence of any risk of transmission of CJD through blood or blood products. However, as a precautionary measure, national blood service guidelines exclude from giving blood individuals with central nervous system diseases, or who have received human pituitary growth hormone or human gonadotrophin of pituitary origin, and people with a family history of CJD.

Cottage Hospitals

Mr. Kirkwood: To ask the Secretary of State for Health how many cottage hospitals *(a)* opened and *(b)* closed in each health authority area, in each year since 1979. [6315]

Mr. Horam: The information requested is not available centrally.

NHS Drugs Bill

Mr. Kirkwood: To ask the Secretary of State for Health if he will list the NHS drugs bill in each year since 1979; and if he will make a statement. [6319]

Mr. Malone: The information requested is shown in the table.

Total national health service spending on drugs

£ million

Year	*Family health services drugs*	*Hospital and community health services drugs*	*Total*
1979–80	633	156	789
1980–81	766	185	951
1981–82	876	214	1,090
1982–83	1,009	245	1,254
1983–84	1,130	267	1,397
1984–85	1,192	279	1,471
1985–86	1,275	297	1,572
1986–87	1,378	318	1,696
1987–88	1,536	352	1,888
1988–89	1,744	380	2,124
1989–90	1,942	414	2,356
1990–91	2,080	460	2,540
1991–92	2,317	591	2,908
1992–93	2,641	643	3,284
1993–94	2,951	710	3,661
1994–95	3,230	764	3,994
1995–96	3,498	—	—

Note:

The figures provided are actual and have not been adjusted for inflation.

TREASURY

Euro

Mr. Renton: To ask the Chancellor of the Exchequer what assessment he has made of the effect on the United Kingdom banking system of the TARGET clearing system proposed for the euro. [3095]

Mrs. Angela Knight: TARGET—trans-European automated real-time gross settlement express transfer — will be a payment system to allow high-value euro payments to be settled in real time rather than at the end of the trading day in the European Community. Real-time gross settlement systems in member states which participate in the single currency will be interconnected. Real-time gross settlement systems of member states which do not adopt the single currency will be able to connect to TARGET to process the euro as a foreign currency. It is not yet apparent to what extent TARGET will be used in preference to other payments systems by banks in the United Kingdom, whether or not the United Kingdom adopts the single currency.

The European Monetary Institute has responsibility for developing TARGET and work is continuing on many of its operational details. The final decisions on TARGET will be for the governing council of the European central bank. The Bank of England is fully involved in preparatory work in the EMI and the Governor of the Bank of England is a member of the council of the EMI.

Information and Publicity (Staff)

Ms Hodge: To ask the Chancellor of the Exchequer what is the cost for staff employed full-time or part-time by his Department, to provide information and publicity in 1996–97. [3572]

Mrs. Angela Knight: The budgeted cost is £139,309.

Public Relations

Ms Hodge: To ask the Chancellor of the Exchequer what is the cost assumed in his Department's budget for people employed full-time or part-time to work on the press and the media in 1996–97. [3576]

Mrs. Angela Knight: The budgeted cost of staff employed full time or part time in the press office to work on press and media in 1996–97 is £418,916.

Monetary Union

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer what assessment he has made of recital 13 of the draft negotiation on surveillance and co-ordination of budgetary positions. [5030]

Mr. Kenneth Clarke: Recital 13 merely refers to a regulation yet to be tabled by the Commission for stability programmed for member states with a derogation including for this purpose the United Kingdom. The Commission's thinking so far on these programmes is set out in the Commission communication "Reinforced economic convergence procedures and the new Exchange Rate Mechanism" of 16 October 1996 (COM(96) 498). This was submitted to Parliament with an explanatory memorandum on 31 October. No formal proposal has yet been made by the Commission and these procedures all remain to be negotiated and settled by the Council of Ministers in due course.

National Lottery and Pools (Taxation)

Mr. Frank Field: To ask the Chancellor of the Exchequer what factors underlie the taxation rates relating to *(a)* the national lottery and *(b)* football pools. [5247]

Mr. Oppenheim: The rate of lottery duty was set at 12 per cent. taking into account the extent to which spending was likely to be diverted from other taxed activities, including other forms of betting and gaming. The rate was set with the intention of being broadly revenue neutral.

The rates for the other betting and gaming duties have been set taking into account, among other things, the rates their markets could bear. The reductions in the rate of pool betting duty over recent years have been made to take into account pressure on the pool betting industry.

Employment (Young People)

Mr. Don Foster: To ask the Chancellor of the Exchequer (1) what proportion of young people aged 18 to 24 years were in temporary employment in *(a)* England and Wales and *(b)* London in (i) 1979–80, (ii) 1990–91 and (iii) 1995–96; and what was the proportion in the work force as a whole; [5280]

(2) what was the unemployment rate for 16 to 24-year-olds in *(a)* England and Wales and *(b)* London in (i) 1979–80, (ii) 1990–91 and (iii) 1995–96; and what was the national average; [5281]

(3) what proportion of the work force was aged 18 to 24 years in *(a)* England and Wales and *(b)* London in (i) 1979–80, (ii) 1990–91 and (iii) 1995–96. [5279]

Mrs. Angela Knight: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Don Foster, dated 27 November 1996:

The Chancellor of the Exchequer has asked me to reply to your recent questions asking about 16–24 year olds in temporary employment, unemployment and the proportion of the workforce they constitute.

The information available from the Labour Force Survey (LFS) is shown in the attached tables.

The first year for which consistent data is available for all the tables is 1984. The available figures are for spring quarters from the LFS, i.e. March to May of each year. Claimant unemployment rates by age are only available for the UK as a whole and are published quarterly in table 2.15 of Labour Market Trends, available in the House of Commons Library. Information for England and Wales and London is only available from the LFS which uses the internationally standard International Labour Organisation (ILO) definition of unemployment. This is people without a job who were available to start work in the two weeks following their LFS interview and who had either looked for work in the four weeks prior to the interview or were waiting to start a job they had already obtained. The ILO unemployment rate is all those ILO unemployed as a percentage of the economically active (i.e. those who are either in employment or are ILO unemployed).

I hope this is helpful.

Percentage of employees in temporary employment

	Aged 16–24		All aged 16+	
	England and Wales	London	England and Wales	London
Spring 1984	10.0	11.0	5.3	5.4
Spring 1990	9.5	10.7	5.3	6.0
Spring 1991	10.2	11.5	5.3	5.5
Spring 1995	13.1	13.0	7.0	8.2
Spring 1996	12.6	15.4	7.1	8.8

Source:
Labour Force Survey, Office for National Statistics.

ILO unemployment rate[1] (percentage) for 16–24 year olds

	Great Britain	England and Wales	London
Spring 1984	19.4	18.9	16.7
Spring 1990	10.0	9.7	9.1
Spring 1991	13.5	13.3	15.0
Spring 1995	15.3	15.1	19.6
Spring 1996	14.8	14.6	17.2

[1] Those ILO unemployed as a percentage of all either employed or ILO unemployed.
Source:
Labour Force Survey, Office for National Statistics.

Percentage of 16–24 year olds within the economically active population of all ages[1]

	England and Wales	London
Spring 1984	22.7	22.4
Spring 1990	20.6	18.8
Spring 1991	19.6	19.9
Spring 1995	16.0	14.7
Spring 1996	15.9	14.9

[1] The economically active population comprises all those either in employment or who are ILO unemployed.
Source:
Labour Force Survey, Office for National Statistics.

Abortions

Mr. Chris Smith: To ask the Chancellor of the Exchequer when he expects to publish the figures for the number of terminations of pregnancy carried out in the first quarter of 1996; and if he will set out with them the equivalent figures for the same period in 1995. [5432]

Mrs. Angela Knight: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Chris Smith, dated 27 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on the publication of the latest abortion statistics.

Provisional figures relating to notifications of terminations performed under the Abortion Act 1967 during the March quarter of 1996 will be published on 21 November 1996. Equivalent figures for the same period in 1995 are available in 'Legal abortions March quarter 1995' ONS (formerly OPCS) Monitor series AB 96/1 which was published on 30 January 1996.

Unemployment-related Benefit Claims

Mr. Hain: To ask the Chancellor of the Exchequer (1) how many people have made an unemployment-related benefit claim since September 1990 *(a)* in Great Britain as a wholes, *(b)* by standard English region, *(c)* in Scotland and *(d)* in Wales; [5461]

(2) how many people have made between one and five unemployment-related benefit claims since September 1990 *(a)* for Great Britain as a whole and *(b)* by (i) standard English region, (ii) Scotland and (iii) Wales. [5462]

Mrs. Angela Knight *[holding answer 21 November 1996]:* The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Peter Hain, dated 27 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent questions on how many people have experienced at least one spell of unemployment since September 1990, by number of spells and region.

The available data is shown in the attached table.

Number of people in Great Britain who have experienced at least one spell of claimant unemployment between 1 September[1] and 10 October 1996, by number of spells and region

Thousands

Region	One	Two	Three	Four	Five	Six or more	Total
Greater London	935.8	449.9	232.0	118.4	57.7	58.8	1,852.7
Rest of South East	956.9	431.4	217.9	115.7	59.0	70.9	1,851.8
East Anglia	189.0	86.0	46.3	25.6	15.2	21.5	383.6
South-west	458.2	215.8	117.1	66.2	38.1	50.1	945.5
West Midlands	548.2	259.7	134.8	72.3	38.8	41.4	1,095.2
East Midlands	387.4	180.1	95.9	52.3	27.2	35.0	778.0
Yorkshire and Humberside	492.2	238.8	135.4	77.9	44.7	66.1	1,055.1
North-west	654.5	325.2	178.8	101.4	55.3	72.5	1,387.8
North	298.8	152.7	91.1	51.0	30.4	46.6	670.6
Wales	266.3	132.7	74.2	42.3	24.8	33.1	573.4
Scotland	507.2	252.4	146.6	84.8	49.6	73.1	1,113.8
Great Britain	5,694.6	2,724.7	1,470.2	808.1	441.0	569.0	11,707.6

[1] Claimants who were claiming on, or started claiming after, 1 September 1990.

Rwanda Inquiry

Mr. Tony Lloyd: To ask the Chancellor of the Exchequer if he will make a statement on the contents of the letters from the chairman of the international commission of inquiry on Rwanda dated 30 November 1995, 18 December 1995 and 26 August 1996; and when he responded to those letters. [5497]

Mr. Oppenheim: The letters of 30 November 1995, 18 December 1995 and 26 August 1996 were not received by Customs and Excise. Customs was, therefore, originally unable to respond but has recently obtained copies of the letters of 30 November 1995 and 18 December 1995 and has found that they were requests relating to customs investigations which had already been the subject of discussion between customs investigators and Commission officials on 10 January 1996. The letter of 26 August recalled the two earlier letters.

The Commission has expressed complete satisfaction with the co-operation received from the UK Government.

Arms Sales (Prosecutions)

Mrs. Clwyd: To ask the Chancellor of the Exchequer (1) what investigations have taken place into the role of Mil-Tec in supplying arms to the former Rwandan Government; and if he will make a statement; [5993]

(2) if he will prosecute any individual involved in breaking the UN embargo on the supply of arms to Rwanda. [5994]

Mr. Oppenheim *[holding answer 25 November 1996]:* The investigation and prosecution of any alleged breaches of UK legislation implementing arms embargoes is a matter for the commissioners of Customs and Excise. Anyone in possession of information which might suggest that offences have been committed should make that material available to the commissioners.

Mr. Tony Lloyd: To ask the Chancellor of the Exchequer what prosecutions have been pursued against British companies in breach of UN arms embargoes or in breach of EU arms embargoes; and what was the relevant export destination. [5777]

Mr. Oppenheim *[holding answer 25 November 1996]:* There have been a number of UN and EU arms embargoes stretching back over many years. Prosecutions undertaken have been made under UK general export control legislation and do not necessarily identify the embargoes which underlay the prosecutions. Identification of the underlying embargo, to the extent that it would now be possible, would be at disproportionate cost.

Yorkshire Electricity

Sir Irvine Patnick: To ask the Chancellor of the Exchequer if he will list the total amount received by the Exchequer from Yorkshire Electricity for each of the last five years; and if he will make a statement. [6108]

Mr. Jack: Details of the tax affairs of identified taxpayers are confidential.

Taxation Offices (Stoke-on-Trent)

Ms Walley: To ask the Chancellor of the Exchequer what catchment areas are served by *(a)* the Leek tax district office and *(b)* the Stoke tax district office. [6294]

Mr. Jack: The catchment area of Leek tax district extends from just south of Biddulph in the west skirting Stoke-on-Trent to just north of Uttoxeter at is most southerly point. It then follows the Derbyshire/Staffordshire boundary northwards extending further north to include Buxton.

The catchment area of the Stoke tax districts includes the Stoke-on-Trent and Newcastle-under-Lyme conurbation, together with an area to the south and west broadly bounded by the M6 to the east, Eccleshall to the south, and Woore to the west.

Ms Walley: To ask the Chancellor of the Exchequer what plans he has for consultation in respect of the proposals set out in phase 3 of the new office structure programme of the Inland Revenue as regards Leek and Stoke offices; and if he will make a statement. [6293]

Mr. Jack: Early planning for the final stage—stage 3—of the Inland Revenue's office restructuring programme, covering the years 1998 to 2002, is under way. Consultation has been taking place with Inland Revenue staff and trade unions in Stoke and Leek to examine the options for each office.

VAT Overpayments

Mr. Salmond: To ask the Chancellor of the Exchequer what plans he has to meet representatives of industry to discuss the implications of the High Court decision that Customs and Excise has been acting illegally in deferring payment on legitimate claims for backdate VAT; what alternative proposals he is considering to ensure that measures announced on 18 July meet the requirements of EU law; and if he will make a statement. [6074]

Mr. Oppenheim *[holding answer 26 November 1996]:* Customs and Excise has issued a business brief outlining its responses to the High Court's decision of 19 November on the judicial review cases. More generally, the House will soon have an opportunity of debating our proposals for the capping of refund claims. I am confident that the proposals that the House will consider meet the requirements of EU law.

Mr. Salmond: To ask the Chancellor of the Exchequer how many out of court settlements have been reached by HM Customs and Excise in cases involving the repayment of overpaid VAT since 18 July; and if he will make a statement. [5943]

Mr. Oppenheim *[holding answer 26 November 1996]:* A number of settlements have been reached where refund claims made before 18 July have been paid in full owing to undue delay on the part of Customs and Excise in dealing with such claims at the time. Figures are not held centrally of the number involved.

Mr. Salmond: To ask the Chancellor of the Exchequer if, following the decision by the High Court regarding backdated VAT, he will refund overpaid VAT to those not directly involved in the judgments for the period since 18 July; and if he will make a statement. [6075]

Mr. Oppenheim *[holding answer 26 November 1996]:* Arrangements have been put to make repayments, including to those who were not directly involved in the judgments. Local VAT offices have been given guidance about the order in which agreed claims are to be dealt with. Businesses to whom payments are made are being

told that the amounts may be recovered if Parliament approves the necessary provisions in the course of the Budget debate.

Ministry of Defence Property Sales

Mr. Cann: To ask the Chancellor of the Exchequer if receipts from the sale of Ministry of Defence homes will be treated as a capital inflow in respect of the balance of payments in statistics produced by the Central Statistical Office. [6217]

Mrs. Angela Knight *[holding answer 26 November 1996]:* The sale of Ministry of Defence homes, for which contracts were exchanged on 24 September 1996, was to Annington Homes. This is a UK-registered company, so no capital inflows will be recorded in the balance of payments statistics.

Personal Investment Schemes (Tax Relief)

Mr. Gunnell: To ask the Chancellor of the Exchequer (1) what estimate he has made of the cost of pension equity plans schemes to the Exchequer in the current financial year; what it was in 1994–95 and 1995–96; and what he estimates it will be in 1997–98; [4812]

(2) what estimate he has made of the cost of venture capital trust schemes from the inception of VCT until the end of the current financial year; and what he estimates it will be in 1997–98; [4813]

(3) what estimate he has made of the cost of Tax-exempt special savings account schemes to the Exchequer in the current financial year; what it was in 1994–95 and 1995–96; and what he estimates it will be in 1997–98. [4814]

Mr. Jack: The available information is in the table:

Estimated cost of tax relief[1]

£ million

	1994–95	*1995–96*[2]	*1996–97*[2]
PEPs[3]	325	450	600
TESSAs[4]	350	450	350
VCTs[5]	—	50	80

[1] These estimates give the cost of tax relief on an accruals basis. The figures are tentative and subject to a wide margin of error.
[2] Provisional.
[3] Including the CGT cost of capital gains with PEPs.
[4] The cost of TESSAs falls for 1996–97 due to the reduction in tax charge on savings income from the basic rate to the lower rate and the introduction of follow-up accounts starting with only the capital (but none of the interest or bonuses) from the first TESSA.
[5] Including the CGT costs of deferral reliefs and exempting gains from tax.

The costs for 1997–98 will depend on future levels of take-up and rates of investment return.

Private Finance Panel

Mr. Matthew Banks: To ask the Chancellor of the Exchequer if he will make a statement about the extended life of the private finance panel and the provision of grant in aid. [6717]

Mr. Jack: My right hon. and learned Friend the Chancellor of the Exchequer has agreed that the life of the private finance panel be extended to 31 March 1998. Grant in aid to meet the running costs of the private finance panel executive, which provides administrative and other assistance to the panel, will be sought in estimates for HM Treasury's vote, class XVI, vote 1.

Gold Reserves (Hong Kong)

Mr. MacShane: To ask the Chancellor of the Exchequer what are his plans in respect of the gold reserves currently held by the Hong Kong Government. [6197]

Mr. Hanley: I have been asked to reply.

The Hong Kong Government's gold reserves, and the other assets of the exchange fund, will be transferred to the Hong Kong special administrative region government on 1 July 1997. The fund will be managed by the HKSARG in accordance with the laws of the Hong Kong special administrative region.

Mr. MacShane: To ask the Chancellor of the Exchequer what is the amount of gold held by the Hong Kong government. [6195]

Mr. Hanley: I have been asked to reply.

The Hong Kong Government hold, through the exchange fund, about 2 tons of gold. This represents less than 0.05 per cent. of the fund's total assets.

DUCHY OF LANCASTER

Computers

Mr. Hoon: To ask the Chancellor of the Duchy of Lancaster how many separate computer programmes his Department operates. [5355]

Mr. Willetts: There is no universal definition of what constitutes a computer programme. A formula or a simple line of executable code could be said to be a programme.

The Cabinet Office, Office of Public Services and its agencies are at present responsible for 12 major software systems. In addition, the Department uses proprietary operating and applications software products in support of office administration.

Mr. Hoon: To ask the Chancellor of the Duchy of Lancaster how many lines of computer code there are in his Department's computer systems. [5346]

Mr. Willetts: The Cabinet Office, Office of Public Service and its agencies use a number of proprietary software packages and for these information on the number of programmes or lines of source code is known only to the supplier.

The Department is carrying out an inventory of that bespoke software which is likely to still be in use in 2000 as part of our strategy for dealing with the year 2000 date change issue, but compilation of the inventory is not yet complete.

Official Report (Internet)

Mr. Peter Bottomley: To ask the Chancellor of the Duchy of Lancaster when the *Official Report* became fully available on the Internet; and what is its address. [5655]

Mr. Freeman: Responsibility for publication of the *Official Report* rests with the House of Commons Commission. I can, however, confirm that the *Official Report* became fully available on the Internet on 24 October with publication of the proceedings for the first day of the new Session. The Internet address is http://www.parliament.the—stationery—office.co.uk/pa/cm/cmhansrd.htm.

Employment Contracts

Mr. Hain: To ask the Deputy Prime Minister how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed term-contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual, there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5413]

The Deputy Prime Minister *[holding answer 25 November 1996]:* I refer the hon. Member to the reply given today by my hon. Friend the Paymaster General.

Mr. Hain: To ask the Chancellor of the Duchy of Lancaster how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed term-contracts, *(e)* temporary jobs and *(f)* jobs classified as casual, there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5411]

Mr. Willetts: This answer covers the Cabinet Office (Office of Public Service), its executive agencies, HMSO and the Central Office of Information. The information is as follows:

1 April 1996

	Full-time	*Part-time*	*Casual*
Cabinet Office	579 (2[1])	33	1
OPS	446	21 (2[1])	5
CCTA	256	10	10
Civil Service College	220 (24[1])	54	11
Recruitment and Assessment Services	128 (6[1])	19	9
Occupational Health and Safety Agency	97 (information on fixed-term contracts not available)	11	9
Chessington Computer Centre	347 (information on fixed-terms contracts not available)	50	12
SAFE	1086 (41[1] 1[2])	4 (2[1])	102
PACE	275 (20[1])	13	42
TBA	116 (9[1])	9	2
HMSO	2633 (94[1])	112	106
COI	428 (4[2])	15	19

Unless indicated, no staff were on fixed-term contracts.
[1] Renewable fixed-term contract.
[2] Unrenewable fixed-term contract.

1 April 1995

	Full-time	*Part-time*	*Casual*
Cabinet Office	618	30	3
OPSS	848 (3[1])	53 (1[2])	9
Civil Service	222 (information on fixed-term contracts not available)	58	16
Recruitment and Assessment Services	124 (7[2])	13 (1[2])	6
Occupational Health and Safety Agency	93 (information on fixed-term contracts not available)	10	0
Chessington Computer Services	357 (information on fixed-term contracts not available)	61	3
HMSO	2,839 (68[2])	120	95
COI	498 (3[1])	14	16

Unless indicated, no staff were on fixed-term contracts.
[1] Unrenewable fixed-term contract.
[2] Renewable fixed-term contract.

1 April 1994

	Full-time	*Part-time*	*Casual*
Cabinet Office	428	23	0
OPSS	866	54 (1[1])	17
Civil Service College	229 (information on fixed-term contracts not available)	44	9
Recruitment and Assessment Services	135 (4[1])	14 (2[1])	4
Occupational Health and Safety Agency	107 (information on fixed-term contracts not available)	19	0

1 April 1994

	Full-time	*Part-time*	*Casual*
Chessington Computer Services	374	67	0
	(information on fixed-term contracts not available)		
HMSO	2,925 (10[1])	127 (1[1])	87
COI	506 (2[2])	11	20

Unless indicated, no staff were on fixed-term contracts.
[1] Renewable fixed-term contract.
[2] Unrenewable fixed-term contract.

1 April 1993

	Full-time	*Part-time*	*Casual*
Cabinet Office	440	29	[1]—
OPSS	808	50 (1[2])	[1]—
Civil Service College	222	46	[1]—
	(information on fixed-term contracts not available)		
Recruitment and Assessment Services	175	20 (1[2])	[1]—
Occupational Health and Safety Agency	114	17	[1]—
	(information on fixed-term contracts not available)		
Chessington Computer Services	407	68	[1]—
	(information on fixed-term contracts not available)		
HMSO	3,007 (8[2])	147	50
COI	568	11	13

Unless indicated, no staff were on fixed-term contracts.
[1] Figures for casuals were not recorded.
[2] Renewable fixed-term contract.

1 April 1992

	Full-time	*Part-time*	*Casual*
Cabinet Office (including OMCS)	863	74 (1[2])	[1]—
Civil Service College	204	44	[1]—
	(information on fixed-term contracts not available)		
Recruitment and Assessment Services	227 (5[2])	17	[1]—
Occupational Health and Safety Agency	106	17	
	(information on fixed-term contracts not available)		
HMSO	3,152	137	59
COI	632	11	24

[1] Figures for casuals were not recorded. Unless indicated, no staff were on fixed-term contracts.
[2] Renewable fixed-term contract.

SOCIAL SECURITY

Child Support Agency

Mr. Pawsey: To ask the Secretary of State for Social Security what assessment he has made of the recent findings contained in the fourth report (HC 380, Session 1995–96) of the Select Committee on the Parliamentary Commissioner for Administration in respect of the adequacy of the £100 compensation payment offered by the Child Support Agency for distress and inconvenience caused to alleged absent parents who have been erroneously identified; and what plans he has to raise the level of compensation. [4757]

Mr. Andrew Mitchell: The Government are currently considering the report by the Select Committee on the Parliamentary Commissioner for Administration which was published on 29 October 1996, and their response will be published in due course.

Disablement Benefit

Mr. Benn: To ask the Secretary of State for Social Security if he will provide data on the number of claims for disablement benefit which are adjudicated upon within 33 days and 66 days in respect of *(a)* industrial accident claims, *(b)* prescribed diseases and *(c)* respiratory diseases, (i) nationally, (ii) for the east midlands region, (iii) for (1) North Derbyshire, (2) North Nottinghamshire, (3) Mid Derbyshire and (4) South Derbyshire benefit offices; and if he will list the waiting times in respect of assessments for disablement benefit for each of the above categories. [5044]

Mr. Roger Evans: The administration of industrial injuries disablement benefit is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the right hon. Member.

Letter from Peter Mathison to Mr. Tony Benn, dated 26 November 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking if he will provide data on the number of claims for Disablement Benefit which are adjudicated upon within 33 days and 66 days in respect of (a) industrial accident claims, (b) prescribed diseases and (c) respiratory diseases, (i) nationally, (ii) for the East Midlands Region, (iii) for (1) North Derbyshire, (2) North Nottinghamshire, (3) Mid Derbyshire and (4) South Derbyshire benefit offices; and if he will list the waiting times in respect of assessments for Disablement Benefit for each of the above categories.

The information is not available in the format requested. The current targets for clearance of Industrial Injuries Disablement Benefit claims are 60% within 85 days and 90% within 175 days. Statistics are kept for Benefits Agency Districts, not by geographical regions. Information on respiratory diseases and waiting times in respect of assessments is not available separately.

The information available is shown in the attached table.

I hope you find this reply helpful.

Industrial injuries disablement benefit
Claims cleared from 1 April to 31 October 1996

	National	*East Midlands*	*North Derbyshire*	*North Nottinghamshire*	*Mid Derbyshire*	*South Derbyshire*
Industrial accident						
Number cleared within 85 days	14,015	1,394	169	136	102	88
(percentage)	(70.3)	(57.2)	(51.5)	(50.7)	(49.8)	(57.1)
Number cleared within 175 days	19,009	2,258	297	243	177	141
(percentage)	(95.3)	(92.2)	(90.5)	(90.7)	(86.3)	(91.6)
Prescribed diseases						
Number cleared within 85 days	16,568	1,247	206	289	59	61
(percentage)	(60.9)	(57.1)	(54.2)	(53.7)	(53.2)	(62.2)
Number cleared within 175 days	28,124	2,083	362	507	102	88
(percentage)	(96.0)	(92.3)	(95.3)	(94.2)	(91.9)	(89.8)

Figures are provisional and subject to change.
East Midlands has been taken to include the following Benefit Agency Districts: Central Derbyshire, Central Staffordshire, Chesterfield and Worksop, North Leicestershire, North Nottinghamshire, North Staffordshire, Nottingham Trentside, South Derbyshire, South Humberside, South Leicestershire, Wash Coast and West Lincolnshire.
North Derbyshire comprises the Chesterfield and Worksop District.
North Nottinghamshire comprises the North Nottinghamshire District.
Mid Derbyshire comprises the Central Derbyshire District.
South Derbyshire comprises the South Derbyshire District.

Freephone Services (Wales)

Mr. Donald Anderson: To ask the Secretary of State for Social Security how many officials in Wales are employed *(a)* on the freeline service and *(b)* on the benefit fraud hotline. [5112]

Mr. Roger Evans: No staff are employed on the freeline service in Wales. The freeline closed on 12 July 1996.

The national benefit fraud hotline is operated from one call centre in Preston. It is staffed by an equivalent of 33 full-time staff with a total of 55 lines.

Benefits Agency Offices (Wales)

Mr. Donald Anderson: To ask the Secretary of State for Social Security, pursuant to his answer to the hon. Member for Pendle (Mr. Prentice) of 12 November, *Official Report*, column *207*, what proposals he has to ensure the dissemination of advice and information following the proposed closure of local district information offices and public caller offices in Wales. [5123]

Mr. Roger Evans: This is an operational matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Donald Anderson, dated 26 November 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking pursuant to his Answer to the honourable Member for Pendle of 12 November, Official Report, column 207, what proposals he has to ensure the dissemination of advice and information following the proposed closure of local district information offices and public caller offices in Wales.

The Benefits Agency in Wales is looking carefully at the most efficient and effective way of providing advice services. Proposals focus on an improved telephone service and caller appointment facility, backed up by home visits in appropriate cases.

I hope you find this reply helpful.

Benefits Agency Emergency Services

Mr. Chris Smith: To ask the Secretary of State for Social Security, pursuant to the answer of 11 November, *Official Report*, column *85*, what further discussions he has held in respect of the proposal to close the Benefits Agency out of hours service; and what assessment he has made of the impact the closure will have on the health of recipients. [5468]

Mr. Roger Evans: The administration of income support is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Chris Smith, dated 26 November 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking pursuant to his reply of 11th November, Official Report, column 86, what further discussions he has held in respect of the proposal to close the Benefits Agency out-of-hours service; and what assessment he has made of the impact the closure will have on the health of recipients.

The meeting with the Department of Health and the Scottish Office took place on 6 November. The Department of Environment were not represented. The financial implications of the proposed closure of Out-of-Hours Service were fully discussed and the Department of Health and the Scottish Office took the issues away for further analysis. We are currently awaiting their written response.

All relevant factors and information will be considered before the decision on the future level of the service is made.

I hope you find this reply helpful.

Visiting Officers (Wales)

Mr. Donald Anderson: To ask the Secretary of State for Social Security how many visiting officers are employed on residual visiting duties excluding targeting review visits in Wales at the latest available date. [5114]

Mr. Roger Evans: This is an operational matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Donald Anderson, dated 26 November 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many visiting officers since the inception of the Benefits Agency are employed on residual visiting duties excluding targeting review visits in Wales at the latest available date.

As at 19 November, the Benefits Agency in Wales employed the equivalent of 18.25 full time posts on any necessary residual visiting duties. This does not include home visits connected with the Security Strategy.

I hope you find this reply helpful.

Benefit Fraud

Mr. Jim Cunningham: To ask the Secretary of State for Social Security what was the cost to his Department of Benefits Agency participation in the Spotlight on Benefit Cheats campaign. [5859]

Mr. Heald: The total cost of the first phase of Spotlight on Benefit Cheats campaigns, which ran between April and September 1996, was approximately £5 million. The campaigns were led by the Benefits Agency, and funds were met from the BA security and control programme. The BA's operational costs were approximately £3 million.

The total cost of the second phase of Spotlight on Benefit Cheats campaigns, which is running during November 1996, will be approximately £3 million. The campaigns are led by the BA and funds were met from the BA security and control programme. The BA operational costs will be approximately £2 million.

Mr. Cunningham: To ask the Secretary of State for Social Security what funding his Department provided to the police to take part in the Spotlight on Benefit Cheats campaign. [5860]

Mr. Heald: The Department provided no funding for the police to take part in the Spotlight on Benefit Cheats campaign.

Mr. Cunningham: To ask the Secretary of State for Social Security what was the cost to his Department of the Contributions Agency participation in the Spotlight on Benefit Cheats campaign. [5861]

Mr. Heald: The Contributions Agency's involvement in the first phase of the Spotlight on Benefit Cheats campaign cost £200,000.

It is estimated that the Contributions Agency's involvement in the second phase of Spotlight will cost £180,000.

Mr. Cunningham: To ask the Secretary of State for Social Security what funding his Department offered Coventry council to take part in the Spotlight on Benefit Cheats campaign. [5862]

Mr. Heald: Coventry council was not offered any funding to participate in the Spotlight on Benefit Cheats campaign other than via the normal subsidy regime.

Income Support (Pensioners)

Mr. Denham: To ask the Secretary of State for Social Security how many women and men in *(a)* residential care homes and *(b)* nursing care homes, aged 65 years and over, who are receiving preserved rights to income support had weekly charges above the income support limit. [6222]

Mr. Roger Evans: The information is set out in the table:

Income support recipients aged 65 and over in residential care/nursing homes: cases with charges above the income support limits

	Residential Care	*Nursing Homes*
Male	7,000	7,000
Female	26,000	30,000
All claimants	33,000	36,000

Notes:
1. Numbers are rounded to the nearest thousand. Due to rounding totals may not sum.
2. Sample size 5 per cent.

Source:
Income Support Statistics Quarterly Enquiry November 1995.

Benefits

Mr. Flynn: To ask the Secretary of State for Social Security (1) if he will list the current value of each benefit and capital or income limit which was not increased in April, indicating the date from which that value applied and the value which would result from increasing it in April 1997 in line with prices and average earnings since it was last increased or introduced; [6308]

(2) if he will list for each benefit and each capital or income limit which is not to be increased in April 1997, the reasons for not doing so and the current value of each such benefit or limit; from what date that value applied; and what value would have resulted from increasing it in line with prices and average earnings since it was last increased or since it was introduced. [6307]

Mr. Burt: I refer the hon. Member to the reply I gave him on 18 December 1995, *Official Report*, columns *887–90*.

Information regarding the existing social security benefits and capital or income limits which will not be uprated in April 1997 has been placed in the Library.

EU Benefit Levels

Mr. Kirkwood: To ask the Secretary of State for Social Security if he will list the rates of *(a)* state pension, *(b)* child benefit, *(c)* income support and *(d)* sickness benefit in each of the EU countries; and if he will make a statement. [6320]

Mr. Burt: The information is contained in "Social protection in the Member States of the European Union"—(the Missoc tables 1995—published by the European Commission, a copy of which is in the Library. Because of differences in the social security systems of the member states, many of which have earnings-related benefits, straightforward comparisons of benefit rates are not possible.

Social Security Appeals

Mr. Flynn: To ask the Secretary of State for Social Security in how many cases directions were issued by the clerk to the social security appeal tribunal covering the Newport, Gwent, area in each week up to 8 November under regulation 22(1) of the Social Security (Adjudication) Regulations 1995 as amended with effect from 21 October; and how many *(a)* appellants and *(b)* adjudication officers have requested oral hearings in response to those directions. [6309]

Mr. Roger Evans: There were no cases where these directions were issued by the clerk to the social security appeal tribunal covering Newport under the regulation quoted.

Written Answers to Questions

Thursday 28 November 1996

HOME DEPARTMENT

Computers

Mr. Hoon: To ask the Secretary of State for the Home Department how many separate computer programs his Department operates. [5515]

Mr. Howard: There is no universal definition of what constitutes a computer program. A formula or a simple line of executable code could be said to be a program. Most of my Department's information technology systems are supported by outside suppliers, so this information is known only to them. The major applications which are supported in-house are those of the police national computer, which has some 10,000 programs.

Mr. Hoon: To ask the Secretary of State for the Home Department how many lines of computer code there are in his Department's computer systems. [5514]

Mr. Howard: Most of my Department's information technology systems are supported by outside suppliers, so this information is known only to them. The major applications which are supported in-house are those of the police national computer, which have some 1.5 million lines of code.

Women

Ms Janet Anderson: To ask the Secretary of State for the Home Department what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5490]

Mr. Howard: Policy appraisal guidance covering consideration of equal opportunities and equal treatment issues has been in place in the Home Office since 1989. The guidance requires officials to identify policy issues which might impact differentially on women and men, and other groups, to assess whether this is justified in policy terms, and to adjust the policy if it is not. The Department received revised guidance from the Department for Education and Employment in July this year and is currently considering how best to update existing guidance in line with this.

The recent Government report "One Year On" outlines action taken by Government, including my Department, to benefit women since the world conference on women, and also includes baseline statistics against which future progress can be measured.

Mrs. Roche: To ask the Secretary of State for the Home Department how many women are currently employed by his Department at each civil service grade. [6446]

Mr. Howard: The following table shows the number of women currently employed by the Home Office at each civil service grade. The statistical information has been supplied from databases, which are currently being updated, held by the information technology unit of the central personnel management unit, the Directors General of Her Majesty's Prison Service and of the Forensic Science Service, and the chief executives of the United Kingdom Passport Agency and of the Fire Service College.

Number of women by civil service grade employed in the Home Office and its agencies

All grades shown include Grade Equivalents where they exist	*Number*
Senior Civil Service (formerly grades 1–5)	26
Grade 6	30
Grade 7	159
Senior Executive Officer	251
Higher Executive Officer	774
Executive Officer	2,740
Administrative Officer	3,790
Administrative Assistant	2,615
Senior Forensic Scientist	48
Forensic Scientist	125
Assistant Forensic Scientist	260
Grade 4 (Prison Service)	2
Grade 5 (Prison Service)	8
Governor 1 (Prison Service)	1
Governor 2 (Prison Service)	5
Governor 3 (Prison Service)	14
Governor 4 (Prison Service)	49
Governor 5 (Prison Service)	48
Principal Officer (Prison Service)	47
Senior Officer (Prison Service)	221
Prison Officer	2,177
Prison Auxilliary	616
Nurse Grade 1	1
Nursery Manager	1
Deputy Nursery Manager	1
Nursery Assistant	1
Total	14,010

Mrs. Roche: To ask the Secretary of State for the Home Department what proportion of those employed by his Department in 1992–93 were women. [6475]

Mr. Howard: In September 1992—when annual monitoring data for 1992–93 were collected—of the total staff employed by the Home Office and its agencies, 26.2 per cent. were women. However, this figure rises to 50 per cent. if the Prison Service is excluded.

Casinos

Mr. Morgan: To ask the Secretary of State for the Home Department what consultations he had had with the chairman of the Wales tourist board concerning the relaxation of the casino regulations in Welsh resorts and cities under the pilot scheme. [5906]

Mr. Kirkhope: In July 1996, the Wales tourist board proposed that we should add Llandudno to the list of new permitted areas for casinos. We carefully considered this, but concluded that it would fall outside the criteria proposed by the Government.

We have sent our 12 November consultation paper to the chairman of the Wales tourist board. Comments are invited by 31 January, and we will take these into account when we make final decisions.

Overseas Domestic Workers

Miss Emma Nicholson: To ask the Secretary of State for the Home Department if the new measures announced on 9 December 1994 for the admission of overseas domestic workers will make the written agreement between employer and employee enforceable as a contract in the British courts. [5882]

Mr. Kirkhope: The position of overseas domestic workers is no different from that of other employees in this respect. Contractual terms are matters for employers and employees to agree. Once agreed, they are legally binding and, in cases on non-compliance, employees can take action for breach of contract through the civil courts or, in certain circumstances, through industrial tribunals.

Miss Nicholson: To ask the Secretary of State for the Home Department what recent discussions his Department has had with the Foreign and Commonwealth Office and the Department for Education and Employment regarding monitoring alleged abuse and exploitation of overseas domestic workers in the United Kingdom. [5883]

Mr. Kirkhope: Domestic workers who are abused by their employers are advised to contact the police. Information about this is set out in the leaflet issued to domestic workers before arrival in the United Kingdom. These arrangements are kept under general review by the Government Departments concerned.

Miss Nicholson: To ask the Secretary of State for the Home Department what discussions his Department has had as to the feasibility of allowing overseas domestic workers in the United Kingdom to change employers. [5881]

Mr. Kirkhope: We have received a number of representations in support of allowing overseas domestic workers to change employers, but we consider that this would be contrary to the purpose of the scheme, inconsistent with our immigration controls and against the interest of the resident labour force. Each case involving a domestic worker who wishes to remain in the United Kingdom after having left his or her employer is carefully considered and account is taken of any compassionate circumstances.

Sexually Explicit Material

Mrs. Anne Campbell: To ask the Secretary of State for the Home Department if he will make a statement about the outcome of recent negotiations with the National Federation of Retail Newsagents on the subject of the display of sexually explicit material appearing in newspapers such as *Sunday Sport*. [5776]

Mr. Sackville: The Government share public concern about the manner in which the *Sunday Sport* is displayed in many newsagents. I regret that the National Federation of Retail Newsagents has not accepted that its members should display the *Sunday Sport* on the top shelf only. We are now considering what further action is open to us.

Knives

Mr. David Nicholson: To ask the Secretary of State for the Home Department what guidance he has issued under the offensive weapons legislation in respect of the right of those selling *(a)* fish, *(b)* meat and *(c)* other foodstuffs from vehicles to carry in the vehicle suitable knives; and if he will make a statement. [5856]

Mr. Maclean: None. Section 139 of the Criminal Justice Act 1988 makes it an offence to carry a knife in public, but provides that it is a defence for a person to prove that he had good reason or lawful authority for having the knife with him, or that he had it with him for use at work, for religious reasons, or as part of any national costume.

Pupils (Drugs)

Mr. Callaghan: To ask the Secretary of State for the Home Department what measures police forces are taking in conjunction with local education authorities to warn pupils of the dangers of drug taking. [5891]

Mr. Maclean: As part of the Government's strategy "Tackling Drugs Together", each force has developed its own drugs strategy. One aspect of this is that police forces will continue to assess their role in drug prevention work in schools in close liaison with the local education authorities and school governing bodies over the three years of the strategy. Each force is taking measures which it considers would best fit in with local arrangements and priorities. For example, Greater Manchester police has appointed schools liaison officers on each division to work with schools on designing and delivering lessons on drug misuse.

Domestic Violence

Mr. Callaghan: To ask the Secretary of State for the Home Department what proportion of violent offences against the person consist of incidents of domestic violence. [5893]

Mr. Maclean: No information regarding the relationship of victim and suspect for offences of violence against the person recorded by the police is routinely collected by the Home Office. However, the 1996 British crime survey estimates that 27 per cent. of incidents of wounding and common assault in 1995 were defined as domestic violence, which includes incidents involving partners, ex-partners, household members and other relatives, irrespective of location, and covers both male and female victims.

Seals

Mr. Michael Brown: To ask the Secretary of State for the Home Department if he will provide continuing protection for seals under the Conservation of Seals Act 1970, following the expiry of the order laid under section 3 (i) in 1990. [7031]

Mr. Sackville: I have now laid before Parliament the Conservation of Seals (England) Order 1996, which provides permanent close season protection for common seals and grey seals for three years in an area stretching along the North sea coast from the border between England and Scotland to Newhaven on the south coast. The order will come into force on 19 December, to coincide with the expiry of the order laid in 1993.

Gender Indemnity Legislation

Dr. Lynn Jones: To ask the Secretary of State for the Home Department if he will make a statement on progress in producing a paper giving the range of policy options for Ministers on the issues raised by the Gender Identity (Registration and Civil Status) Bill introduced by the hon. and learned Member for Montgomery (Mr. Carlile). [6269]

Mr. Sackville: These issues are kept under continual review.

Wheelclamping

Mr. Thurnham: To ask the Secretary of State for the Home Department if he will place in the Library his proposals for the codes of practice on wheelclamping. [6123]

Mr. Maclean: My right hon. and learned Friend has made no proposals for code of practice to regulate wheelclamping on private land. We are still considering what action, if any, should be taken to regulate wheelclamping, including proposals for codes of practice which we have received. We shall make an announcement as soon as possible.

Detainees (Case Reviews)

Mr. Cox: To ask the Secretary of State for the Home Department if a person detained in prison for an immigration offence is kept informed of reviews of their case by the immigration services. [6212]

Mr. Kirkhope: Those detained in a prison or a detention centre under the powers contained in the immigration Act 1971 are advised in writing by the immigration service on a monthly basis of developments in their case. Detained asylum claimants receive separate monthly progress reports on their applications from the asylum directorate.

Mr. Raghbir Singh

Mr. Winnick: To ask the Secretary of State for the Home Department, pursuant to his answer of 21 November, *Official Report*, column *636*, concerning Raghbir Singh, when he expects to give a substantive reply. [6575]

Mr. Howard: Shortly.

Information Technology Projects

Ms Church: To ask the Secretary of State for the Home Department, pursuant to his answer of 7 November, *Official Report*, column *644* on IT projects, what is his Department's definition of disproportionate cost. [6703]

Mr. Howard: When it is estimated that the cost of providing the information requested would exceed £450.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for the Home Department what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6457]

Mr. Howard: The Department currently makes available 167 subsidised nursery places for children under five at 13 different locations. Emergency nursery care is usually available at these locations for employees whose normal child care provision breaks down. There are also subsidised holiday playscheme places at four different locations for children who are between five and 12 years old.

In 1992, there were 91 subsidised nursery places available at six locations and holiday playschemes were provided at three locations.

The number of employees who have used the nurseries and playschemes since 1992 are shown in the following table:

Number of employees who have used child care facilities since 1992

Year	*Nursery users*	*Playscheme users*
1992	130	67
1993	127	84
1994	174	110
1995	183	123
1996	184	140

Police Assistance

Mr. Nicholas Winterton: To ask the Secretary of State for the Home Department what steps he has taken to ensure that special constables, lay visitors and other volunteers providing assistance to the police are properly insured against personal accident risks; and if he will make a statement. [4648]

Mr. Maclean *[holding answer 18 November 1996]:* The Government recognise the valuable contribution of volunteers who assist the police and agree that police authorities should have powers to enable them to provide personal accident insurance for voluntary assistance. We are considering changes to police regulations to improve the provision of compensation for injury to special constables. The Government are looking to support primary legislation on police authorities and the power to hold personal accident insurance for other voluntary assistants in the current Session.

HOUSE OF COMMONS

New Members (Induction Courses)

Mr. Allen: To ask the Chairman of the Administration Committee what plans the House authorities have for induction courses for new hon. Members. [6619]

Mr. Michael J. Martin: I refer my hon. Friend to the reply I gave on 17 July to the hon. Member for Warrington, North (Mr. Hoyle), *Official Report*, columns *522–23*.

In addition to the measures listed in my earlier reply, a card, of credit card size, is being printed to provide hon. Members with the extension numbers of key administrative offices and services within the House.

LORD PRESIDENT OF THE COUNCIL

EDS Ltd.

Mr. McNamara: To ask the Lord President of the Council how many contracts his department, agencies and associated bodies have had with EDS for each year since 1985; what was the value of each contract; if he will indicate for each contract *(a)* if it was completed, *(b)* what modifications were made at the request of (i) the company and (ii) the Department and *(c)* if work under contract is being undertaken in-house; and if he will make a statement on the number of job reductions in his Department arising from the contracting out of work by EDS. [3819]

Mr. Newton: The Privy Council Office has had no contracts with EDS Scicon. I am not responsible for any agencies.

LORD CHANCELLOR'S DEPARTMENT

Women

Mrs. Roche: To ask the Parliamentary Secretary, Lord Chancellor's Department what proportion of those employed by his Department in 1992–93 were women. [6479]

Mr. Streeter: As at 31 December 1992, 63.55 per cent. of staff in the Lord Chancellor's Department were women. As at 31 December 1993 that proportion had risen to 64.18 per cent.

Mrs. Roche: To ask the Parliamentary Secretary, Lord Chancellor's Department how many women are currently employed by his Department at each civil service grade. [6447]

Mr. Streeter: For the Lord Chancellor's Department headquarters and associated offices, the Court Service and the Public Trust Office, the information is set out in the table.

Civil Service grade	*Number of women*
Grade 1	0
Grade 2	0
Grade 3	1
Grade 4	1
Grade 5	10
Grade 6	21
Grade 7	94
SEO	133
HEO	582
EO	1,510
AO	3,555
AA	308
Support Grade	1,463

Ms Janet Anderson: To ask the Parliamentary Secretary, Lord Chancellor's Department what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5477]

Mr. Streeter: In July of this year, the model guidance on policy appraisal for equal treatment was revised and circulated at Cabinet level for Departments to adapt to their own circumstances. A copy was placed in the Library of the House. This guidance requires officials to identify policy issues which might impact differentially on women and men, and other groups, to assess whether this is justified in policy terms, and to adjust the policy if it is not. The guidance has been issued to senior officials in the Lord Chancellor's Department.

Child Care Facilities

Mrs. Roche: To ask the Parliamentary Secretary, Lord Chancellor's Department what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6458]

Mr. Streeter: At present, subsidised child care in 13 nurseries and 18 holiday playschemes is provided to employees in the Lord Chancellor's Department, including the Court Service and Public Trust Office. In 1992, three nurseries and nine playschemes were in operation. For the years 1992 to 1995 inclusive, information on the number of employees using child care facilities is not available and could be provided only at disproportionate cost. However, since 1 January 1996 to date, 54 employees used Departmental nurseries and 66 employees used Departmental playscheme places.

Family Law

Mr. Leigh: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list those prescribed circumstances which he proposes should apply in order for a party not to be required to attend an information meeting under section 8(2) of the Family Law Act 1996 indicating the qualifications necessary to be an information provider and the probable locations of information meetings. [5683]

Mr. Streeter: In accordance with section 8(10) of the Act, the Department is currently consulting on the provision of information.

Mr. Leigh: To ask the Parliamentary Secretary, Lord Chancellor's Department what conditions are to be applied by the Department in exercising the power to make grants under section 22(1)(a) of the Family Law Act 1996; if marriage support organisations with a Christian ethos are able to secure grants under this section; and what arrangements have been made for organisations to make applications for funding under this section. [5682]

Mr. Streeter: The Lord Chancellor announced on 6 November that he was inviting tenders for a programme of pilot projects in order to identify types of service with particular potential for reducing the incidence of marriage breakdown and its consequent cost. The Department's standard conditions of contract will apply to the programme. All bids which meet the contract conditions will be evaluated on merit. Marriage support organisations of any religious affiliation, or none, will be eligible for funding. The closing date for submission of bids is 17 January 1997.

Mr. Leigh: To ask the Parliamentary Secretary, Lord Chancellor's Department what progress has been made on the drafting of rules, orders or regulations to accompany the Family Law Act 1996; what consultation he proposes and with which organisations; and what is the proposed timetable for the laying of the relevant statutory instruments before the House. [5681]

Mr. Streeter: It is the Government's intention to implement part IV of the Family Law Act 1996 in October 1997; work has begun towards implementation of all other parts of the Act. Preliminary consultation on the court structure for part IV has already taken place with a range of interested organisations and further consultation is scheduled over the next few months. It is too early to compile a proposed timetable for laying the relevant instruments before the House.

Marriage Counselling

Mr. Leigh: To ask the Parliamentary Secretary, Lord Chancellor's Department what steps he has taken to place contracts for the promotion of marriage counselling under section 23 of the Family Law Act 1996. [5679]

Mr. Streeter: Consultation on, and consideration of, the necessary arrangements for funding marriage counselling under section 23 will be carried forward early in 1997.

Mr. Leigh: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list for the last and current financial year, the organisations and bodies funded by his Department for the provisions of *(a)* marriage counselling, *(b)* research into the causes of marital breakdown and *(c)* research into the ways of preventing breakdown, indicating the amount of such funding in each case. [5680]

Mr. Streeter: My Department's provision of funding by way of grant in aid in the last and current financial years to marriage support and research organisations is set out in the table. The figures in the table show funding for the complete financial years 1995–96 and 1996–97.

Funding for Marriage Guidance Services—1995–96 Financial Year

	£
1. RELATE	1,634,000.00
2. One Plus One	61,555.00
3. Tavistock Marital Studies Institute	364,500.00
4. Jewish Marriage Council	16,420.00
5. Marriage Care	159,000.00
6. Family Welfare Association	22,772.00

Funding for Marriage Guidance Service—1996–97 Financial Year

	£
1. RELATE	1,683,020.00
2. One Plus One	63,401.65
3. Tavistock Marital Studies Institute	375,435.00
4. Jewish Marriage Council	16,912.60
5. Marriage Care	163,770.00
6. Family Welfare Association	23,458.25

Computers

Mr. Hoon: To ask the Parliamentary Secretary, Lord Chancellor's Department how many separate computer programs his Department operates. [5525]

Mr. Streeter: There is no universal definition of what constitutes a computer program. A formula or a simple line of executable code could be said to be a program. However, the Department is at present responsible for 16 major software systems.

Mr. Hoon: To ask the Parliamentary Secretary, Lord Chancellor's Department how many lines of computer code there are in his Department's computer systems. [5524]

Mr. Streeter: The Department is building an inventory of systems and software likely to still be in use in 2000 as part of its strategy for dealing with the 2000 date change issue, but compilation of the inventory is not yet complete. However, the Department has approximately 3.75 million lines of computer code in its major in-house systems which are currently in use.

The Department also uses a number of proprietary software packages and for these, information on the number of programmes or lines of source code is known only to the supplier.

ENVIRONMENT

Construction Regulations

Mr. Allen: To ask the Secretary of State for the Environment what progress has been made by the Health and Safety Executive in its implementation project for the Construction (Design and Management) Regulations 1994; how many visits have been made by Health and Safety Executive inspectors between 1 April 1995 and 30 September 1996 to *(a)* clients, *(b)* planning supervisors, *(c)* designers and *(d)* contractors; and how many such visits (i) have been undertaken and (ii) are planned for the period 1 October 1996 to 31 March 1997. [6215]

Sir Paul Beresford: The Health and Safety Executive provisional numbers of head office visits between 1 April 1995 and 30 September 1996 to the various categories were: *(a)* clients—559; *(b)* planning supervisors—586; *(c)* designers—457; *(d)* principal contractors—542. The number of visits completed since 1 October 1996 is not available centrally. In order to meet the minimum project targets, the outstanding numbers of visits are: clients—286; planning supervisors—96; designers—130; principal contractors—0. Due to the extension of the project period, these visits will be completed by 30 September 1997.

Mr. Allen: To ask the Secretary of State for the Environment how many inspectors have been specifically allocated by the Health and Safety Executive to work on the Construction (Design and Management) Regulations 1994 implementation project; and for what period. [6198]

Sir Paul Beresford: The Health and Safety Executive has allocated 20 extra inspectors to the normal construction allocation to enable 40 inspector years to be spent on the Construction (Design and Management) Regulations 1994 implementation project. The project period was to be 24 months from April 1995. Following a review, the project has now been extended until the end of September 1997. The 40 inspector years will be spread over this extended period.

Mine Water Pollution

Mr. Etherington: To ask the Secretary of State for the Environment what plans he has to increase monitoring of mine water pollution in the north-east; and if he will make a statement. [6203]

Mr. Clappison: The Environment Agency is responsible for monitoring the water environment in England and Wales, and carries out regular surveys of

river quality as part of its general quality assessment programme. It also monitors rivers at potable water abstraction points as well as individual discharges, including those from abandoned mines. The parameters measured include those metals, such as iron, which are found in mine waters.

Over the past two years, the agency has increased the monitoring of gravitational discharges from abandoned mines in the north-east in order to obtain more information on the impact of such discharges on surface waters. The individual sample results from all these surveys are publicly available.

The scale and type of mine water monitoring in the future will continue to be determined by the agency and will reflect its need for the information.

Energy Saving Trust

Mr. Dalyell: To ask the Secretary of State for the Environment what are the sums devoted from public funds to the Energy Saving Trust; and what was the pay of the chairman for the last available year. [4855]

Mr. Robert B. Jones: I am pleased to be able to announce an increase in the funding for the Energy Saving Trust. Planned funding for the years 1997–98 to 1999–2000 has been increased by a total of £21.5 million. This means that our public expenditure plans now incorporate funding of £14 million for the trust in 1999–2000 and increased funding of £32.5 million over the years 1997–98 and 1998–99. In addition, grants of up to £25 million have been made available to the Energy Saving Trust in 1996–97. The pay of its chairman is a matter for the Energy Saving Trust, which is an independent private company.

Sheffield Development Corporation

Mr. Betts: To ask the Secretary of State for the Environment (1) how many of the jobs created in the Sheffield development corporation area, as part of developments which originated after the SDC came into existence as the planning authority for its area, were relocations of jobs from *(a)* within the SDC area and *(b)* outside the SDC area; [6080]

(2) how many jobs have been created in the Sheffield development corporation area as part of developments which originated after the SDC came into existence as the planning authority for its area. [6081]

Sir Paul Beresford: By 31 March 1997, when Sheffield development corporation comes to the end of its lifetime, over 11,000 jobs will have been created in developments originating since the SDC became the planning authority.

Of these, some 300 result from relocations within the SDC area and over 8,000 are in businesses new to the area.

Mr. Betts: To ask the Secretary of State for the Environment what information he collates on the effect of development in the Sheffield development corporation area since its inception on existing development and jobs outside the SDC area. [6082]

Sir Paul Beresford: The wider impact of Sheffield development corporation's activities on the local economy will be evaluated by consultants as part of a planned evaluation of the SDC and other urban development corporations.

Local Government Finance

Mr. Austin-Walker: To ask the Secretary of State for the Environment if he will list the criteria and basis of the calculations for the distributable amount of non-domestic rates for 1997–98. [6086]

Sir Paul Beresford: I refer the hon. Member to the answer which my right hon. Friend the Minister for Local Government, Housing and Urban Regeneration gave to my hon. Friend the Member for Croydon, East (Mr. Congdon) on 27 November, *Official Report*, columns *242–44*.

Women

Mrs. Roche: To ask the Secretary of State for the Environment what proportion of those employed by his Department in 1992–93 were women. [6434]

Sir Paul Beresford: In September 1992, the proportion of women employed by my Department was 41 per cent.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for the Environment what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6464]

Sir Paul Beresford: My Department currently provides workplace nursery places for its employees in Westminster, Bristol and at the Building Research Establishment. It provides holiday playscheme places in Westminster, Birmingham, Bristol, Bedford and at BRE. In 1992, it provided nursery places in Westminster and at BRE and holiday playscheme places in Westminster, Birmingham, Bristol, Bedford and at BRE. The number of employees using the facilities exceeded:

Calendar year	*1992*	*1993*	*1994*	*1995*	*1996*
Nurseries	21	31	46	52	57
Playschemes	54	48	82	104	103

Mrs. Roche: To ask the Secretary of State for the Environment how many women are currently employed by his Department at each civil service grade. [6438]

Sir Paul Beresford: The number of women currently employed by my Department and its executive agencies, the Building Research Establishment, the Planning Inspectorate and the Queen Elizabeth II Conference Centre, at each civil service grade is as follows:

	Number
Grade 1	—
Grade 2	3
Grade 3	3
Grade 4	—
Grade 5	20
Grade 6	34

	Number
Grade 7	133
SEO and equivalents	207
HEO and equivalents	275
EO and equivalents	407
AO and equivalents	668
AA and equivalents	378
Total	2,128

Purchase Grant Scheme

Mr. Sykes: To ask the Secretary of State for the Environment what the outcome of the consultation exercise on proposed rural exemptions from the purchase grant scheme for housing association tenants is; and if he will make a statement. [7028]

Mr. Curry: In last year's rural White Paper, we announced plans to exclude small rural villages from the new purchase grant scheme for housing association tenants, using a population guideline of 3,000 people. This intention was confirmed in the debates on the Housing Bill. Some 20,000 settlements meeting this criterion were identified and, since June, we have been consulting local authorities, housing associations, rural groups and others on detailed proposed designations for every county and area of England. We indicated that we would also be prepared to consider special cases for the exclusion of other settlements above the guideline population.

We have had over 350 replies raising over 800 queries about the detail of the designations. Each query has been carefully considered. As a result, over 270 settlements with a population of under 3,000 have been added to the proposed exclusions, and my Department has replied to each such query individually.

In addition, around 200 of the queries concerned settlements where the population exceeded 3,000 but where a special case was made about the settlement concerned. I have accepted the cases made for Benson in Oxfordshire, and Bassingbourne cum Kneesworth and Waterbeach in Cambridgeshire where the villages are adjacent to military bases, and their combined population figures are misleading. Each special case was considered carefully, and my Department also gave a group of settlements with populations close to the 3,000 guideline a further opportunity to make a fuller case for exemption. Of these, I have accepted that Porthleven in Cornwall and Bromyard in Hereford and Worcester should be exempted because they have identified that there would be particular difficulty in providing replacement properties in these settlements.

I hope to be able to lay the orders making rural designations before both Houses in the new year.

My hon. Friend the Minister with responsibility for housing in Wales has also consulted on a different approach to be used in Wales, and announced the outcome on 24 July 1996.

Radioactive Waste Management Advisory Committee

Mr. Lidington: To ask the Secretary of State for the Environment what progress is being made on the financial management and policy review of the Radioactive Waste Management Advisory Committee. [7030]

Mr. Gummer: The prior options stage of the financial management and policy review of the Radioactive Waste Management Advisory Committee has now been completed. Following consideration of the need for independent advice on radioactive waste management issues, and the appropriate mechanism for its provision, I and my right hon. Friends the Secretaries of State for Scotland and for Wales are agreed that the committee should continue to operate at least for another five years.

The Government remain committed to a policy of radioactive waste disposal, based on sound science, and taking into account costs and benefits. There remains a need for Government action to be guided by independent expert advice, specifically relating to radioactive waste management, that complements advice from other bodies, including the Environment Agencies.

The structure and method of operation of the committee will now be considered. The review should be completed early next year, at which stage its conclusions will be published.

Leasehold Enfranchisement Advisory Service

Mr. Sykes: To ask the Secretary of State for the Environment what arrangements the Government have made to fund the leasehold enfranchisement advisory service after the present grant ceases in December. [7032]

Mr. Clappison: I am pleased to be able to announce that my Department has today written to the chief executive of the Leasehold Enfranchisement Advisory Service with an offer of Government support for the next three years.

During the passage of the Housing Bill earlier this year, there was general agreement on both sides of the House that LEAS has provided an extremely valuable service over the last three years in guiding both landlords and tenants through the complexities of the leasehold enfranchisement procedures.

The offer of further grant is conditional on LEAS expanding its role beyond providing free initial advice to landlords and tenants on leasehold enfranchisement procedures, including the amendments to that legislation set out in the Housing Act 1996. In addition, LEAS will provide advice on the new measures in the Act aimed at resolving leasehold management disputes. I envisage that, in this respect, its most important task will be to help landlords and tenants make use of the new procedures allowing leasehold valuation tribunals to resolve such disputes.

LEAS is being offered a grant of £259,900 for the period from 1 January 1997 to 31 March 1998. In addition, LEAS has received offers of support from private sector organisations worth £32,250 over the same period. Subject to a satisfactory review of performance and continuing private sector support, I expect that further Government grant will be offered for the two subsequent financial years.

Local Government Ombudsman Service

Mr. Sykes: To ask the Secretary of State for the Environment what conclusions have been reached on the review of the local government ombudsman service in England; and if he will make a statement. [7033]

Mr. Curry: In February 1996, I announced to the House, *Official Report*, column *402*, that we were proceeding with the second stage of the review—focusing on the efficiency and effectiveness of the Commission for Local Administration in England as an investigatory body—in parallel with consulting interested parties on the wider issues raised about the CLA's future in the review's first stage. In August 1996, the second stage reviewer presented his report to my right hon. Friend and to the chairman of the CLA, and we concluded our consultation.

We have now carefully considered all the recommendations of both stages 1 and 2 of the review, together with all the comments that we received from our consultation. The CLA has also considered carefully those recommendations directed to it. I have today arranged for copies of a paper setting out our response to these recommendations to be placed in the Library of the House. I have also arranged for copies of the Review's second stage report to be placed in the Library.

On the issues raised by the review's first stage, we have concluded that there needs to be a wholly independent body—an ombudsman—to which citizens who are aggrieved in their dealings with public bodies can turn, if there is to be a guarantee that complaints of maladministration will be fully and equitably investigated. Accordingly, we confirm our earlier provisional view, which I told the House on 12 February, that the CLA's principal role should continue to be as a wholly independent, investigatory body for complaints of maladministration relating to local government in England. We also confirm our earlier view that there should in general continue to be a voluntary approach to the provision of local complaints systems in local government.

The review's second stage concludes that the cost of the CLA is a fraction of the cost of resolving a similar number of complaints through legal processes, and makes a range of recommendations for performance improvements covering issues of accountability, jurisdiction, powers, management systems and financial accountability, and quality of service. We believe that overall these recommendations provide a package of measures for significantly modernising and improving the local government ombudsman service in England, and we intend to take them forward as set out in the paper which I have today placed in the Library.

Housing Associations

Mr. David Nicholson: To ask the Secretary of State for the Environment when he will respond to the recommendations relating to registered housing associations in the second report of the Committee on Standards in Public Life; and if he will make a statement. [7197]

Mr. Gummer: Copies of my response have today been placed in the Libraries of both Houses. I welcome the broad thrust of the recommendations as they affect the Housing Corporation and housing associations, and in future other social landlords registered with the Housing Corporation. In general, they reflect current Government policy.

SCOTLAND

Criminal Convictions

Mr. Stewart: To ask the Secretary of State for Scotland how many people in Scotland have a schedule of previous convictions which includes a qualifying offence as defined under clause 1 of the Crime and Punishment (Scotland) Bill. [5129]

Lord James Douglas-Hamilton: Information supplied by the Scottish Criminal Records Office shows that currently there are some 12,700 people for whom the SCRO has a schedule of previous convictions which includes a qualifying offence as defined under clause 1 of the Crime and Punishment (Scotland) Bill. It is not known which of these people are currently resident in Scotland. Of these 12,700 people convicted of qualifying offences, 3,300 were convicted in the High Court.

The information held by the SCRO does not identify whether a conviction for robbery involved a firearm. However, many of those convicted of robbery with a firearm are also convicted under one of sections 16 to 18 of the Firearms Act 1968 which counts as a qualifying offence.

Salmon

Mr. Beggs: To ask the Secretary of State for Scotland if Her Majesty's Government will make urgent representations to the EU Commission for measures to be put in place to safeguard the United Kingdom salmon industry through a minimum import price for salmon entering the United Kingdom market. [5819]

Mr. Raymond S. Robertson: In view of the continued depressed state of the European market for farmed salmon, my right hon. Friend wrote to Commissioner Bonino on 22 November asking for the reintroduction of minimum import prices.

I trust that the Commission will respond quickly and positively to this request.

Legal Aid

Mr. Stewart: To ask the Secretary of State for Scotland what percentage of legal aid applications in Scotland in *(a)* civil and *(b)* criminal cases are currently decided within six weeks. [6102]

Lord James Douglas-Hamilton: In 1995–96, the percentage of civil legal aid applications which were decided within six weeks was 89 per cent. The equivalent figure for criminal legal aid applications was 100 per cent.

Mr. Stewart: To ask the Secretary of State for Scotland (1) if he will place in the Library a copy of the report made to him by the Scottish Legal Aid Board following visits in 1995 to the USA and Canada in connection with the proposals contained in part V of the Crime and Punishment (Scotland) Bill; [6130]

(2) how many members and staff of the Scottish Legal Aid Board visited the USA and Canada in *(a)* 1994–95 and *(b)* 1995–96; and what was the cost of these visits. [6131]

Lord James Douglas-Hamilton: No members of staff of the Scottish Legal Aid Board paid official visits to the USA and Canada in 1994–95 or 1995–96. One member of the board's senior staff holidayed in Canada in 1994–95 and took the opportunity of visiting the Public Defender's Office in Manitoba. The cost of this visit was met personally by the individual concerned. Although outwith the specified dates, in June 1996, a member of staff attended an international audit conference and took the opportunity to visit the Los Angeles county public defender. The cost of attending the conference was £1,720.

No report of either visit has been sent to me.

Mr. Stewart: To ask the Secretary of State for Scotland what assessment he has made of the advantages of applying the provisions of part V of the Crime and Punishment (Scotland) Bill to advocates; and if he will make a statement. [6121]

Lord James Douglas-Hamilton: As we estimate that only 6 per cent. of expenditure on criminal legal assistance involves advocates. It is not proposed to extend part V to them.

Methylated Spirits Abuse

Mr. Donohoe: To ask the Secretary of State for Scotland how many prosecutions have taken place in each year under the terms of the Methylated Spirits (Sale by Retail) (Scotland) Act 1937 since 1966. [6361]

Lord James Douglas-Hamilton: The information required is not separately identifiable within the Scottish Office Home Department classification of crimes and offences.

Mr. Donohoe: To ask the Secretary of State for Scotland what assessment his Department has carried out in relation to the continuing abuse and misuse of methylated and surgical spirits. [6362]

Lord James Douglas-Hamilton: No assessment has been carried out by the Scottish Office in relation to the abuse and misuse of methylated and surgical spirits.

Heavy Goods Vehicles (Offences)

Mr. Donohoe: To ask the Secretary of State for Scotland what criteria the procurators fiscal take into account when deciding what action to take in relation to the prosecution of HGV offences reported to them by the Vehicle Inspectorate; and if he will make it his policy to ensure the percentage of prosecutions of HGV offences reported to procurators fiscal by the Vehicle Inspectorate is comparable to the percentage of prosecutions in England and Wales. [6365]

Lord James Douglas-Hamilton: My noble and learned Friend the Lord Advocate is responsible for prosecution policy in Scotland. Procurators fiscal have a discretion as to whether to take proceedings against persons reported to them by the Vehicle Inspectorate. Procurators fiscal also have available to them a number of alternatives to prosecution. They have to decide whether it is in the public interest to initiative proceedings. In doing so, procurators fiscal will have regard to a number of factors including whether there is sufficient evidence, the seriousness of the offence and any road safety implications, the age of the offence and whether there are any mitigating circumstances. The Lord Advocate does not consider comparability with the level of prosecutions in England to be a relevant criterion for determining prosecution policy in Scotland. There are significant differences between Scotland and England both as regards the evidential requirements and the availability of alternatives to prosecution, such as conditional offers under section 302 of the Criminal Procedure (Scotland) Act 1995 which applies only to Scotland.

Intensive Care Beds

Mr. Donohoe: To ask the Secretary of State for Scotland what changes have taken place in the arrangements for utilising intensive care beds across Scotland since March 1995 with reference to procedure for the admission of patients to intensive care units. [6482]

Lord James Douglas-Hamilton: Health boards in Scotland monitor closely the availability of intensive care and high dependency facilities for their residents and make any changes to the arrangements necessary. It is important for anyone who requires emergency access to an intensive care bed to be admitted as quickly and straightforwardly as possible. The NHS in Scotland will continue to build on the valuable information being collected already by the staff working in intensive care facilities in Scotland and to develop better means of sharing that information.

Dental Services

Mr. Donohoe: To ask the Secretary of State for Scotland if he will list for each financial year since 1 October 1990 the estimated savings in expenditure to dentists for NHS treatment of patients resulting from the introduction of the new payment scale for NHS dentistry. [6491]

Lord James Douglas-Hamilton: The information requested is not available. Gross expenditure on NHS general dental services for the financial years since 1 October 1990 is contained in the table.

Gross Expenditure on NHS General Dental Services in Scotland

Financial year[1]	*£000s*
1990–91	118,470
1991–92	142,828
1992–93	141,285
1993–94	134,204
1994–95	145,586
1995–96[2]	147,864

[1] The figures have been taken from the annual accounts of the 15 health boards.

[2] The figure for 1995–96 should be regarded as provisional.

Mr. Donohoe: To ask the Secretary of State for Scotland if he will list for each financial year since 1989–90 *(a)* the number of courses of NHS dental treatment for each health board area in Scotland and *(b)* the total number of courses of NHS dental treatment in Scotland. [6490]

Lord James Douglas-Hamilton: The information requested is contained in the table.

NHS general dental services in Scotland: number of courses of treatment [1]

Health board	*1989*[2]	*1990*[2]	*1991–92*[3]	*1992–93*[3]
Scotland	3,142,700	3,371,812	2,484,539	2,569,205
Argyll and Clyde	271,769	292,528	206,277	211,504
Ayrshire and Arran	254,617	321,693	187,757	190,797
Borders	78,839	85,142	65,622	66,926
Dumfries and Galloway	94,113	100,253	71,512	69,434
Fife	220,942	234,936	160,124	163,676
Forth Valley	160,965	170,660	130,389	137,191
Grampian	303,233	306,831	267,042	277,378
Greater Glasgow	537,454	576,003	441,154	459,004
Highland	111,009	126,897	94,050	96,023
Lanarkshire	309,381	316,006	219,558	226,420
Lothian	490,115	510,014	396,777	414,624
Orkney	8,598	8,979	7,438	7,604
Shetland	7,604	8,722	6,589	6,470
Tayside	284,822	304,920	222,697	233,545
Western Isles	9,239	8,228	7,553	8,609

[1] Since October 1990, all routine dental treatment for children has been provided under capitation arrangements and is not therefore counted as individual courses of treatment.

Source:

Dental Practice Division of the Common Services Agency.

[2] 1989–90 are calendar data and cannot be compared with data for later years.

[3] 1991–92 to 1995–96 are financial data.

Health board	*1993–94* [1]	*1994–95* [1]	*1995–96* [1]
Scotland	2,647,088	2,722,518	2,711,061
Argyll and Clyde	212,294	222,616	224,731
Ayrshire and Arran	185,686	185,176	187,172
Borders	67,664	73,619	76,209
Dumfries and Galloway	64,684	67,452	68,427
Fife	173,970	182,116	181,998
Forth Valley	144,446	150,124	148,485
Grampian	287,776	297,399	292,182
Greater Glasgow	470,973	486,912	484,217
Highland	94,009	83,788	82,629
Lanarkshire	236,699	246,579	245,710
Lothian	436,028	448,219	443,981
Orkney	7,486	7,106	5,551
Shetland	7,505	7,921	7,651
Tayside	250,004	254,480	251,909
Western Isles	7,864	9,011	10,209

[1] 1991–92 to 1995–96 are financial data.

Information Technology Projects

Ms Church: To ask the Secretary of State for Scotland, pursuant to his answer of 7 November, *Official Report*, columns *655–56*, what were the proposed annual savings for the 14 IT projects in the bands above and including £1 million to £2 million, undertaken since 1992; and what have been the realised annual savings. [6701]

Lord James Douglas-Hamilton: Of the 14 projects, eight have been commissioned and are in active use; six are still under development.

Six of the projects were necessary to fulfil statutory responsibilities under the common agricultural policy. The responsibilities were new ones, and consequently no savings were forecast or made.

One project was implemented to enable the Department to discharge its responsibility to provide resource accounts; in addition, savings are expected.

Three of the projects were necessary to replace systems over 10 years old running on the Department's obsolete mainframe computer. Savings will be made when the mainframe computer is decommissioned in 1997.

Two of the projects provided infrastructure for office automation across the Department, making an important contribution to overall running cost reductions.

Of the two remaining projects, one will improve services and increase efficiency, and the other is supporting the operations of the Scottish Prison Service.

Total estimated annual savings of up to £2.4 million are expected when all the projects are complete and fully operational.

Women

Mrs. Roche: To ask the Secretary of State for Scotland what proportion of those employed by his Department in 1992–93 were women. [6473]

Lord James Douglas-Hamilton: At 1 April 1992, women—working on either a full-time or part-time basis—accounted for 42 per cent. of employees in the Scottish Office core and its executive agencies, excluding the Scottish Prison Service. In the Scottish Prison Service, women accounted for 7 per cent. of employees at that date.

NHS Property Sales

Mr. Donohoe: To ask the Secretary of State for Scotland how much revenue has been raised by *(a)* NHS trusts and *(b)* health boards through the disposal of surplus property for each of the last three years; and which bodies received this revenue. [6488]

Lord James Douglas-Hamilton: The total amount raised from the disposal of surplus property by NHS trusts and health boards for the last three years is as follows:

Health boards	£
1993–94	12,604,800
1994–95	16,513,100
1995–96[1]	12,893,600
NHS Trusts	
1993–94	3,770,000
1994–95	2,880,000
1995–96[1]	5,549,000

[1] The figures for 1995–96 are provisional.

Trusts are permitted to retain a proportion of capital receipts. The remainder are remitted to the centre and used to fund the NHS capital programme.

Gas-fired Power Station, Gartcosh

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will instruct the reporter of the inquiry into the proposal for a gas-fired power station at Gartcosh to take account of evidence for the economic and social impact of that proposal in other parts of Scotland. [6681]

Mr. Kynoch: The Scottish Office has written to the reporter outlining those matters of Government policy which my right hon. Friend considers to be most relevant

to his decision upon the application to build a power station at Gartcosh. It has been made clear that decisions on the scope of the inquiry into the application are entirely for the reporter. It is therefore for the reporter to decide what evidence is relevant when conducting the inquiry and drawing up his recommendations.

Intensive Care Beds

Mr. Donohoe: To ask the Secretary of State for Scotland if he will list *(a)* the number of intensive care beds for each health board area in Scotland and the total population served and *(b)* the total number of intensive care beds in Scotland for each financial year since 1979. [6492]

Lord James Douglas-Hamilton: The information is set out in the tables.

Table 1: NHSiS—Intensive care beds[1] by health board area of treatment; and population[2] by health board area of residence; quarter ending 31 March 1996

	Intensive care beds	*Population*
Scotland	266	5,136,600
Argyll and Clyde	13	432,800
Ayrshire and Arran	9	377,200
Borders	2	106,200
Dumfries and Galloway	14	147,900
Fife	6	351,600
Forth Valley	7	273,900
Grampian	10	532,800
Greater Glasgow	85	912,500
Highland	10	208,300
Lanarkshire	37	561,200
Lothian	47	764,600
Orkney	—	19,870
Shetland	—	23,090
Tayside	25	395,600
Western Isles	—	29,040

[1] Average available staffed beds in intensive therapy units: figures rounded to nearest whole number.

[2] Population estimate as at 30 June 1995.

Source:
GRO(S).

Table 2: NHSiS—Intensive care beds[1]—years ending 31 March

	Number
1979	125
1980	135
1981	137
1982	142
1983	159
1984	166
1985	168
1986	166
1987	166
1988	166
1989	182
1990	189
1991	198
1992	219
1993	230
1994	250
1995	247
1996	266

[1] Average available staffed beds in intensive therapy units.

Source:
ISD(S)1.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Scotland what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6455]

Lord James Douglas-Hamilton: The Scottish Office provides child care facilities for its employees in two workplace nurseries. The first nursery opened in 1992 and 12 full-time places were made available. In 1995 we opened the second, which offers an additional 36 full-time places. At present, 63 employees use these facilities on a full and part-time basis. We do not hold statistics about the cumulative number of staff using the facilities each year.

Mental Health Guidance

Dr. Bray: To ask the Secretary of State for Scotland when he proposes to issue the revised code of practice for the guidance of medical practitioners and others in accordance with the requirements of the Mental Health Act (Scotland) 1984, referred to in his answer of 24 May 1995, *Official Report*, column *638*; and which persons and organisations are being consulted. [6660]

Lord James Douglas-Hamilton: A revision of the current code of practice is now about to begin. This will take account of experience of recent legislation, including the new provisions relating to community care orders introduced by the Mental Health (Patients in the Community) Act 1995. There will be wide consultations with all relevant interests, including voluntary and professional organisations, before the new code is laid before Parliament.

Beaufort's Dyke

Mr. Gallie: To ask the Secretary of State for Scotland what is the outcome of the recent survey work at Beaufort's dyke. [7162]

Mr. Michael Forsyth: Copies of the final survey report produced by the Scottish Office marine laboratory at Aberdeen have been placed in the Libraries of both Houses today. The report confirms that there is no evidence of munitions having an adverse effect on the quality of the marine environment, or the living resources that it supports. It also confirms the results of the earlier survey which found that concentrations of munitions had been deposited outwith the Beaufort's dyke munitions disposal area. The main results of the survey are as follows:

- The levels of heavy metals throughout the survey area were within the ranges reported in sea bed sediments from other Scottish coastal areas, and similar to the levels previously reported in sediments from the Irish sea.
- There was no evidence of the chemical warfare agents phosgene or mustard gas. Analysis for munition-related determinands confirmed that the samples did not contain nitroglycerine, 2,4,6 trinitrotoluene, RDX or tetryl.
- Analysis of the edible flesh of commercially exploited fish and shellfish samples confirmed that the levels of heavy metals were within prescribed public health standards.
- Analysis of the edible flesh of commercially exploited fish and shellfish species collected from the northern end of the Beaufort's dyke trench confirmed that the samples did not contain nitroglycerine, 2,4,6, trinitrotoluene, RDX or tetryl.

Side-scan sonar, underwater television and pulse induction surveys confirmed that the centre of distribution of dumped munitions and munitions-related materials is located within, and immediately adjacent to, the north-east sector of the Beaufort's dyke explosives disposal site.

Low to high densities of dumped munitions, munitions-related materials and unidentified man-made debris were found in areas outside the charted explosives disposal ground.

The presence of low to high densities of dumped munitions, munitions-related materials and unidentified man-made debris at a number of discrete points in the area crossed by the proposed routing corridor for submarine electricity cables linking Scotland and Northern Ireland was confirmed.

Dumped munitions and munitions-related materials were not found in the area crossed by the submarine gas pipeline installed between Wigtown bay and the Republic of Ireland.

The hydrographer of the Navy will arrange for the relevant Admiralty charts to be updated as appropriate. Government Departments with regulatory responsibilities for marine engineering works will take full account of the survey's findings.

Scottish Natural Heritage

Mr. Gallie: To ask the Secretary of State for Scotland when he will respond to the recommendations of the joint study group report which examined Scottish Natural Heritage; and if he will make a statement. [7163]

Mr. Kynoch: The report of the joint study group which examined Scottish Natural Heritage made a number of recommendations relating to its remit and operation. The most significant of these was that a revised statement of aims and objectives should be prepared for SNH. The statement, "Natural Priorities", has been published today. Copies are available in the Library of the House. A number of other recommendations were also made and have been considered. Those recommendations concerned with SNH's expenditure commitments and priorities will be taken into account during the Government's annual public expenditure survey. The recommendation that the joint study report should be the starting point for part 2 of the quinquennial review of SNH in 1997 will be addressed nearer the time of the quinquennial review itself. The remainder of the recommendations have been addressed, either in "Natural Priorities" itself or within SNH's own recently completed review of decision-making processes and organisational structures.

NATIONAL HERITAGE

National Lottery (Northern Ireland)

Ms Mowlam: To ask the Secretary of State for National Heritage (1) what is the average amount of money spent per week on the national lottery in Northern Ireland *(a)* overall and *(b)* per capita; [3842]

(2) what is the average amount of money spent per week on the national lottery in *(a)* England, *(b)* Wales and *(c)* Scotland, (i) overall and (ii) per capita. [3844]

Mr. Sproat: This is an operational matter for Camelot Group plc. I have, therefore, asked the Director General of the National Lottery, who is responsible for regulating the operation of the lottery, to write to the hon. Member, placing copies of his response in the Library of the House.

FOREIGN AND COMMONWEALTH AFFAIRS

Computers

Mr. Hoon: To ask the Secretary of State for Foreign and Commonwealth Affairs how many lines of computer code there are in his Department's computer systems. [5523]

Mr. Hanley: Most of my Department's computer code is contained in commercially obtained software applications, operated under licence. The number of lines of such code is known only to suppliers.

We estimate that our bespoke software contains up to 10 million lines of code. We are analysing this to determine how much will be affected by the century date change, and the cost involved.

Mr. Hoon: To ask the Secretary of State for Foreign and Commonwealth Affairs how many separate computer programs his Department operates. [5522]

Mr. Hanley: The diplomatic wing and the Overseas Development Administration use a total of 326 software applications; at least 90 per cent. are based on commercial packages, which are regularly replaced as new versions become available.

Rights of Indigenous Peoples

Mr. Foulkes: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received concerning the United States draft declaration on the rights of indigenous peoples; and if he will make a statement. [5820]

Sir Nicholas Bonsor: We are aware of public and parliamentary interest in this draft declaration. My right hon. and learned Friend the Foreign Secretary has answered questions in the House and letters from colleagues on the matter.

Information Technology Projects

Ms Church: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 11 November, *Official Report*, column *20*, what were the proposed annual savings for the 12 IT projects in the bands above and including £1 million to £2 million undertaken since 1992; and what have been the realised annual savings. [6709]

Mr. Hanley: Investment is agreed only if it represents value for money. This can include cash savings and additional costs avoided, which are quantifiable, and quality improvements, which are not.

Quantifiable annual savings expected were £23.2 million largely in additional costs avoided rather than cash. Three projects are finished. but have not been operational long enough for full savings to be realised.

Ms Church: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 11 November, *Official Report*, column *20*, what are the proposed annual savings for the seven IT projects in the £1 million to £2 million band planned for 1997–98. [6708]

Mr. Hanley: Planning of these projets is still at an early stage and expected savings have not yet been fully quantified.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Foreign and Commonwealth Affairs what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6452]

Mr. Hanley: This Department provides 38 nursery places for children aged from three months to five years. In addition, holiday playschemes are available during school holidays. In 1992, we provided 26 nursery places and additional holiday playscheme facilities.

The number of staff who used both types of child care facilities between 1992 and November 1996 is:

Year	*Number of staff*
1992	[1]34
1993	136
1994	[1]142
1995	164
1996	155

[1] Does not include figure for ODA.

Women

Mrs. Roche: To ask the Secretary of State for Foreign and Commonwealth Affairs how many women are currently employed by his Department at each civil service grade. [6441]

Mr. Hanley: As of April 1996, this Department was employing women at the following civil service grades:

	Number
Diplomatic service grade 2	2
Diplomatic service grade 3	3
Diplomatic service grade 4	13
Grade 5	10
Legal counsellor	3
Diplomatic service grade 5S	8
Grade 6	13
Senior assistant legal adviser	3
Senior principal research officer	5
Assistant legal adviser	6
Diplomatic service grade 5	58
Grade 7	47
Medical officer	1
Principal research officer	9
Diplomatic service grade 6	27
Museum D	1
Senior lecturer	6
Senior executive officer	29
Senior information officer	5
Senior librarian	2
Senior principal technical officer	1
Diplomatic service grade 7D	29
Diplomatic service grade 8	14
Research officer	1
Senior research officer	6
Higher executive officer (D)	1
Diplomatic service grade 7M	102
Field investigating officer 2	1
Higher executive officer	88
Higher principal technical officer	1
Higher telecommunications technical officer	2
Information officer	15
Librarian	6
Museum E	2
Nurse	5
Translator 2	4
Assistant information officer	5
Assistant librarian	11
Assistant telecommunications technical officer	4
Diplomatic service grade 9	359
Executive officer	191
Secretary 1	116
Support manager 2	5
Support manager 3	6
Security officer	1
Stores officer grade C	2
Senior personal secretary	2
Telecommunications and cypher officer	7
Translator 3	1
Typing manager	2
Administrative officer	470
Executive officer	65
Diplomatic service grade 10	95
Personal secretary	61
Secretary 2	300
Secretary 2A	82
Support grade band 1	46
Administrative assistant	89
Support grade band 2	60
Typist	15
Total	2,524

Mrs. Roche: To ask the Secretary of State for Foreign and Commonwealth Affairs what proportion of those employed by his Department in 1992–93 were women. [6470]

Mr. Hanley: Thirty-seven per cent.

Bordeaux Summit

Mr. Simpson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list *(a)* the members of his Department who attended the Anglo-French summit in Bordeaux and *(b)* the positions they hold. [3619]

Mr. David Davis *[pursuant to his reply, 13 November 1996, c. 214]:* A list should have been included.

London Delegation cont...

Ms A. Pringle: Head of Common Foreign and Security Policy Department and European Correspondent

Ms A. Balls: Personal Assistant, Head of News Department

Ms M. T. Howley: Conference Officer

Ms J. Pearce: Conference Officer

Embassy Staff

Mr. M. Jay: HM Ambassador

Mr. M. A. Arthur: Counsellor

Mr. P. F. Ricketts: Counsellor

Dr. M. A. Darnbrough: Counsellor

Mr. T. N. Livesey: 1st Secretary
Mr. M. J. L. Kirk: 1st Secretary
Mr. R. D. Fitchett: 1st Secretary
Mr. H. E. Powell: 2nd Secretary
Mr. S. P. Ferrand: Visits Officer
Mr. R. Hardy: Technical Security Officer
Ms C. Rowett: 3rd Secretary
Mr. A. Painter: Assistant Visits Officer
Ms T. Menuibe: Information Assistant
Ms J. Taylor: Secretarial Assistant

British Consulate general staff

Mr. T. C. Almond: HM Consul General
Ms A. Almond: Visits Officer
Mr. A. Roberts: Vice Consul
Mr. P. Dixon: Vice Consul

St. Helena

Sir David Steel: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will grant St. Helenians full British citizenship; and if he will make a statement on the problems arising from the definition of nationality in St. Helena. [6301]

Mr. Kirkhope: I have been asked to reply.

Provision for the acquisition and loss of British nationality by people connected with St. Helena is made by the British Nationality Act 1981. Most are British dependent territories citizens under the Act.

There are no plans to alter the legislation.

DUCHY OF LANCASTER

Vacant Posts

Mr. Donohoe: To ask the Chancellor of the Duchy of Lancaster how many posts for staff within the European Parliament have been advertised within the United Kingdom since the start of 1995; and if he will list in each case the amounts *(a)* spent on advertising these posts and *(b)* spent in filling the vacancies involved. [6355]

Mr. Freeman: The European Parliament is responsible for advertising its own vacancies and it would be for it to provide details relating to its recruitment costs. The European staffing unit of the Office of Public Service monitors the press and the *Official Journal of the European Communities* for vacancies in the European institutions as part of the vacancy information service operated for potential British candidates. Since the beginning of 1995, it has noted nine separate competitions in which the European Parliament was either wholly or partially involved. Some of these competitions were for an unspecified number of vacancies so it is not possible to give the number of posts involved.

Child Care Facilities

Mrs. Roche: To ask the Chancellor of the Duchy of Lancaster what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6463]

Mr. Willetts: The child care facilities provided at present and since 1992 in the Departments and agencies for which my right hon. Friend is responsible and other areas which fall to the Cabinet Office Vote are as follows:

	Facilities since 1992	*1992*	*1993*	*1994*	*1995*	*1996*
Cabinet Office (OPS)	The Westminster holiday playscheme	10	6	12	13	29
Civil Service College	Workplace nursery	15	15	15	15	12
Central Computer and Telecommunication Agency	Nursery scheme under HMSO	7	9	7	11	4
Central Office of Information	The Westminster holiday playscheme	3	3	1	2	3
Property Advisors to the Civil Estate	Since 01 April 1996 nursery placement	—	—	—	—	1
Security Facilities Executive	None	—	—	—	—	—
The Buying Agency	None	—	—	—	—	—

Due to machinery of government changes earlier this year, the figures for the Property Advisors to the Civil Estate; Security Facilities Executive; and The Buying Agency are not centrally held.

Information Technology Projects

Ms Church: To ask the Chancellor of the Duchy of Lancaster, pursuant to his answer of 11 November, *Official Report*, columns *52–53*, what were the proposed annual savings for the seven IT projects in the bands above and including £1 million to £2 million, undertaken since 1992; and what have been the realised annual savings. [6713]

Mr. Willetts: Of the seven IT projects in the Cabinet Office, Office of Public Service and its agencies, in the bands above and including £1 million to £2 million undertaken since 1992 four related to the migration from centralised to decentralised IT systems to meet the needs of the corporate restructuring of Her Majesty's Stationery Office, now the privatised The Stationery Office.

A fifth project covered the costs for the development by the Chessington Computer Centre, now privatised, of an on-line integrated pay and personnel system.

A project to provide contemporary office automation systems in the Central Cabinet Office is in progress; the efficiency gains which are expected to result cannot be quantified in cash terms.

Within the Central Computer and Telecommunication Agency, the enhancement of existing office automation systems is estimated to have resulted in annual savings of more than £300,000 since 1992.

Ms Church: To ask the Chancellor of the Duchy of Lancaster, pursuant to his answer of 11 November, *Official Report*, columns *52–53*, what are the proposed annual savings for the seven IT projects planned for 1997–98. [6712]

Mr. Willetts: The seven IT projects planned for 1997–98 in the Cabinet Office, Office of Public Service and its agencies are mostly designed to bring up to date or enhance office automation and other support and communications facilities. The improved efficiency resulting from the new systems cannot be quantified in cash terms.

The exception is the Civil Service College, where the introduction of a new financial management system is expected to generate savings of up to £47,000 per annum.

OVERSEAS DEVELOPMENT ADMINISTRATION

Indonesia

Sir David Steel: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the reason for delay in agreement of the draft report by the National Audit Office into alleged links between British aid and arms sales to Indonesia; and when he expects a publication date. [6397]

Dr. Liam Fox: The timing of the publication of National Audit Office reports is a matter for the Comptroller and Auditor General. The National Audit Office report into alleged links between British aid and arms sales to Indonesia will be published on 29 November.

TRANSPORT

Airport Inspections (Europe)

Mrs. Dunwoody: To ask the Secretary of State for Transport (1) what assessment he has made of the extent to which each country in the European civil aviation conference is screening checked in baggage and transfer baggage to a satisfactory standard; [5927]

(2) if he will list for each member of the European civil aviation conference the percentage of checked in baggage and transfer baggage screened for security purposes. [5928]

Mr. Bowis: All international transfer and unaccompanied baggage is at present subjected to security screening in the United Kingdom, and the introduction of 100 per cent. hold baggage screening is nearing completion. All ECAC member states have accepted that measures to screen all international hold baggage should be progressively introduced. They are individually responsible for achieving implementation to defined standards. It would not be appropriate for security reasons to provide further details.

Mrs. Dunwoody: To ask the Secretary of State for Transport when officials from Transec last inspected airports within Germany; and if they were satisfied with the results of the inspections. [5929]

Mr. Bowis: My Department does not inspect airports overseas, as these are under the jurisdiction of the relevant sovereign state. However, Transec inspectors do make visits to overseas airports to assess the security afforded to and conducted by British airlines.

Airports in Germany were last subject to such a visit in December 1994. It would be inappropriate for security reasons to comment on the results of this, or any other, security inspection.

Channel Tunnel

Mrs. Dunwoody: To ask the Secretary of State for Transport if staff aboard freight trains using the channel tunnel are required to be fluent in both French and English. [5942]

Mr. Watts: This is not a condition for their employment.

Women

Mrs. Roche: To ask the Secretary of State for Transport what proportion of those employed by his Department in 1992–93 were women. [6476]

Mr. Bowis: My Department's computerised personnel management systems record that on 31 March 1993, some 46 per cent. of the staff employed by my Department were women.

Women and Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Transport how many women are currently employed by his Department at each civil service grade. [6430]

Mrs. Roche: To ask the Secretary of State for Transport what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6460]

Mr. Bowis: It has not been possible to assemble the information requested in the time available. I will write to the hon. Member and place a copy of the information requested in the Library of the House.

MV Cap Afrique

Mr. Morley: To ask the Secretary of State for Transport, pursuant to his answer of 21 November, *Official Report*, column *633*, (1) how many passengers the MV Cap Afrique is permitted to carry; [6614]

(2) how many crew the MV Cap Afrique was carrying when it sailed from Dover on 6 November. [6613]

Mr. Bowis: I have asked the chief executive of the Marine Safety Agency to write to the hon. Member.

Letter from R. M. Bradley to Mr. Elliot Morley, dated 28 November 1996:

The Secretary of State for Transport has asked me to reply to your Questions about the number of passengers and crew carried by the MV CAP AFRIQUE.

The Cap Afrique is permitted to carry 12 passengers. When it sailed from Dover at 17.30 hours on 6 November the ship was carrying 14 crew out of the total of 25 persons on board.

Aircraft Registration

Mrs. Dunwoody: To ask the Secretary of State for Transport on how many occasions *(a)* passenger and *(b)* cargo aircraft registered in (i) Anguilla, (ii) Antigua and Barbuda, (iii) Dominica, (iv) Grenada, (v) St. Lucia, (vi) St. Vincent, (vii) St. Kitts, (viii) Morocco and (ix) Suriname have flown into United Kingdom airports in the past 12 months. [4971]

Mr. Bowis: Not all categories of flight require specific Government permission, and my Department does not keep a record of every flight into the UK.

We are not aware of any commercial flights to the UK by aircraft registered in Anguilla, Dominica, Grenada, St. Lucia, St. Vincent, St. Kitts and Suriname.

In the cases of Antigua and Barbuda, we are aware of one cargo charter service by Seagreen Air Transport, a single flight by a Caribbean Winds aircraft leased to Monarch Airlines, and nine flights by a Skyjet aircraft leased by Caledonian Airways. In addition a Skyjet aircraft was leased by Excalibur Airways from 31 May until 26 June.

In the case of Morocco, Royal Air Maroc operates scheduled passenger services to the UK using Moroccan registered aircraft. In the past 12 months, these have averaged seven flights per week. In addition, they have operated two ad hoc cargo charter services.

Vehicle Excise Duty Evasion

Mrs. Dunwoody: To ask the Secretary of State for Transport how many vehicles have been scrapped following wheelclamping as a result of vehicle excise duty evasion; and if he will indicate the cost of the disposal of the vehicles. [6970]

Mr. Bowis: During the three month pilot scheme, 269 vehicles were scrapped. Costs were borne by the contractor.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will list the total revenues generated from the wheelclamping of vehicles for vehicle excise duty evasion; and how many vehicles have been thus wheelclamped. [6969]

Mr. Bowis: The pilot wheelclamping scheme for vehicle excise duty evaders ran from February to May 1996 in five London boroughs. The scheme produced an extra £2.1 million in extra vehicle relicensing and £35,000 in declamping and other fees. Around 21,000 additional licences were purchased over the three-month period. A total of 541 vehicles were clamped.

Mrs. Dunwoody: To ask the Secretary of State for Transport how many vehicles are currently in storage as a result of being wheelclamped as a result of vehicle excise duty evasion; and if he will indicate the cost of their storage. [6944]

Mr. Bowis: No vehicles are currently in storage as a result of the pilot wheelclamping scheme. Vehicles are held for a minimum period of five weeks before disposal.

Traffic Area Network

Sir Mark Lennox-Boyd: To ask the Secretary of State for Transport if he will make a statement on the organisation of the traffic area network in the light of the forthcoming closure of the traffic area offices in Cardiff and Manchester. [7027]

Mr. Bowis: In the light of views expressed during consultation, we have decided to defer changes to the boundaries of the existing traffic areas. This will enable further work to be carried out on a new computer system for the traffic area network which may affect the organisation of work. It will also allow further consideration to be given to how traffic area boundaries should be re-drawn to meet concerns expressed in response to the consultation. As part of the future restructuring, it is planned to create a separate traffic area for Wales.

In the meantime, Mr. John Mervyn Pugh will remain traffic commissioner for both the west midland and the south wales traffic areas, operating from the traffic area office in Birmingham. Mr. Keith Waterworth, the traffic commissioner for the north eastern traffic area, will continue for the time being as traffic commissioner also for the north western traffic area, operating from the traffic area office in Leeds. Mr. Pugh will, however, be appointed as deputy traffic commissioner in the north western traffic area so that he can hear cases in north Wales on Mr. Waterworth's behalf. We also intend appointing a deputy traffic commissioner based in Wales to hear cases in both parts of the Principality. I will review the situation in a few months' time.

Franchising Director

Mr. Booth: To ask the Secretary of State for Transport what revisions he has made of his instructions and guidance to the franchising director. [7026]

Sir George Young: I have today written to the franchising director enclosing a new, consolidated version of his objectives, instructions and guidance—OIG. This consolidated version, which is being produced for ease of reference, does not change the franchising director's objectives, nor does it materially alter his instructions and guidance, other than to omit those sections of the previous version of the OIG which are now out of date. I am placing a copy of my letter, and the attachments to it, in the Library of the House.

Channel Tunnel Fire

Mr. Andrew Smith: To ask the Secretary of State for Transport what are *(a)* the terms of reference and *(b)* the membership of the bodies conducting (i) the French formal inquiry into the channel tunnel fire, (ii) the Channel Tunnel Safety Authority inquiry and (iii) the Eurotunnel inquiry; and if the evidence of each will be published in full. [5745]

Mr. Watts *[holding answer 26 November 1996]:* The terms of reference and the membership of the bodies conducting the French judicial inquiry and Eurotunnel's inquiry are a matter for these organisations. The membership of the safety authority is Eddy Ryder, Jeremy Beech, Vic Coleman, Sandra Caldwell, Peter Moss, Roger Lejuez, Jean-Pascal Cogez, Pierre Desfray, Mr. Barthelemy, Claude Charmeil; the terms of reference for the safety authority inquiry is a matter for this authority. The safety authority has been asked if it will publish a report on its inquiry into the causes and consequences of the HGV fire on 18 November 1996.

Airfields (Yorkshire)

Mr. MacShane: To ask the Secretary of State for Transport if he will list the number of airfields in Yorkshire. [5734]

Mr. Bowis *[holding answer 25 November 1996]:* The following 26 active civil aerodromes are in the county of North Yorkshire or within Barnsley, Bradford, Calderdale, Doncaster, East Riding of Yorkshire, Kingston upon Hull, Kirkless, Leeds, Rotherham, Sheffield, Wakefield or York unitary authorities:

Aerodromes licensed by the CAA

Beverley (Linley Hill)

Brough

Full Sutton

Leeds Bradford

Sherburn-in-Elmet

Unlicensed aerodromes

Bagby (Thirsk)

Breighton

Burn

Burton Constable (Hull)

Carnaby (Bridlington)

Cottam

Fadmoor

Holme-on-Spalding Moor

Huddersfield (Crosland Moor)

Hull (Humbleton)

Hull (Mount Airey)

Hull (Sproatley)

Kirkbymoorside

Melbourne

Pickering (Wombleton)

Pocklington

Scarborough (Willy Howe)

Thirsk (Sutton Bank)

Walton Wood

York (Ancaster Malbis)

York (Rufforth).

PRIME MINISTER

Engagements

Mr. Harry Greenway: To ask the Prime Minister if he will list his official engagements for Thursday 28 November. [5197]

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Thursday 28 November. [5196]

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall be having further meetings later today.

Ministerial Statements

Mr. Allen: To ask the Prime Minister if he will list the circumstances in which it is acceptable for Ministers to make a statement which they know to be untrue on the Floor of the House; and what changes have been made to that list since March 1994. [6542]

The Prime Minister: There has been no change in the position as I stated it in 1994. It is clearly of paramount importance that Ministers give accurate and truthful information to the House. If they knowingly fail to do this, they should relinquish their positions, except in the quite exceptional circumstances, of which a devaluation or time of war or other danger to national security have been quoted as examples.

Employment Contracts

Mr. Hain: To ask the Prime Minister how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5412]

The Prime Minister *[holding answer 25 November 1996]:* For these purposes, my office is part of the Cabinet Office, Office of Public Service. I refer the hon. Member to the reply given on 27 November, by my hon. Friend the Paymaster General.

EDUCATION AND EMPLOYMENT

Teaching Posts and Pupil Numbers

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will list the change in full-time equivalent teaching posts in England between 1995 and 1996 in numbers and as a percentage; and what were the equivalent figures for pupil numbers in the same period. [6016]

Mr. Forth: Information on teaching posts is not collected centrally. Information on pupils and teachers is shown in the table.

Full-time equivalent numbers of pupils and teachers in maintained nursery, primary and secondary schools

England	*Position in January each year*			
			Change	
	1995	*1996*	*Number*	*Percentage*
Pupils	7,182,600	7,273,400	90,900	1.3
Teachers[1]	368,920	369,110	190	0.1

[1] Includes both qualified and unqualified teachers.

Computerised Administration

Mrs. Bridget Prentice: To ask the Secretary of State for Education and Employment what studies her Department has undertaken *(a)* with and *(b)* without the assistance of the National Council for Educational Technology, of the benefits to schools of computerised administration systems, with special reference to the advantages of computerised student records and associated paperless data input devices with remote link to the office by radio waves. [5872]

Mr. Robin Squire: No studies on this topic have been undertaken by the Department.

Mrs. Prentice: To ask the Secretary of State for Education and Employment if she will list the reports and other publications published by her Department working with the National Council for Educational Technology that treat microcomputer-based school administration systems as their main topic. [5870]

Mr. Squire: No reports of this nature have been produced by the Department in conjunction with the National Council for Educational Technology.

University Lecturers (Pay)

Sir David Steel: To ask the Secretary of State for Education and Employment if she will urge the Universities and Colleges Employers Association to seek arbitration for future pay disputes; and if she will make a statement on Her Majesty's Government's reason for not referring university lecturers' pay to a standing pay review body. [6399]

Mr. Forth: Given the level of financial and academic autonomy that universities and colleges enjoy, the Government believe that these issues are currently best settled by higher education institutions.

Nuclear Engineers

Mr. Dalyell: To ask the Secretary of State for Education and Employment what research she has commissioned into problems in obtaining sufficient highly qualified graduates to become *(a)* nuclear engineers and *(b)* nuclear safety engineers. [4849]

Mr. Forth: No research has been commissioned specifically into the supply of nuclear engineers or nuclear safety engineers.

Employment Service (Publicity)

Mr. Donohoe: To ask the Secretary of State for Education and Employment how much has been spent by the Employment Service agency in producing promotional items during *(a)* the 1994–95 financial year, *(b)* in the 1995–96 financial year and *(c)* in the current financial year to date; what promotional items have been produced; how many of them have been produced; and what assessment he has made of the benefit of producing each of these promotional items. [6388]

Mr. Forth: Responsibility for the subject of the question has been delegated to the Employment Service under its chief executive. I have asked him to arrange for a reply to be given.

Letter from R. D. Horne to Mr. Brian Donohoe, dated 28 November 1996:

The Secretary of State has asked me, in the absence of the Chief Executive, to write to you about your question of 28 November concerning the production of promotional items by the Employment Service.

The Employment Service undertakes a wide range of promotional activity to inform employers and jobseekers about the services it offers. These activities have included jobseeker and employer advertising campaigns, production of leaflets and posters, stands at exhibitions and conferences—where employers are informed of the benefits of using jobcentres, and the organisation of Jobfairs where employers have the opportunity to recruit unemployed jobseekers in one place and at one time.

The total marketing and promotional spend during the last three years is as follows:

	£
1994–95	3,556,921
1995–96	5,854,079
1996–97[1]	1,854,411

[1] spend to end of October 1996.

As there is such a diverse range of activity I am unable to give you this information in the form you have requested. I hope however that the following examples will give you an understanding of our promotional activity.

During the last three years we have undertaken a number of national advertising campaigns to promote to employers and unemployed jobseekers the services offered by our Jobcentres. The total cost of these campaigns in 1994–95 was £2.45m in 1995–96 £3.62m and our spend to date for 1996–97 is £1.3m.

Each of these national campaigns has involved a mix of television, radio and/or press advertising, with supporting information literature. The campaigns have been fully evaluated using independent tracking research. The research has indicated that the campaigns have been very effective in informing both employers and jobseekers of the services available.

In addition to the national campaigns, a range of national, regional and local activity is undertaken to promote specific events or services. The aim is to encourage local employers to use Jobcentres and for unemployed jobseekers to be aware of the wide range of help available to them. I have enclosed two examples of leaflets that we have produced for this purpose. I have arranged for copies of these leaflets to be available in the Library. We produce each year

about half a million copies of the 'Just the Job' booklet which is available in Jobcentres and other advice locations. It explains the range of back to work services available to unemployed jobseekers.

We also this year produced four million copies of the Jobseeker's Allowance—Helping you Back to Work' guide. This is available to jobseekers through Jobcentres Post Offices, Citizen Advice Bureaux and Benefit Agency Offices. The booklet tells jobseekers about the help available when looking for work and in particular the entitlement conditions for receiving the Jobseeker's Allowance.

At a local level Jobcentre managers have used a variety of promotional methods, including direct mail shots to employers and adverts on the sides of buses. We also obtain a great deal of free editorial coverage in local press.

We recently exhibited this year at the annual conferences of the Institute of Personnel and Development and the Confederation of British Industry. This provided us with the opportunity to explain to employers and their recruitment specialists the benefits of using Jobcentres to meet their recruitment needs.

I hope that this information is helpful.

Information Technology Projects

Ms Church: To ask the Secretary of State for Education and Employment, pursuant to the answer of 7 November, *Official Report*, columns *709–10*, what were the proposed annual savings for the IT project in the £1 million to £2 million band undertaken in 1996–97; what have been the realised savings; and what are the projected annual savings. [6707]

Mr. Robin Squire: The system has not yet been fully implemented. Scheduled implementation date is end March 1997. Savings will not start to be realised until 1997–98.

	1996–97	*1997–98*	*1998–99*	*1999–2000*	*2000–01*	*2001–02*
	£	£	£	£	£	£
Proposed savings	–1,199,032	358,032	354,702	351,239	347,637	343,891
Projected savings	–1,199,032	358,032	354,702	351,239	347,637	343,891

Ms Church: To ask the Secretary of State for Education and Employment, pursuant to her answer of 7 November, *Official Report*, columns *709-10*, what were the proposed annual savings for each of the IT projects costing more than £1 million; and what have been the realised annual savings. [6706]

Mr. Squire: The proposed savings (£000s) for the seven IT projects named were:

	1992–93	*1993–94*	*1994–95*	*1995–96*	*1996–97*	*1997–98*	*1998–99*	*1999–00*	*2000–01*	*2001–02*
Project 1	–1,435	265	523	660	697	697	747	697	—	—
Project 2	–375	–1,488	2,018	770	766	766	766	766	766	766
Project 3	—	–993	2,077	5,373	5,205	5,205	5,205	—	—	—
Project 4	—	—	–220	–1,499	847	797	832	752	591	—
Project 5	—	—	–60	–534	28	279	279	279	279	279
Project 6	—	—	—	–1,329	–63	1,625	1,625	1,625	1,625	1,625

The other project was for additional mainframe capacity and the benefit appraisal showed costs for the extra capacity. Benefits were in continuation of existing systems. These benefits were not included in the discounted cash flow. The costs for the project were:

	1992–93	*1993–94*	*1994–95*	*1995–96*	*1996–97*	*1997–98*	*1998–99*	*1999–2000*
Project 7	235	–665	677	647	617	589	561	–340

Projects 4, 5 and 6 were transferred to the Department of Trade and Industry and we do not have information on realised savings or projected savings.

For the other projects, we have not yet carried out reviews that evaluate the actual savings against proposed savings. To provide this information would incur disproportionate cost.

Social Fund (Single Programming)

Mr. Simon Hughes: To ask the Secretary of State for Education and Employment when she expects Her Majesty's Government to sign the objective 3 European social fund single programming document 1997 to 1999. [6426]

Mr. Paice: The agreement of the text of the objective 3 single programming document for 1997 to 1999 between the UK Government and the European Commission was formally announced on 27 November. It is expected that the SPD will be signed by Commissioner Flynn on behalf of the European Commission before Christmas.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Education and Employment what child care facilities her Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6466]

Mr. Robin Squire: The Department for Education and Employment operates across four head office sites and a range of child care facilities are provided, offering subsidised places to all employees.

Child care facilities in 1996

DfEE head office site	*Child care facilities provided*
Darlington	Department run playscheme
London	Places bought in on Civil Service playscheme
Runcorn	Nursery and playscheme, run by contractors
Sheffield	Nursery and playscheme, run by contractors

Child care facilities in 1992

The Department for Education and Employment was not in existence in 1992. The following facilities were available in the former Employment Department and Department for Education.

Site	*Employment Department*	*Department for Education*
Darlington	n/a	Department run playscheme
London	Places bought in on Civil Service playscheme	Places bought in on Civil Service playscheme
Runcorn	No facilities	n/a
Sheffield	Nursery and playscheme	n/a

Number of employees who have used DFEE child care facilities in each year since 1992.

Year	*Number of employees*
July 1995 to September 1995	239
October 1995 to September 1996	255

Comparable figures are not available before July 1995 from the former Employment Department and Department for Education.

Women

Mrs. Roche: To ask the Secretary of State for Education and Employment what proportion of those employed by her Department in 1992–93 were women. [6480]

Mr. Robin Squire: In 1992–93 55 per cent. of staff employed in the Department were women.

Mrs. Roche: To ask the Secretary of State for Education and Employment how many women are currently employed by her Department at each civil service grade. [6432]

Mr. Squire: The number of women currently employed by the Department is shown in the table. There are staff in some 50 civil service grades. For convenience the figures have been grouped into grade equivalents.

Grade level	*Numbers of women*
Permanent Secretary	0
Director/Director General	0
Divisional Manager	22
Grade 6	6
Grade 7	132
SEO	148
HEO	473
EO	660
AO	850
AA	385
Total	2,676

TRADE AND INDUSTRY

Nuclear Power Industry

Mr. Meacher: To ask the President of the Board of Trade, pursuant to his answer of 1 November, *Official Report*, columns *276–77*, what factors underlie the changes in the Nirex payments. [5068]

Mr. Lang: The changes in the Nirex payments arose as a result of a revision to the shareholdings in UK Nirex which was effected on 1 April 1996.

Northern Electric

Mr. Steinberg: To ask the President of the Board of Trade if he will list *(a)* the land and buildings that Northern Electric has disposed of since privatisation and *(b)* the price received for each sale. [5282]

Mr. Page: This is a commercial matter for the company.

Computers

Mr. Hoon: To ask the President of the Board of Trade how many separate computer programs his Department operates. [5529]

Mr. John M. Taylor: A precise answer cannot be provided without disproportionate cost. A recent study within my Department covering major computer systems reported that they comprised a total of 9,873 programs. This figure excludes systems within the next steps agencies and bought in commercial packaged software, such as word processors, and operating system software.

Mr. Hoon: To ask the President of the Board of Trade how many lines of computer code there are in his Department's computer systems. [5528]

Mr. John M. Taylor: The computer systems within my Department make considerable use of commercial packaged software—for example, library cataloguing and management—for which no such information is available. For software developed on a bespoke basis, the information requested is not held centrally and provision of an answer would incur disproportionate cost.

Women

Ms Janet Anderson: To ask the President of the Board of Trade what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5488]

Mr. John M. Taylor: In July of this year the model guidance on policy appraisal for equality treatment was revised and circulated at Cabinet level for Departments to adapt to their own circumstances. A copy was placed in the Library of the House. This guidance requires officials to identify policy issues which might impact differentially on women and men, and other groups, to assess whether this is justified in policy terms and to adjust the policy if it is not. Advice based on that model has been issued to all senior officials within the Department of Trade and Industry.

The recent Government report "One Year On" outlines action taken by Government to benefit women since the world conference on women, and also includes baseline statistics against which future progress can be measured.

Business Links

Mrs. Roche: To ask the President of the Board of Trade when each business link will come to the end of its three-year pump-priming funding. [5684]

Mr. Page: A list of the dates when three-year pump priming will end or has ended is attached for all business links with an offer. The final payment of DTI grant will be made up to four months after the dates shown. Following the pump-priming period, the DTI will continue to contribute to the cost of business link services.

Area	*Date when pump priming offer funding ended or is due to end*
Birmingham	31 March 1996
Manchester	31 March 1996
North Cheshire	31 March 1996
South-east Cheshire	31 March 1996
Tyneside	31 March 1996
Leicestershire	26 September 1996
Hereford and Worcester	9 March 1997
CEWTEC/Ellesmere Port	27 March 1997
Gloucestershire	30 March 1997
Barnsley/Doncaster	31 March 1997
Dorest	31 March 1997
Thames Valley	31 March 1997
Wigan	31 March 1997
Shropshire	5 April 1997
Walsall	11 July 1997
Southern Derbyshire	26 July 1997
Lincolnshire	29 July 1997
Dudley	31 July 1997
Wearside	31 July 1997
Cumbria	30 September 1997
Merseyside	30 September 1997
County Durham	23 March 1998
Calderdale and Kirklees	31 March 1998
Central England	31 March 1998
Coventry/Warwickshire	31 March 1998
Devon and Cornwall	31 March 1998
Isle of Wight	31 March 1998
Milton Keynes	31 March 1998
Northumberland	31 March 1998
Rotherham	31 March 1998
Staffordshire	31 March 1998
Teeside	31 March 1998
WESSTTEC (Avon)	31 March 1998
Sandwell	9 April 1998
Bedfordshire	30 April 1998
Rochdale	30 April 1998
St. Helens	30 April 1998
Oldham	21 May 1998
Sheffield	29 June 1998
Somerset	30 June 1998
Bolton/Bury	31 July 1998
North Derbyshire	10 August 1998
Leeds	17 August 1998
Greater Nottingham	22 August 1998
Hertfordshire	31 August 1998
Humberside	17 September 1998
City Partners (London)	30 September 1998
Kent	30 September 1998
Wakefield	9 October 1998
Wiltshire	13 October 1998
East London	22 October 1998
Central London	23 October 1998
South-west London	24 October 1998
West London	24 October 1998
South London	26 October 1998
Northamptonshire	6 November 1998
Essex	18 December 1998
Sussex	31 December 1998
North Nottinghamshire	17 January 1999
LAWTEC (central and west Lancashire)	25 January 1999
Norfolk and Waveney	31 January 1999
North-west London	31 January 1999
Bradford and district	5 February 1999
North London	19 February 1999
Surrey	25 February 1999
Greater Peterborough	28 February 1999
Heart of England	28 February 1999
Wolverhampton	12 March 1999
Central and south Cambridgeshire	31 March 1999
North Yorkshire	31 March 1999
High Peak	31 March 1999
Suffolk	31 March 1999
Hampshire	31 May 1999
Stockport	11 June 1999

China (Arms Embargo)

Mr. Llew Smith: To ask the President of the Board of Trade if he will set out those sections of the Export of Goods (Control) Order 1994 which apply in the case of the arms embargo on China. [6069]

Mr. Lang: I refer the hon. Gentlemen to the answer given by the Minister of State for Foreign and Commonwealth Affairs on 31 March 1995, *Official Report*, columns *842–43*. Goods in the categories listed in that answer are entered in part III of schedule 1 to the Export of Goods (Control) Order 1994 as amended.

Nuclear Industry (Exports)

Mr. Meacher: To ask the President of the Board of Trade what environmental impact assessment has been conducted on the proposed mixed oxide export facility at Sellafield. [5728]

Mr. Page: None. I understand that British Nuclear Fuels plc considers that the proposed mixed oxide export facility would not have any significant environmental effects and would not therefore require such an assessment to be made. The facility would involve only the storage of fuel before it is despatched to the customer, not any additional fuel production.

Mr. Dalyell: To ask the President of the Board of Trade what action he is taking to promote British exports in relation to *(a)* components of nuclear power stations and *(b)* fuel cycle services to Pacific rim countries. [4853]

Mr. Page: My Department offers a range of support and services depending on the nature of specific bids and requests from the nuclear industry. Diplomatic support and export credits are also available. My ministerial colleagues and I take all suitable opportunities to promote the interests of nuclear power station and fuel cycle exporters when meeting our overseas counterparts. My officials' regular contact with representatives of nuclear companies and their trade association includes discussions about their international business.

Nuclear Accidents

Mr. Meacher: To ask the President of the Board of Trade what progress has been made in the clean-up and decontamination of the B38 and B701 buildings and surrounding areas at Sellafield in respect of radioactive leaks and high activity waste; where the contaminated soil has disposed of; and what has been the cost to date of the restoration programme. [5730]

Mr. Page: This is an operational matter for British Nuclear Fuels plc, subject to meeting the appropriate regulatory requirements. All decommissioning and clean-up of sites is, however, carried out in accordance with a predetermined programme approved by the regulatory authorities.

Combined-Cycle Gas Turbine Power Stations

Mr. Battle: To ask the President of the Board of Trade how many applications his Department has received for combined-cycle gas turbine power stations since 1990; and how many are awaiting decision. [6296]

Mr. Page: Forty-three applications for new combined-cycle gas turbine power stations have been received to date. Three of these were received before 1990. Eleven are awaiting decision and five have been withdrawn.

Mr. Battle: To ask the President of the Board of Trade how many combined-cycle gas turbine power stations are currently under construction; and what is the total coal burn equivalent of these stations. [6298]

Mr. Page: The only available data to hand are from the National Grid Company's seven-year statement. This indicates that 2 GW of CCGT capacity, with connection agreements in place, is under construction. The effect of new CCGT generating capacity on other plant will depend on the operating regime adopted at the time.

Mr. Battle: To ask the President of the Board of Trade how many section 36 of the 1989 Electricity Act applications for combined-cycle gas turbine power stations have been granted to date. [6297]

Mr. Page: Twenty-seven applications for new combined-cycle gas turbines power stations have been granted to date.

Wind Farms

Mr. Battle: To ask the President of the Board of Trade how many applications for wind farm power generation he has received by region. [6299]

Mr. Page: The competition for contracts under the non-fossil fuel obligation is heavily oversubscribed. For wind energy, there are 167 project proposals, of which 14 are in the licence area of Eastern Group; 34 are in the licence area of Merseyside and North-Western Electricity Board plc; two are in the licence area of Midlands Electricity plc; 30 are in the licence area of North Western Electricity Board plc; 16 are in the licence area of Northern Electric; 16 are in the licence area of South Western Electricity plc; three are in the licence area of Southern Electric plc; 21 are in the licence area of Yorkshire Electricity Group plc; 29 are in the licence area of South Wales Electricity plc; and two are in Scotland.

Chemical Weapons

Mrs. Clwyd: To ask the President of the Board of Trade if he will extend the provisions of the chemical weapons legislation to make it an offence to develop a chemical weapon or to assist in the development of a chemical weapon by transferring technology to another person or countries. [5884]

Mr. Lang: No. Under the Chemical Weapons Act 1996, it is an offence to develop a chemical weapon and individuals who participate in the development by somebody else of such a weapon by transferring technology would be guilty of the offence. The export of technology for the development of a chemical weapon is prohibited by export control legislation.

Mrs. Clwyd: To ask the President of the Board of Trade if he will extend the provisions of the chemical weapons legislation to other areas of weapons of mass destruction and conventional weapons. [5885]

Mr. Lang: My Department's consultative document, "Strategic Export Controls" (Cm. 3349), presented to Parliament in July, sought views on all aspects of strategic export control procedures and policy, including the possibility of new legislation. Among the specific issues raised was whether the provision in the Chemical Weapons Act 1996 creating the offence of developing a chemical weapon should be applied in relation to other forms of technology relevant to the production of weapons of mass destruction or their means of delivery. The consultation period closed at the end of October and the Department is currently considering the responses and follow-up action to the consultation.

Arms Exports

Mrs. Clwyd: To ask the President of the Board of Trade if he will consider providing that final approval for licences for arms exports to Governments with poor human rights is made by a parliamentary Select Committee. [5879]

Mr. Lang: The issues of parliamentary scrutiny and the location of the export licensing authority within Government are matters on which views were sought in my Department's consultative document "Strategic Export Controls" (Cm. 3349) which was presented to Parliament in July. The consultation period closed at the end of October and the Department is currently considering the responses and follow-up action to the consultation.

Mrs. Clwyd: To ask the President of the Board of Trade if he will impose an export licence requirement prior to negotiation of each individual arms transfer. [5887]

Mr. Lang: My Department's consultative document, "Strategic Export Controls" (Cm. 3349), presented to Parliament in July, sought views on all aspects of strategic export control procedures and policy, including the possibility of new legislation. The consultation period closed at the end of October and the Department is currently considering the responses and follow-up action to the consultation.

Newsagents

Dr. Lynne Jones: To ask the President of the Board of Trade if he will list the number of professional newsagents in business currently and in each of the last five years. [6403]

Mr. MacShane: To ask the President of the Board of Trade how many professional newsagents are in business in South Yorkshire; and how many there were in each of the last five years. [6617]

Mr. Page: This information is not available from official sources.

Correspondence

Mr. Pawsey: To ask the President of the Board of Trade for what reasons his Department took from 16 July to 25 October to decide that the letter from the hon. Member for Rugby and Kenilworth relating to his constituent, Mr. C. V. Cottle, was the responsibility primarily of Her Majesty's Treasury. [6621]

Mr. John M. Taylor: Unfortunately, my Department has no record of having received my hon. Friend's letter of 16 July to my hon. Friend, the then Under-Secretary of State with responsibility for company affairs.

As soon as my hon Friend brought it to my private office's attention on 17 October that there was an outstanding letter, officials searched the correspondence database. No reference to this letter was found. My hon. Friend therefore kindly faxed to my office a copy of the letter on the same day. On its receipt it was forwarded to my officials who advised, shortly afterwards, that it was more appropriate for Her Majesty's Treasury to answer. The letter was duly transferred to Her Majesty's Treasury on 25 October.

Nuclear Energy

Mr. Dalyell: To ask the President of the Board of Trade if he will make a statement on the relationship between trends in the output of nuclear energy generated and the United Kingdom's CO_2 obligations. [4850]

Mr. Page: Government policy is to ensure that the United Kingdom meets its commitments under the framework convention on climate change which it ratified in 1993. Emission of carbon dioxide, the most important greenhouse gas, are expected to be 6 to 13 million tonnes of carbon below their 1990 level by 2000. Projected increases in electricity generation by nuclear power stations are estimated to contribute savings in emissions of 2.9 million tonnes of carbon in 2000.

Mr. Dalyell: To ask the President of the Board of Trade what steps he is taking to promote long-term generic research into nuclear energy. [4851]

Mr. Page: The Government believe that the generation of energy using nuclear fission is a mature technology and consequently that future research in that area should be funded by industry. The Government continue to support research into nuclear fusion as part of the European Union programme.

Electric Cars

Mr. Dalyell: To ask the President of the Board of Trade by what means his Department supports the development of electric cars. [4852]

Mr. Greg Knight: Alternative propulsion technology, including electric and hybrid motors, is a key theme in the developing foresight vehicle initiative. The DTI is also supporting a number of trials of alternatively fuelled vehicles, including electric vehicles. In addition, the Department assists British companies in bringing relevant technology to the international market—for example by supporting a British presence at the recent international electric vehicle exhibition in Osaka, Japan.

Fast-breeder Reactors

Mr. Dalyell: To ask the President of the Board of Trade if he will make a statement on the research evaluated by his Department relating to the issue of fast-breeder reactors as fast burners; and what discussions his officials have had with the managers of the Super Phoenix project. [4854]

Mr. Page: In 1992 the Government concluded that their continued funding of fast-reactor research was no longer sufficiently justified by the potential for power production of plutonium burning. My officials have had no recent contact with the managers of Super Phoenix.

Riot Contact Equipment

Mr. Fatchett: To ask the President of the Board of Trade what trans-shipment licences have been granted for the movement of electro-shock batons from South Africa to Britain and then beyond within the last five year; and if he will make a statement. [2484]

Mr. Lang *[holding answer 6 November 1996]:* None.

Research

Mr. Dalyell: To ask the President of the Board of Trade what estimate he has made of Government expenditure on funding of *(a)* fundamental research and *(b)* applied research, in the expectation of profitable outcome for each year since 1990; and what proportion in currently available figures this represents of the total available to his Department for scientific research. [4272]

Mr. Ian Taylor *[holding answer 25 November 1996]:* The information is not available in the form requested. Government-funded research is classified into basic research and applied research, using the definitions in the OECD publication, "The Measurement of Scientific Activities", the so-called "Frascati Manual"—OECD Paris, 1994. ISBN 926414202 9. The breakdown by these categories over the years 1990–91 and 1994–95 for both total Government expenditure and DTI implementation on research is as follows:

Net Government research expenditure by Frascati type of research activity

£ million cash

	1990–91	*1991–92*	*1992–93*	*1993–94*	*1994–95*
Total Government research					
Basic	1,288	1,362	1,512	1,572	1,722
Applied	1,799	1,734	1,846	2,069	1,955
Total	3,087	3,097	3,358	3,641	3,677
Applied as percentage of total research	58	56	55	57	53
Government civil research					
Science and engineering base (SEB)					
Basic	1,222	1,299	1,428	1,470	1,641
Applied	463	485	509	591	509
Applied as percentage of total SEB research	27	27	26	29	24
Other civil research					
Basic	83	75	61	68	83
Applied	911	793	803	822	780
Applied as percentage of total other civil research	92	91	93	92	90
Total civil research					
Basic	1,291	1,361	1,511	1,571	1,724
Applied	1,408	1,325	1,310	1,415	1,287
Total	2,698	2,686	2,820	2,986	3,011
Applied as percentage of total civil research	52	49	46	47	43
Government defence research					
Basic	0	0	0	0	0
Applied	389	411	538	654	666
Total	389	411	538	654	666
Department of Trade and Industry research					
Basic	0	0	0	2	2
Applied	420	278	278	267	236
Total	420	278	278	269	238
Applied as percentage of total DTI research	100	100	100	99	99

Source:

Annual Reviews of Government funded R and D, 1992, 1993.
Forward Looks of Government funded SET, 1994, 1995.SET Statistics 1996.

Export Credits (Argentina)

Sir Jim Lester: To ask the President of the Board of Trade what was the outcome of the Export Credits Guarantee Department's reassessment, commenced in August 1995, of the premium rate chargeable in respect of exports to Argentina; how the rate charged now compares to the rates chargeable prior to this review; what information he has on the rates charged for comparable cover in the United States, France, Germany and Italy; what factors underlie the difference between these rates and the ECGD rates; and if he will make a statement. [6221]

Mr. Lang *[holding answer 27 November 1996]:* The ECGD's most recent review of Argentina pointed to improving risk prospects, which resulted in a premium rate reduction of around 7 per cent. The ECGD's benchmark premium rate is now 7.75 per cent., compared with the average of the rates of USA, France, Germany and Italy of 4.46 per cent. and of the average of all the main export credit agencies—ECAs—of 5.12 per cent. I am unable to provide information on individual ECA rates, which have been given to the ECGD in confidence.

The ECGD is required to match its premium to the perceived risk; its premium is consistent with the view of Argentinian risk taken by bond markets as reflected in yield spreads. We do not know precisely what factors other countries take into account in setting premium rates; but others such as Eximbank (USA) are charged with providing competitive premiums. Work is well advanced in the OECD and the EU on premium harmonisation.

HEALTH

Health Authorities (Finance)

Mr. Lidington: To ask the Secretary of State for Health when he will announce the 1997–98 hospital and community health services revenue allocations for health authorities. [6590]

Mr. Dorrell: The 1997–98 hospital and community health services integrated revenue allocations for weighted populations are given, by health authority, in the table.

These reflect changes made to the national weighted capitation formula which introduce an interim needs weighting for community health services, a revised adjustment to take account of unavoidable geographical variations in the cost of providing services—market forces factor—and the introduction of specific formulae for certain special allocations.

1997–98 health authority integrated allocations

	£000s
Avon	429,896
Barking and Havering	189,282
Barnet	156,208
Barnsley	109,499
Bedfordshire	224,255
Berkshire	311,877
Bexley and Greenwich	223,868
Birmingham	504,039
Bradford	227,671
Brent and Harrow	240,417
Bromley	136,118
Buckinghamshire	265,389
Bury and Rochdale	182,992
Calderdale and Kirklees	271,159
Cambridge and Huntingdon	172,386
Camden and Islington	252,342
Cornwall and Isles of Scilly	228,492
County Durham	295,745
Coventry	141,671
Croydon	153,336
Doncaster	138,231

1997–98 health authority integrated allocations

	£000s
Dorset	329,683
Dudley	134,349
Ealing, Hammersmith and Hounslow	360,889
East and North Hertfordshire	206,396
East Kent	289,555
East Lancashire	251,028
East London and the City	365,401
East Norfolk	273,767
East Riding	260,454
East Surrey	184,238
East Sussex, Brighton and Hove	373,009
Enfield and Haringey	247,987
Gateshead and South Tyneside	186,073
Gloucestershire	245,080
Herefordshire	72,165
Hillingdon	117,829
Isle of Wight	67,969
Kensington, Chelsea and Westminster	212,352
Kingston and Richmond	157,747
Lambeth, Southwark and Lewisham	441,011
Leeds	338,225
Leicestershire	377,913
Lincolnshire	279,186
Liverpool	253,812
Manchester	249,626
Merton, Sutton and Wandsworth	324,133
Morecambe Bay	152,022
Newcastle and North Tyneside	245,697
North and East Devon	223,273
North and Mid Hampshire	220,166
North Cheshire	151,744
North Cumbria	144,973
North Derbysbire	168,457
North Essex	370,276
North Nottinghamshire	173,509
North Staffordshire	220,256
North-West Anglia	180,083
North-West Lancashire	233,310
North Yorkshire	320,294
Northamptonshire	254,063
Northumberland	141,256
Nottingham	285,635
Oxfordshire	235,891
Portsmouth and South-East Hampshire	241,961
Redbridge and Waltham Forest	231,482
Rotherham	119,102
Salford and Trafford	223,551
Sandwell	145,602
Sefton	144,793
Sheffield	270,480
Shropshire	177,984
Solihull	84,643
Somerset	213,079
South and West Devon	281,747
South Cheshire	293,292
South Derbyshire	245,831
South Essex	301,832
South Humber	145,473
South Lancashire	138,607
South Staffordshire	239,546
Southampton and South-west Hampshire	234,720
St. Helen's and Knowsley	160,888
Stockport	125,475
Suffolk	285,450
Sunderland	146,274
Tees	266,775
Wakefield	151,933
Walsall	119,443
Warwickshire	219,586
West Hertfordshire	235,955
West Kent	409,273
West Pennine	224,126
West Surrey	276,836

1997–98 health authority integrated allocations

	£000s
West Sussex	342,957
Wigan and Bolton	270,343
Wiltshire	254,638
Wirral	162,272
Wolverhampton	117,523
Worcestershire	224,797
Total	22,903,923

Integrated health authority allocations comprise general allocations;
General medical services (staff, premises improvements and computing cost);
Out of hours Development Fund;
Joint finance;
AIDS prevention;
Drug misuse.

NHS Executive

Mr. Redmond: To ask the Secretary of State for Health what arbitration over contracts between purchasers and providers has taken place in the NHS executive Trent since 1 April; which authorities and trusts were involved; when the arbitration guidance was issued, and to what financial year it related. [5145]

Mr. Malone: One formal contract arbitration has taken place in Trent region since 1 April 1996 between Central Sheffield University Hospitals national health service trust and Chesterfield and North Derbyshire Royal Hospital national health service trust.

For 1996–97, national health service executive Trent sent guidance on contract arbitration to all health authorities and trusts in the Trent region on 1 March 1996.

Mixed-sex Wards

Mr. Winnick: To ask the Secretary of State for Health when he expects the practice of mixed wards to end; and if he will make a statement. [5697]

Mr. Horam: It is for trusts and health authorities to manage priorities and strike a balance when deciding their local priorities. Under the patients charter, patients have the right, except in emergencies, to be told before admission if it is planned to care for them in a mixed-sex ward. Patients can expect their privacy and dignity to be respected and for there to be single-sex washing and toilet facilities. Single-sex accommodation can often be provided within mixed-sex wards. We are preparing guidance on the design of acute wards which will give examples of how this can be done.

Mr. Chris Smith: To ask the Secretary of State for Health what is his Department's definition of a mixed-sex ward. [5775]

Mr. Horam: A ward in which male and female patients are accommodated.

Health Visitors

Mr. Chris Smith: To ask the Secretary of State for Health what has been the total number of health visitors in England in each of the last 10 years; and what has been the average case load carried in each of those years. [5288]

Mr. Horam: Information on health visitors' case load is not available centrally. The number of health visitors employed by the hospital and community health services each year up to and including 1994–95 is available from the Department of Health's annual publication, "Health and Personal Social Services Statistics for England", copies of which are available in the Library.

Information on the number of health visitors at September 1995—the latest available—which are not directly comparable with the information for earlier years, are available in the Department of Health's Statistical Bulletin, "NHS hospital and community health services non-medical staff in England: 1985–1995", copies of which are in the Library. Information on the total number of face-to-face contacts made by health visiting staff during the financial year 1995–96 will be available shortly; copies will be placed in the Library.

Elective Surgery

Ms Jowell: To ask the Secretary of State for Health if he will list the health authorities that have not met the patients charter standards relating to admission for elective surgery within 18 months of referral to a consultant surgeon for each year since 1994. [5381]

Mr. Horam: The patients charter guarantees that all patients will be treated within 18 months of a decision to admit to hospital, not within 18 months of being referred to a consultant. Information in the form requested is not available.

General Council for Social Services

Mr. Chris Smith: To ask the Secretary of State for Health how many representations he has received in the past year in favour of a general council for social services. [5285]

Mr. Burns: Ministers and officials have received about 30 letters.

General Practitioners

Ms Jowell: To ask the Secretary of State for Health if he plans to define the core general medical services that should be provided by general practitioners. [5378]

Mr. Malone: General practitioners' responsibilities are set out in their terms of service.

Medical Negligence Claims

Ms Jowell: To ask the Secretary of State for Health what has been the total amount of money paid from NHS funds to claimants as a result of medical negligence claims in each year since 1990. [5382]

Mr. Horam: I refer the hon. Member to the figures that were given to the hon. Member for Darlington (Mr. Milburn) on 6 March 1995, *Official Report*, column *41–42*, and 17 May 1996 at column *586*. As was made clear at the time, the figures for the earlier years were based on information which was not comprehensive and in particular did not include data from national health service trusts. The table shows the regional breakdowns based on latest estimates for 1993–94, 1994–95 and 1995–96, consistent with the national estimates for those years.

Costs to the NHS of clinical negligence settlements by region

Region	*1993–94 £ million (estimated)*	*1994–95 £ million (estimated)*	*1995–96 £ million (estimated)*
Northern and Yorkshire	15.2	25.0	16.3
Trent	7.1	11.7	15.1
Anglia and Oxford	10.6	18.2	14.8
North Thames	21.4	30.4	37.2
South Thames	30.6	26.9	18.6
South and West	8.0	19.2	16.4
West Midlands	8.4	6.1	6.4
North West	16.6	22.5	24.3
Total	117.9	160.0	149.1

Dental Services

Mr. Gordon Prentice: To ask the Secretary of State for Health how many dentists offer national health service treatment; and what was the number in 1992. [5573]

Mr. Malone: The number of dentists on health authorities' lists in England was 15,411 at 30 September 1992 and 16,336 at 30 September 1996.

Single-sex Wards

Mr. Chris Smith: To ask the Secretary of State for Health what estimate he has made of the cost of restoring all NHS wards to a single-sex basis. [5774]

Mr. Horam: No such estimate has been made.

North West Regional Health Authority

Mr. Callaghan: To ask the Secretary of State for Health if he will make a statement on trends in patient demand in the North West regional health authority area. [5851]

Mr. Horam: The north-west, in common with other regions, has experienced a steady growth in demand for hospital treatment in recent years. Hospital activity in the year 1995–96 showed an increase of 3 per cent. in ordinary admissions, 23.4 per cent. in day cases and 0.4 per cent. in out-patients over the corresponding figures for 1994–95.

Child Protection Register

Mr. Callaghan: To ask the Secretary of State for Health at what age local authorities remove children from the child protection register; and if he will bring forward measures to ensure that all children can be kept on such registers until the age of 18 years. [5849]

Mr. Burns: "Working Together Under the Children Act 1989", the Government's guidance on inter-agency co-operation for the protection of children from abuse, copies of which are available in the Library, advises that the purpose of the child protection register is to provide a record of all children in the area for whom there are unresolved child protection issues and who are currently the subject of an inter-agency protection plan and to ensure that the plans are formally reviewed every six months. De-registration should be considered at every child protection review. For de-registration to occur all

members of the review conference must be satisfied that the abuse or risk of abuse is no longer present or is no longer of a level to warrant registration. The criteria for de-registration are that the original factors which led to registration no longer apply; that the child and family have moved permanently to another area which has accepted responsibility for the future management of the case; that the child is no longer a child in the eyes of the law i.e. the child reaches 18 years of age or the child marries; or that the child dies. It would not be justified to require the retention of all children on the register until they reached 18.

Hepatitis C

Mr. John Marshall: To ask the Secretary of State for Health what estimates his Department made of the number of haemophiliacs infected with hepatitis C who will die in the next five years. [6295]

Mr. Horam: The Department has made no estimates of this kind.

Mental Health

Mr. Thurnham: To ask the Secretary of State for Health what criteria he uses to assess the provision of child and adolescent mental health services in each area of the country; if he will rank each area of the country in the provision of services adopting these criteria; what guidance and publications his Department proposes to produce on child and adolescent mental health services in the next six months; and if he will make a statement. [6125]

Mr. Burns: National health service executive regional offices are responsible for assessing individual health authorities' performance against milestones set out in the priorities and planning guidance. This includes the implementation of policy on child and adolescent mental health services.

Regional offices use the policy guidance set out in the "Child and Adolescent Mental Health Services Health of the Nation Handbook" as a means to assess performance. Performance would be assessed against local needs and a national ranking of performance has not been considered.

We have produced various publications and guidance in recent years, there are no plans to produce additional material in the next six months.

Assisted Conception

Mr. Thurnham: To ask the Secretary of State for Health what criteria his Department recommends local health authorities apply to couples awaiting assisted conception treatment. [6257]

Mr. Horam: Decisions about provision, priority and resources for infertility services are made by individual health authorities, who are in the best position to determine priorities in the light of local needs and circumstances. The decisions must be made on the basis of sound evidence.

Advice is available to health authorities and clinicians in the following publications:

The effective health care bulletin, "The Management of Subfertility" (August 1992), published for the NHS management executive by a consortium of Leeds and York universities and the research unit of the Royal College of Physicians.

The Royal College of Obstetricians and Gynaecologists "Infertility—Guidelines for Practice".

Copies of these are available in the Library.

The RCOG is reviewing its 1992 guidance as part of a project sponsored by the Department of Health. The revised guidelines should be available to clinicians next year.

Audit Commission

Mr. Mans: To ask the Secretary of State for Health what was the total fee charged by the Audit Commission for the services carried out for the NHS in *(a)* 1993, *(b)* 1994 and *(c)* 1995; and what is the estimated fee in 1996. [6247]

Mr. Horam: According to the annual report and accounts of the Audit Commission, its total audit fees charged to the national health service were:

1993–94: £32.236 million

1994–95: £36.789 million

1995–96: £38.759 million

The Audit Commission estimates fees for 1996–97 at £37.6 million.

Waiting Times (Doncaster)

Mr. Kevin Hughes: To ask the Secretary of State for Health what assessment he has made of the average waiting time for hospital treatment for patients of *(a)* fundholding and *(b)* non-fundholding general practitioners in Doncaster. [6607]

Mr. Horam: Such information as is available centrally is contained in "Hospital Waiting List Statistics: England (Resident Based)", copies of which are available in the Library. This shows, by individual health authority and specialty and within six month time bands, the number of patients waiting for admission to hospital. Average waiting times are not collected centrally. Patients funded by health authorities and those funded by general practitioner fundholders are also shown separately.

Waiting Lists

Mr. Robathan: To ask the Secretary of State for Health what was the number of people waiting over one year for an operation in *(a)* 1989, *(b)* 1992 and *(c)* 1996. [6545]

Mr. Horam: It is not possible to say how many people were waiting over a year for operations. Information available centrally shows patients waiting for admission, whether this is for surgery, medical treatment, assessment, therapy or rehabilitation. Information on this basis is given in the table.

Patients waiting more than a year for admission to hospital

	Number
30 September 1989	218,116
30 September 1992	80,581
30 September 1996	[1]15,050

[1] Provisional.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Health what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6456]

Mr. Horam: The Department provides nursery, creche and school holiday play scheme places for its staff. There is also access to a confidential advisory service.

Information about the number of employees using the facilities since 1992 is not available centrally.

Home-Start UK

Mrs. Wise: To ask the Secretary of State for Health what assessment he has made of the research undertaken by the University of Leeds on the work of Home-Start UK—helping families under stress; and if he will make a statement. [6483]

Mr. Burns: The research report indicates that these schemes have been very effective in providing positive support to families for children.

Mrs. Wise: To ask the Secretary of State for Health what funding Home-Start UK has received from his Department in each of the last two years. [6484]

Mr. Burns: In the current financial year Home-Start UK is due to receive a core grant of £85,000 from this Department.

In the previous year for Home-Start UK, the equivalent core funding was £95,000. The Department's policy is to generally phase out core grants over a five-year period.

In addition local projects have received, and are receiving, some funding from the Department, especially the project in Wakefield, which received £618,807 over a three year period ending in 1995–96.

Acute Psychiatric Beds

Ms Coffey: To ask the Secretary of State for Health how much each health authority has spent on purchasing acute psychiatric beds from the private sector in each of the last five years and in the current year to date. [6671].

Mr. Burns: This information is not collected centrally.

Ms Coffey: To ask the Secretary of State for Health what has been the occupancy rate of acute hospital beds in the psychiatric sector in each region in each year since 1989. [6673]

Mr. Burns: Information on bed occupancy has been collected centrally only for periods from April 1996. We expect the first such information to be available from October 1997.

Women

Mrs. Roche: To ask the Secretary of State for Health what proportion of those employed by his Department in 1992–93 were women. [6474]

Mr. Horam: Prior to April 1993, staff in post information was not collated by gender. At 1 April 1993, 52 per cent. of the Department of Health's staff were women.

Mrs. Roche: To ask the Secretary of State for Health how many women are currently employed by his Department at each civil service grade. [6445]

Mr. Horam: The information is given in the table.

Grade	*Number*
UG1	0
UG2	0
UG3	6
UG4	19
UG5	73
UG6	62
UG7	292
SEO	159
AT/HEO(D)	22
HEO	366
EO	520
AO	894
AA	229
Other	55

Alpha-1-antitrypsin Deficiency

Mr. Betts: To ask the Secretary of State for Health what plans he has to provide funding for the research into the genetic disease alpha-1-antitrypsin deficiency. [6087]

Mr. Horam: A major part of the biomedical research in this country and abroad is directed towards a better understanding of metabolic diseases such as alpha-1 antitrypsin deficiency. The main agency through which the Government support biomedical and clinical research is the Medical Research Council, which is the responsibility of my right hon. Friend the President of the Board of Trade. The Medical Research Council is always open to receiving proposals for new research initiatives.

Mr. Betts: To ask the Secretary of State for Health what plans he has to introduce a screening programme for the genetic disease alpha-1 antitrypsin deficiency. [6088]

Mr. Horam: Alpha-1 antitrypsin deficiency is one of many inborn errors of metabolism which are currently being considered as potential extensions to the existing neonatal screening programme—currently covering phenylketonuria and congenital hypothyroidism. The national health service executive research and development health technology assessment programme has commissioned two complementary systematic reviews of neonatal screening for inborn errors of metabolism. These reviews are considering the wider range of disorders in terms of screening effectiveness, cost and acceptability to parents.

The reviews are due to be completed early in 1997, after which the reports will be presented to the national screening committee, chaired by the Chief Medical Officer. Evidence from these reports, and evidence from any other robust research, will be considered by the committee before making any recommendations to the NHS executive board and Ministers about change to the neonatal screening programme.

NORTHERN IRELAND

Computers

Mr. Hoon: To ask the Secretary of State for Northern Ireland how many separate computer programs his Department operates. [5353]

Sir John Wheeler: There is no universal definition of what constitutes a computer program. A formula or a simple line of executable code could be said to be a program, however my Department is at present responsible for 254 major software systems.

Mr. Hoon: To ask the Secretary of State for Northern Ireland how many lines of computer code there are in his Department's computer systems. [5344]

Sir John Wheeler: My Department uses a number of proprietary software packages and, for these, information on the number of programs or lines of source code is known only to the supplier.

My Department is carrying out an inventory of that bespoke software which is likely to still be in use in year 2000 as part of our strategy for dealing with the year 2000 date change issue, but compilation of the inventory is not yet complete.

Investment (Belfast, West)

Dr. Hendron: To ask the Secretary of State for Northern Ireland what funding from the European Union peace and reconciliation package has been released to community and voluntary organisations in the Belfast, West constituency to date. [5127]

Sir John Wheeler: Information is currently held at district council level and is not available at the level of detail requested. To date, around £5.5 million of EU assistance has been awarded to community and voluntary organisations in the Belfast district council area. In addition, letters of offer to the value of £1.09 million EU assistance have recently been issued to the Belfast European partnership board in respect of stage 1 of its action plans has recently been issued.

School Children (Dundonald)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what reports he has received relating to the conduct of children of 10 to 15 years of age after leaving school in the Dundonald area. [5121]

Sir John Wheeler: I am not aware of any reports having been received on this subject. I have, however, brought the question to the attention of the police.

Women

Mrs. Roche: To ask the Secretary of State for Northern Ireland what proportion of those employed by his Department in 1992–93 were women. [6436]

Sir John Wheeler: A total of 43.4 per cent.

Note:

This figure is taken from the fifth report of the Northern Ireland civil service equal opportunities unit and relates to the position at 1 January 1993. It includes both industrial and non-industrial staff.

Mrs. Roche: To ask the Secretary of State for Northern Ireland how many women are currently employed by his Department at each civil service grade. [6433]

Sir John Wheeler: The information requested is to be found in the following tables.

Notes:

1. Table A shows the number of female permanent non-industrial staff in the Northern Ireland civil service working in the Northern Ireland Departments, the Northern Ireland Office and the Police Authority for Northern Ireland.

2. Table B shows the number of female permanent industrial staff in NICS.

3. Table C shows the number of female permanent home civil service staff in the Northern Ireland Office.

4. Tables A and C show the position at 26 November 1996. Table B shows the position at 1 January 1996.

5. Casual staff are excluded from all tables.

Table A: Northern Ireland civil service permanent non-industrial staff (Female)

Grade Description	*Total*
2nd Legislation counsel	1
Accommodation manager (Enniskilin)	1
Accommodation manager/ess	1
Accountant DP	9
Accountant grade 7	2
Accountant (staff officer)	1
Administration officer (London)	1
Administrative assistant	2,147
Administrative officer	2,677
Agriculture inspector grade I	1
Agriculture inspector grade II	12
Agriculture inspector grade III	47
Agricultural economist	1
Assistant accommodation manager/ess	1
Assistant librarian	7
Assistant scientific officer	85
Assistant economist	4
Assistant statistician	22
Auditor DP MIIA and BATS	2
Auditor (SO) MIIA and BATS	9
Auditor (SO) MIIA or BATS	1
Brucella tester	9
Careers adviser	2
Careers officer	58
Catering adviser	1
Catering manager 3	1
Chief education and training officer (G7)	1
Chief mapper	1
Chief medical officer	1
Chief nursing officer	1
Chief psychologist GR6	1
Chief typing manager	7
Curatorial grade 8 (G6)	1

Table A: Northern Ireland civil service permanent non-industrial staff (Female)

Grade Description	*Total*
Curatorial grade C (G7)	2
Curatorial grade D	3
Curatorial grade E	2
Custodian (historic mnts)	1
Day cleaner	2
Day cleaner (new style)	5
Dental officer	1
Dental surgery assistant	3
Deputy principal information officer	4
Deputy catering adviser	1
Deputy economist	2
Deputy principal statistician	20
Deputy principal	166
Deputy principal (London)	1
Development executive	5
Director law reform (G5)	1
Divisional veterinary officer	1
Education officer	1
Enforcement officer	1
Environmental health officer	1
Executive officer 2 (London)	1
Executive officer 1 (MT)	1
Executive officer 1	725
Executive officer 2	1,057
Field monument warden	1
Food technology technician	1
Forest officer grade III	2
G/T electrical engineer	1
Grad trainee civil engineer	1
Grade 7 (London)	1
Higher instructional officer	1
Higher Map and Charting officer	1
Higher photographic officer	1
Higher scientific officer	30
HPTO (architect)	1
HPTO (civil eng asst)	4
HPTO (civil engineer)	10
HPTO (M and E engineer)	1
HPTO (planning asst)	7
HPTO (planning officer)	10
Industrial accountant (G7)	1
Information officer	2
Inspector (G6)	15
Inspector (SSI)	5
Inspector group 1	11
Inspector group 2	2
Inspector (health and safety)	2
Inspector 2 (health and safety)	2
Instructional officer 1	9
Law clerk 1	19
Law clerk 2	3
Legal assistant	23
Librarian	1
Management trainee	10
Map and charting tech grade 1	2
Map and charting tech grade 2	1
Mapper	24
Mapping and charting officer	10
Meat inspector	10
Medical officer	4
Nurse grade C	1
Nurse grade E	6
Nurse grade F	1
Nurse grade G	2
Nursing officer	2
O level tr civ eng asst	4
Personal secretary	190
Poultry meat inspector	6
PPTO civil engineer	1
PPTO planning officer	3

Table A: Northern Ireland civil service permanent non-industrial staff (Female)

Grade Description	*Total*
Prin agric economist (G7)	2
Prin information officer (G7)	1
Prin scientific officer (G7)	6
Prin statistician (G7)	7
Principal (G7)	50
Principal accountant	1
Principal economist (G7)	1
Principal nurse	1
Principal psychologist	2
Programmer	35
Programmer/analyst	44
PTO (architectural asst)	1
PTO (civil eng asst)	23
PTO (L'scape arch asst)	3
PTO (planning asst)	17
PTO (Quant surv asst)	1
PTO Elect eng asst.	1
PTO supplies	1
Scientific officer	64
Sen occuptnl health nurse	1
Sen vet research officer 2	2
Senior audit assistant LG	1
Senior careers officer	7
Senior civil service	13
Senior examiner	1
Senior law clerk	9
Senior legal assistant	37
Senior mapper	7
Senior medical officer	5
Senior personal secretary	41
Senior scientific officer	32
Senior systems analyst	11
Senior teacher	1
Social security officer 1	713
Social security offr2 A	61
Social security offr2 B	1,276
SP veterinary officer (G6)	1
SPTO (architect)	2
SPTO (architectural asst)	1
SPTO (civil engg asst)	2
SPTO (civil engineer)	2
SPTO (landscape architect)	1
SPTO (planning officer)	5
SPTO (quantity surveyor)	1
Staff inspector (G5)	2
Staff off(A)/adm trainee	2
Staff officer	385
Staff officer (accountant)	12
Superintendent mapper	1
Support grade band 1	254
Support grade band 2	214
Support manager 2	2
Support manager 3	17
SW course student (IT)	5
Systems analyst	31
Teacher	4
Technical grade 1	28
Technical grade 2	7
Temporary veterinary off	5
TGI (asst warden)	2
Trainee careers officer	1
Trainee planning assistant	3
Training service manager	3
Typing manager	97
Typist	1,080
Valuation assistant	2
Valuer II	15
Vehicle inspection TG2	1
Vet research officer (G7)	1
Veterinary officer (G7)	24
Total	12,271

Table B: Northern Ireland civil service permanent industrial staff (Female)

	Number
Supervisory	2
Craft	1
Non-Craft	94
Total	97

Table C: Permanent Northern Ireland office staff (Female) (Home Civil Service)

	Number
Senior civil service	1
Grade 7	7
Senior information officer	1
Senior executive officer	2
Higher executive officer	17
Research officer	1
Executive officer	15
Admin. officer	11
Admin. assistant	12
Senior personal secretary	8
Personal secretary	15
Typing manager	1
Typist	19
Support grade (2)	15
Chef grade 1	3
Total	128

Electricity Interconnector

Mr. Home Robertson: To ask the Secretary of State for Northern Ireland if he will make a statement on the consultations between his Department and the Scottish Office about the planning conditions which may be applied to the proposed electricity interconnector between Scotland and Northern Ireland. [6679]

Mr. Moss: The proposed electricity interconnector comprises a Scottish leg, an undersea cable and a Northern Ireland leg. Separate public inquiries were held in Scotland and in Northern Ireland into the proposal, and my right hon. Friend the Secretary of State for Scotland, and I concluded that it would be appropriate to announce our conclusions on the separate legs of the proposal simultaneously. This was done on 21 November 1996. Before the announcements, my right hon. Friend and I notified each other of our proposed decisions.

Health and Personal Social Services Superannuation Scheme

Mr. Thomason: To ask the Secretary of State for Northern Ireland if he will make a statement on the report by the Government Actuary on his valuation of the health and personal social services superannuation scheme in Northern Ireland 1984 to 1989. [7118]

Mr. Moss: I have placed copies of the report in the Library.

The report concludes that the rate of contribution required from employers to meet the scheme's future liabilities, after taking account of employees' contributions, should remain at 4 per cent. The scheme's liabilities do not include the cost of pensions increases, most of which are currently met by the Exchequer.

I have decided to accept the actuary's recommendation.

Social Fund Budget

Mr. Thomason: To ask the Secretary of State for Northern Ireland what plans to make a further allocation of funds to the discretionary social fund budget in the current financial year. [7119]

Mr. Moss: I am very pleased to announce that the Northern Ireland social fund discretionary budget for 1996–97 will be increased by a total of £600,000 as a result of better than expected loan recoveries by the Social Security Agency. This will increase the original allocation for loans and grants to a total of £37.31 million.

This increase in the social fund budget will ensure that more people receive help and that the fund continues to play an important role in targeting resources on those most in need.

Details of the revised budgets have been placed in the Library.

AGRICULTURE, FISHERIES AND FOOD

European Union

Mr. MacShane: To ask the Minister of Agriculture, Fisheries and Food what has been the cost in the last 12 months of sending Ministers and officials to meetings in Brussels and elsewhere in Europe in connection with his Department's handling of EU business. [4941]

Mr. Boswell: Most of this information is set out in the answer I gave to the hon. Member for Warrington, South (Mr. Hall) on 5 March 1996, *Official Report*, column *130*. The following update relates to ministerial visits since that answer. Information on the costs of non-ministerial visits can be obtained only at disproportionate cost.

Ministerial visits on EU business (update)

Date of visit	Destination	Purpose	Cost £
7 March	Brussels	Bilateral with Commissioner Fischler	1,748.64
18 March	Brussels	Agriculture Council	1,969.82
29 March	Brussels	Meeting with Commissioner Fischler	929.88
1–3 April	Luxembourg	Agriculture Council	3,046.40
22 April	Brussels	Fisheries Council	2,242.56
23 April	Brussels	Agriculture Council	1,436.96
28–30 April	Luxembourg	Agriculture Council	4,762.29
5–7 May	Otranto, Italy	Informal Agriculture Council	1,786.55
20–21 May	Brussels	Agriculture Council	4,782.05
3–4 June	Luxembourg	Agriculture Council	3,246.41
13 June	The Hague	Meeting with Dutch Minister	1,454.10
4 June	Brussels	Meeting with Commissioner Bonino	1,900.50
6 June	Dublin	Fisheries Meeting with Irish Minister	1,050.17
10 June	Luxembourg	Fisheries Council	2,643.21
11 June	Rotterdam	Meeting with Dutch Minister	566.38
12 June	Stockholm	Meeting with Swedish Minister	566.38
24–25 June	Luxembourg	Agriculture Council	4,019.90
3 July	Dublin	Meeting with Irish Minister	1,056.00
17 July	Strasbourg and Paris	Meetings with Commissioner Fischler and French Minister	2,027.76
22–23 July	Brussels	Agriculture Council	4,729.51
23–24 July	Brussels	Agriculture Council	750.70

Ministerial visits on EU business (update)

Date of visit	*Destination*	*Purpose*	*Cost £*
16–17 September	Brussels	Agriculture Council	4,753.62
23–24 September	Killarney, Ireland	Informal Agriculture Council	1,357.00
10 October	Dublin	Fisheries Meeting with Irish Minister	1,098.00
14 October	Luxembourg	Fisheries Council	3,029.75
28–30 October	Luxembourg	Agriculture Council	4,483.20
7 November	Brussels	Meeting with Presidency	1,362.70
18–19 November	Brussels	Agriculture Council	4,688.42
26 November	Paris	Meeting with French Minister	1,402.50

Women

Mrs. Roche: To ask the Minister of Agriculture, Fisheries and Food what proportion of those employed by his Department in 1992–93 were women. [6467]

Mr. Boswell: The proportion of women employed by the Department as at 1 April 1993 was 46.02 per cent. These figures includes the ADAS agency, but exclude casual staff, for whom such data were not available.

Mrs. Roche: To ask the Minister of Agriculture, Fisheries and Food how many women are currently employed by his Department at each civil service grade. [6440]

Mr. Boswell: The details requested, as at 1 November 1996, are set out in the table:

Grade	*Number of female staff*
Senior civil service	12
Grade 6	20
Grade 7	125
SEO and equivalents	95
HEO and equivalents	286
EO and equivalents	621
AO and equivalents	1,064
AA and equivalents	1,120
Industrials	24
Total	3,367

These figures do not include staff in executive agencies.

Foot and Mouth Disease

Sir Ralph Howell: To ask the Minister of Agriculture, Fisheries and Food what measures his Department is taking to prevent a foot and mouth disease epidemic. [6485]

Mrs. Browning: There are many measures in place, both nationally and in the European Community, to prevent the introduction of foot and mouth disease. More specifically, as a result of the recent outbreaks of foot and mouth disease in parts of Greece and Bulgaria, imports of cattle, pigs, sheep, goats and other biungulate species from, or transiting through, these areas have been prohibited. Imports of certain animal products from these areas are subject to strict conditions of trade designed to eliminate the risk of transmission of the disease.

Child Care Facilities

Mrs. Roche: To ask the Minister of Agriculture, Fisheries and Food what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6451]

Mr. Boswell: The Ministry and its agencies provide 120 subsidised nursery places for staff at five sites. Holiday playscheme places, most of which are subsidised, are available to staff at 11 sites. More than 200 members of staff used playscheme facilities during the last 12 months.

Nursery provision has expanded steadily since 1992 when 44 places were available at two sites. The level of nursery usage is always high. Playscheme provision was available at eight sites in 1992. Usage for playschemes varies geographically and seasonally, but is generally high. It is not possible to give total annual staff usage figures as historic records are not kept for every scheme.

DEFENCE

Equipment Expenditure

Mr. David Clark: To ask the Secretary of State for Defence what was the expenditure on defence equipment in each of the last 10 years for each of the three armed services. [6612]

Mr. Arbuthnot: Defence equipment expenditure cannot easily be broken down by service. It is instead categorised by systems areas: sea, land, air and other, which includes research. Expenditure in each of these categories over the last 10 years is as follows:

£ million (cash)

	Sea	*Land*	*Air*	*Other*
1995–96[1]	2,203	1,841	3,357	1,618
1994–95	2,441	1,642	3,184	1,552
1993–94	2,589	1,806	3,245	1,559
1992–93	2,891	1,846	3,152	822
1991–92	3,142	2,157	3,574	885
1990–91	2,955	1,927	3,197	759
1989–90	2,890	1,738	3,102	806
1988–89	2,633	1,544	3,085	766
1987–88	2,797	1,700	3,230	543
1986–87	2,494	1,759	3,090	542

[1] The figures for 1995–96 are estimates.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Defence what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6454]

Mr. Arbuthnot: In line with my Department's policy to provide good-quality, affordable child care for staff wherever it is cost-effective to do so, the MOD and its agencies currently provide a range of child care facilities for use by service and civilian staff. In 1992 there were three nurseries, operating in central London, Taunton and Farnborough. Today, 13 MOD nurseries offer over 500 places to children of service and civilian staff in addition to places in playgroups, creches and holiday playschemes. No record has been kept of the use of facilities since 1992, in the form requested.

Radiation Testing

Mr. Rendel: To ask the Secretary of State for Defence how much the Government have spent on radiation experiments since 1966. [6563]

Mr. Soames: As far as my Department is concerned, the specific costs of these studies were subsumed into the overall Defence programme. They are not separately identifiable and could be provided only at disproportionate cost. It is unlikely, however, that there would have been anything other than minor expenditure on these studies.

Mr. Rendel: To ask the Secretary of State for Defence what *(a)* Government and *(b)* private US collaboration funding has been received for the radiation-testing programme. [6567]

Mr. Soames: As far as my Department is concerned the information requested is not held centrally and could be provided only at disproportionate cost. There is no evidence of any US private or Government funding of these MOD studies.

Mr. Rendel: To ask the Secretary of State for Defence how many lawsuits against the Government there have been based on the long-term health effects of radiation experiments. [6560]

Mr. Soames: I am not aware of any legal proceedings having been brought against my Department in respect of the studies involving the use of radioactive material at Aldermaston, Porton Down and Farnborough.

Bois de Mai Residence

Dr. David Clark: To ask the Secretary of State for Defence, pursuant to his answer of 18 November, *Official Report*, column *396*, what action was taken in respect of the furniture at the official residence of Bois de Mai following its sale. [6626]

Mr. Soames: Following the sale of Bois de Mai, the furniture originally purchased from the Norwegian Government has been sold on to the German Government. Of the remaining furniture, some has been redistributed to the residences of the Deputy Supreme Allied Commander Europe and the United Kingdom military representative, with the balance going to storage. Items such as carpets and curtains were sold with the property.

Women

Mrs. Roche: To ask the Secretary of State for Defence what proportion of those employed by his Department in 1992–93 were women. [6472]

Mr. Arbuthnot: Of the total number of civilian staff employed by my Department and its agencies in 1992–93 some 30 per cent. were women.

Mrs. Roche: To ask the Secretary of State for Defence how many women are currently employed by his Department at each civil service grade. [6443]

Mr. Arbuthnot: I refer to the reply I gave to the hon. Member for Cunninghame, South (Mr. Donohoe) on 4 June 1996, *Official Report*, column *334*.

Information Technology Projects

Ms Church: To ask the Secretary of State for Defence, pursuant to his answer of 7 November, *Official Report*, columns *652–53* on IT projects, what is his Department's definition of disproportionate cost. [6702]

Mr. Arbuthnot: When it is estimated that the cost of providing the information requested would exceed £450.

Co-operation Accord (United Arab Emirates)

Mr. Mans: To ask the Secretary of State for Defence what progress has been made in the negotiation of a defence co-operation accord with the Government of the United Arab Emirates. [7029]

Mr. Portillo: The Governments of the United Kingdom and of the United Arab Emirates have signed today a defence co-operation accord in Abu Dhabi. The accord provides for the strengthening of military co-operation between the UAE and the UK in a number of areas, including training, the conduct of combined exercises, the provision of modern defence equipment and related services to the UAE armed forces and the development of joint military plans and military deployment strategies for the defence of the UAE. Under the terms of the accord, the UK is committed to assisting the UAE in deterring threats or preventing aggression against the UAE and, in the event of such aggression taking place, to implementing the joint military plans which are judged appropriate for the defence of the UAE. Discussions will now take place on these military plans and military deployment strategies under the auspices of a joint military committee; the accord will take effect once these discussions are complete.

The accord builds upon the 1971 treaty of friendship between the UK and the UAE and upon the long-standing history of co-operation between our two countries on defence. It is a welcome sign of our close and valuable relationship and it underlines our continuing commitment to working with states both in the Gulf and outside it to secure security and stability in a region of strategic importance to the UK.

Russian Space Agency (Environmental Evaluation)

Mr. Meacher: To ask the Secretary of State for Defence if he will make representations to his Russian counterpart in regard to the environmental evaluations made by the ecological division of the Russian Space Agency's Central Scientific Machine Building Research Institute of the use of rocket engines to incinerate nerve gas, biological and toxic weapons and industrial toxic wastes. [6017]

Mr. Soames: No. While my Department has concerns about the environmental impact of using rocket engines to incinerate nerve gas, biological and toxic weapons and industrial toxic wastes, it does not have access to the technical data on the processes involved which would allow it to form a judgment on its suitability as a disposal route.

Disbanded Regiments

Sir Irvine Patnick: To ask the Secretary of State for Defence, pursuant to his answer of 20 November, *Official Report*, columns *610–11*. where the records of disbanded regiments are kept. [6128]

Mr. Soames: Records of disbanded regiments could be held in one of several locations such as a regimental headquarters or museum, a private or local authority museum or the National Army museum. They are not held centrally in my Department. If my hon. Friend has a particular regiment in mind, my Department would be pleased to determine the whereabouts of its past records.

Arms Sales

Mrs. Clwyd: To ask the Secretary of State for Defence if he will present an annual report to Parliament on arms sales and the criteria on which the Government's guidelines are based. [5999]

Mr. Arbuthnot: As I announced on 23 July 1996, *Official Report*, column *213*, a report on defence equipment exports will in future be included as part of the annual statement on the defence estimates. This report will include an explanation of the Government's policy on defence exports.

TREASURY

Self-employment

12. **Mr. Nigel Evans:** To ask the Chancellor of the Exchequer what representations he has received concerning his policies to encourage the growth in the number of self-employed people in the United Kingdom. [4867]

Mrs. Angela Knight: All Treasury Ministers meet representatives of the small firms sector, including the self-employed, frequently.

Economic Forecasting

13. **Mr. Gordon Prentice:** To ask the Chancellor of the Exchequer what steps he is taking to improve the accuracy of his economic forecasting. [4869]

Mr. Kenneth Clarke: Economic forecasting will be easier in an environment that has stable growth, low inflation and sound public finances. We shall continue to pursue policies to bring these about.

Economic Growth

14. **Mr. Berry:** To ask the Chancellor of the Exchequer what representations have been made to him on growth rates in the United Kingdom economy. [4870]

Mr. Waldegrave: I receive many representations on economic growth. The Government are happy to be judged by their record. Since 1992, the UK has had the strongest and steadiest recovery of any major EU country. Both the Organisation for Economic Co-operation and Development and the International Monetary Fund expect the UK to be the fastest-growing major European economy, both this year and next.

Public Spending

15. **Dr. Wright:** To ask the Chancellor of the Exchequer what plans he has for public spending as a proportion of gross domestic product over the planning period. [4871]

Mr. Waldegrave: As my right hon. and learned Friend the Chancellor announced in his Budget on 26 November, spending will fall to 40 per cent. of GDP in 1997–98 and continue to fall in the following two years.

VAT (Domestic Fuel)

16. **Mrs. Fyfe:** To ask the Chancellor of the Exchequer if he will estimate the income from VAT on domestic fuel for 1996–97. [4872]

Mr. Oppenheim: The income from VAT on domestic fuel and power for the 12 months to June 1996 is estimated to be of the order of £1.1 billion. The outturn for 1996–97 will be affected by factors such as the weather, but is expected to be of a similar magnitude.

Building Societies

17. **Mr. Tipping:** To ask the Chancellor of the Exchequer when he proposes to introduce further legislation about building societies. [4873]

Mrs. Angela Knight: I plan to publish a draft Building Societies Bill later this year. It will be introduced when a suitable opportunity arises.

Investment

18. **Ms Quin:** To ask the Chancellor of the Exchequer what effect his recent Budget will have on investment in the United Kingdom. [4874]

Mr. Jack: This Budget creates a healthy environment for investment and growth. It builds on an already strong economy by reducing tax rates, but without jeopardising stability.

Private Finance Initiative

19. **Sir Roger Moate:** To ask the Chancellor of the Exchequer if he will make a statement on the progress of the private finance initiative. [4875]

Mr. Jack: The PFI is going from strength to strength. As of last month, £7,000 million of agreed PFI deals have been done, with deals in almost every area of the public sector. The Treasury has forged an alliance with the Confederation of British Industry to speed up the PFI deal flow and we are working with the private sector to train practitioners on the front line, including over 2,500 officials already trained or booked on the "PFI in Practice" course. And at last month's private finance panel annual conference, we launched four new guidances, including the first set of standard terms and conditions for PFI contracts.

Interest Rates

20. **Mr. Wareing:** To ask the Chancellor of the Exchequer if he will make a statement on future interest rates policy. [4876]

Mrs. Angela Knight: Interest rates are set to continue to achieve permanently low inflation. Over the last four years, the inflation performance of the economy has been the best for nearly half a century and the prospects are excellent.

26. **Mr. Pawsey:** To ask the Chancellor of the Exchequer if he will make a statement on the current interest rate in *(a)* the United Kingdom and *(b)* France, Germany and the United States. [4884]

Mrs. Knight: UK interest rates are set to continue to achieve permanently low inflation. International comparisons of data on interest rates can be found in the OECD's main economic indicators.

UK Competitiveness

22. **Mr. Duncan:** To ask the Chancellor of the Exchequer what assessment he has made of the impact of the measures proposed in his Budget statement on the United Kingdom's competitive position within the European Union. [4878]

Mrs. Angela Knight: The Budget will help us build upon our position as the enterprise centre of Europe.

Direct Taxation

23. **Mr. Dykes:** To ask the Chancellor of the Exchequer what assessment he has made of the public response to the direct taxation changes in his Budget proposals announced on 26 November. [4880]

Mr. Jack: All income taxpayers—around 26 million people—gain from the Budget proposals. Real increases in personal allowances and the lower rate band help the low paid. Over a quarter of all taxpayers now pay tax at only 20p. All other taxpayers benefit from the 1p cut in the basic rate, which at 23p is the lowest headline rate of income tax for 60 years. In addition, the increase in the inheritance tax threshold allows people to build up wealth and security for their families and for future generations.

Value Added Tax

24. **Mr. Kevin Hughes:** To ask the Chancellor of the Exchequer if he will make a statement on the amount of VAT collected in the last year for which figures are available. [4881]

Mr. Oppenheim: The amount of VAT collected in financial year 1995–96 was £43,069 million.

Tobacco Duty

25. **Mr. Steen:** To ask the Chancellor of the Exchequer if he will make a statement on tobacco duty. [4882]

Mr. Oppenheim: I refer my hon. Friend to my right hon. and learned Friend the Chancellor of the Exchequer's Budget Statement.

Exchange Rates

27. **Sir David Knox:** To ask the Chancellor of the Exchequer if he will make a statement about the effect on the economy of fluctuating exchange rates. [4885]

Mrs. Angela Knight: The Government recognise the value of a stable exchange rate but do not have a target for sterling. The exchange rate is only one of many factors that has to be taken account of in policy decisions.

Capital Investment

Mrs. Jane Kennedy: To ask the Chancellor of the Exchequer if he will make a statement on fiscal incentives to encourage capital investment in *(a)* the United Kingdom and *(b)* other Organisation for Economic Co-operation and Development countries, and on the levels achieved in each case in the last three financial years. [4877]

Mr. Jack: The Government believe that the best way to encourage capital investment in the UK is by low taxation, low inflation and stable economic policies, not by fiscal incentives. The Government have achieved considerable success in improving the climate for investment by reforming the corporation tax system to bring capital allowances more into line with actual depreciation and by cutting the rate of corporation tax from 52 per cent. to 33 per cent. The level of business investment in the UK as a proportion of GDP is comparable with our major competitors and it is now higher than in the 1970s. International statistics of business investment are available in the OECD business sector database.

Information and Publicity (Consultants)

Ms Hodge: To ask the Chancellor of the Exchequer what was his Department's expenditure on consultants to assist with information, publicity, press and media in *(a)* 1995–96, *(b)* 1994–95 and *(c)* 1993–94. [3579]

Mrs. Angela Knight: None.

Information and Publicity (Staff)

Ms Hodge: To ask the Chancellor of the Exchequer what was the cost of staff employed full-time or part-time (i) to provide information and publicity and (ii) to work in press or media in *(a)* 1995–96, *(b)* 1994–95 and *(c)* 1993–94. [3568]

Mrs. Angela Knight: The information is as follows:

	1995–96 *(£)*	*1994–95* *(£)*	*1993–94* *(£)*
Press office/public inquiry unit	416,944	406,040	406,292
Publishing unit	91,805	82,330	47,673
Total	508,749	488,370	453,965

Computers

Mr. Hoon: To ask the Chancellor of the Exchequer how many lines of computer code there are in his Department's computer systems. [5511]

Mr. Jack: The Treasury uses a number of proprietary software packages and for these, information on the number of lines of source code is known only to the supplier. An inventory of bespoke software is being

undertaken as part of the Treasury's strategy for dealing with the year 2000 date issue, but the compilation of this inventory is not yet complete.

For programs written by Treasury staff we estimate that there are at present 75,000 lines of code.

There may be a further 100,000 lines contained in programs produced for the Treasury by external suppliers. For most of these programs, the Treasury has no access to the code or has no commitment to maintain them.

We have no information as to how many lines of code are contained in proprietary software such as operating systems, databases or PC packages.

Mr. Hoon: To ask the Chancellor of the Exchequer how many separate computer programs his Department operates. [5510]

Mr. Jack: There is no universal definition of what constitutes a computer program. A formula or a simple line of executable code could be said to be a program; however my Department is at present responsible for the following list of major software systems:

Source	*Category*	*Number of full programs*	*Number of modules/ components*
Proprietary	Systems software	25	—
	General central server software	24	—
	Office systems	24	—
	PARLY.CLERK /packages	32	—
	Total	105	—
Bespoke (external)	Total	16	325
In-house	Total	11	1,166
Total	Total	132	1,491

The software has been categorised by its source. Proprietary software covers operating systems such as Windows 95 general software operated off central servers, such as Novell netware; databases; office systems, such as WordPerfect and Excel; and PC packages used by individuals. Bespoke software covers programs produced for the Treasury by external supplies, such as software houses. In-house software includes items produced and/or maintained by Treasury staff.

For bespoke and in-house software we have shown two counts of *(a)* the applications and *(b)* the program modules making up those applications.

Public Sector Pensions

Mr. Barry Field: To ask the Chancellor of the Exchequer what estimate he has made of the reduction in the payments of index-linked public sector pensions from each percentage point drop in inflation. [4883]

Mr. Waldegrave: Information on the whole public sector is not available as this information is not held centrally. However, expenditure in the main public service schemes, paid out of voted estimates, covering the armed forces, civil servants, teachers, NHS workers and pensions arising from service overseas, is available. It has been calculated that a 1 per cent. drop in inflation would result in a reduction in the region of £86 million in pensions expenditure based on the 1996–97 voted estimates.

VAT Receipts

Mr. Touhig: To ask the Chancellor of the Exchequer what estimate he has made of VAT receipts for the current financial year. [4868]

Mr. Oppenheim: The 1996 "Financial Statement and Budget Report" forecasts that VAT receipts in the financial year 1996–97 will be £47.5 billion.

Abortion Statistics

Mr. Simon Hughes: To ask the Chancellor of the Exchequer on what dates updated abortion statistics for *(a)* December to March 1994, *(b)* April to June 1994, *(c)* July to September 1994, *(d)* October to December 1994, *(e)* December to March 1995, *(f)* April to June 1995, *(g)* July to September 1995 and *(h)* October to December 1995 were published; and when he intends to publish the updated abortion statistics for December to March 1996. [2726]

Mrs. Angela Knight *[holding answer 7 November 1996]:* The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Simon Hughes, dated 28 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on updated abortion statistics.

Provisional statistics relating to the receipt of notifications of terminations performed under the Abortion Act 1967 are presented in the ONS monitor series, for the following periods: March quarter (1 January to 31 March); June quarter (1 April 30 June); September quarter (1 July to 30 September); December quarter (1 October to 31 December).

Final figures are later published in the ONS series of annual legal abortion statistics. For 1994, final abortion figures for each quarter are available in 1994 Abortion Statistics, England & Wales, series AB no. 21, which was published on 30 July 1995. For 1995 and the March quarter of 1996, provisional estimates of the number of legal abortions performed in each quarter are presently available. They were published or are expected to be published in the following ONS monitors: Legal abortions: March quarter 1995, series AB 96/1 on 30 January 1996; June quarter 1995, series AB 96/2 on 29 February 1996; September quarter 1995, series AB 96/3 on 9 May 1996; December quarter 1995, series AB 96/4 on 27 June 1996; and March quarter 1996, series AB 96/7 will be published on 21 November 1996. Final figures for each quarter of 1995 are expected to be published in 1995 Abortion Statistics, England & Wales, series AB no. 22, in January 1997.

The factors which account for the interval between publications are the time required for the receipt, statistical processing and analyses of the notifications in preparation for their subsequent publication.

Annual Paid Leave

Ms Quin: To ask the Chancellor of the Exchequer how many employees were entitled to *(a)* three weeks and *(b)* four weeks annual paid leave for each year since 1979. [4689]

Mrs. Angela Knight: *[holding answer 25 November 1996:]* The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Ms Joyce Quin, dated 28 November 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on the number of employees entitled to three and four weeks of annual paid leave for each year since 1979.

The information available from the Labour Force Survey is shown in the table below.

Employees[1] paid holiday entitlement (Great Britain)

	All employees (thousands)	*Of which those entitled to at least 3 weeks paid holiday*	*Of which those entitled to at least 4 weeks paid holiday*
Autumn 1993	21,441	17,899	16,165
Autumn 1994	21,632	17,943	16,241
Autumn 1995	21,977	18,143	16,424

[1] Data only available since 1993 and only for autumn quarters. Number of weeks paid holiday excluding Public/Bank holidays.

Source:

Labour Force Survey, Office for National Statistics.

Taxation (Employees)

Mr. Winnick: To ask the Chancellor of the Exchequer what is his Department's estimate of the number of employees whose tax liability is less than it would be due to some or all of their income being placed against a company whose owner is the employee concerned; and if he will make a statement. [5698]

Mr. Jack *[holding answer 25 November 1996]:* I regret that the information requested is not available.

ATTORNEY-GENERAL

Computers

Mr. Hoon: To ask the Attorney-General (1) how many lines of computer code there are in his Department's computer systems; [5527]

(2) how many separate computer programs his Department operates. [5526]

The Attorney-General: There is no universal definition of what constitutes a computer program. However, the Departments and agencies for which I am responsible operate in total some 70 major software systems, plus a number of smaller systems.

Those Departments and agencies use a number of proprietary software packages and, for these, information on the number of programs or lines of source code is known only to the suppliers.

My Departments and agencies are carrying out an examination of their software as part of their strategy for dealing with the year 2000 date change issue.

SOCIAL SECURITY

Incapacity Benefit

Mr. Alan Howarth: To ask the Secretary of State for Social Security if he will show for the financial year 1995–96 *(a)* the total number of claims, *(b)* the number reviewed under the all work test, *(c)* the number found capable of work following the application of the all work test and *(d)* the number found capable of work who subsequently signed on as unemployed, broken down by (i) former invalidity benefit claimants, (ii) incapacity benefit claimants since 1995, (iii) income support claimants, (iv) severe disablement allowance claimants and (v) people in receipt of national insurance credits only. [410]

Mr. Burt: Information is not available in the format requested. Such information as is available is in the table.

April 1995 to March 1996	*Incapacity benefit claimants*	*Severe disablement allowance claimants*
Claims	1,054,000	96,000
All work tests prompted	[1]1,700,000	[1]—
Disallowances following all work test	90,000	3,000
Incapacity benefit leavers who claimed unemployment benefit	[2]40,000	n/a

Notes:

All figures are from the 100 per cent. monthly count from the incapacity benefit computer system unless otherwise specified.

[1] Includes former invalidity benefit claimants, new claimants and national insurance credits only cases, also includes a small number of severe disablement allowance cases.

[2] Figures are rounded to the nearest thousand.

Source:

Employment Service.

Mr. Burden: To ask the Secretary of State for Social Security what is his Department's estimate of the numbers of claimants receiving unemployment benefit as a result of the rejection of their claim for incapacity benefit. [745]

Mr. Roger Evans: As at 13 September 1996, the latest date for which figures are available, 25,616 people were receiving unemployment benefits who had been disallowed incapacity benefit immediately prior to registering for employment.

Jobseeker's Allowance

Mr. Worthington: To ask the Secretary of State for Social Security (1) if he will list the faults in the computer programme administering the jobseeker's allowance which have been identified to date. [4516]

(2) if he will list the faults which have appeared in the computer programme administering the jobseeker's allowance. [5742]

Mr. Roger Evans: The jobseeker's allowance payments system became operational on 7 October this year. The system contains some 1,500 computer programs, 900,000 lines of code, and involves

approximately 2,000,000 online transactions per day for 30,000 users in Benefits Agency and Employment Service offices at over 1,500 locations.

There have been no significant problems with the system. The number of faults reported is in line with expectations when implementing a system of this size and complexity. The majority of these, and all those considered urgent, have already been rectified, and the remainder will be fixed in maintenance releases scheduled for the coming months.

There have been eight potential payment faults, seven of which have now been fixed, and clerical action initiated to deal with the other. None have resulted in incorrect payments.

Of 50 minor system faults, 20 have already been fixed and a further 14 have fixes scheduled for implementation. System faults are those where an error in the process means that the program does not perform exactly according to specification. In such cases some clerical intervention may be required. These faults do not result in incorrect payments. For example, one fault raised concerns that local offices should receive two copies of certain reports but only a single copy is being produced.

There have been 16 other minor or cosmetic faults which have no impact on the operation of the system.

Reduced Earnings Allowance

Mr. Wigley: To ask the Secretary of State for Social Security what is Her Majesty's Government's policy in respect of the decision of the tribunal in Cardiff on 22 October in the Brunker case, with particular reference to the implications for other cases of withdrawal of reduced earnings allowance; and if he will make a statement. [5383]

Mr. Roger Evans: I am unable to comment on individual cases. Claims to social security benefits are decided by independent adjudication authorities who are bound by the provisions of the Acts and Regulations as approved by Parliament.

I understand that the commissioner has granted the adjudication officer leave to appeal on a point of law against similar tribunal decisions involving transfer from reduced earnings allowance to retirement allowance.

Benefits Agency (Wales)

Mr. Wigley: To ask the Secretary of State for Social Security if he will instruct the Benefits Agency not to pursue the proposals recently published for the restructuring of the agency's offices in Wales until after the next general election. [5331]

Mr. Roger Evans: The proposals for restructuring Benefits Agency operations in Wales are subject to full public consultation. No decision on implementation will be taken until after the consultation period has ended on 28 February 1997.

Mr. Donald Anderson: To ask the Secretary of State for Social Security how much has been spent in modernising the *(a)* Morriston, *(b)* Port Talbot, *(c)* Pembroke Dock, *(d)* Carmarthen, *(e)* Holyhead, *(f)* Llangefri, *(g)* Caernarfon *(h)* Rhyl, *(i)* Deeside, *(j)* Dolgellau, *(k)* Cwmbran, *(l)* Tonypandy, *(m)* Porth, *(n)* Caerphilly and *(o)* Barry Benefits Agency offices (i) in total and (ii) per office since the inception of the Benefits Agency. [5113]

Mr. Evans: This is an operational matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Donald Anderson, dated 27 November 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how much has been spent in modernising the (a) Morriston, (b) Port Talbot, (c) Pembroke Dock, (d) Carmarthen, (e) Holyhead, (f) Llangefri, (g) Caernarfon, (h) Rhyl, (i) Deeside, (j) Dolgellau, (k) Cwmbran, (l) Tonypandy, (m) Porth, (n) Caerphilly and (o) Barry benefit agency offices (i) in total and (ii) per office.

The total amount spent, in the last four financial years, on modernising the following buildings is £5,495,872, excluding general maintenance. This is broken down as follows:

	£
(a) Morriston	543,630
(b) Port Talbot	495,427
(c) Pembroke Dock	80,577
(d) Carmarthen	252,184
(e) Holyhead	81,525
(f) Llangefri	465,517
(g) Caernarfon	175,402
(h) Rhyl	385,246
(i) Deeside	0
(j) Dollgellau	0
(k) Cwmbran	903,239
(l) Tonypandy	489,094
(m) Porth	561,179
(n) Caerphilly	892,483
(o) Barry	170,369

Figures are provisional and subject to change.

These amounts exclude general maintenance.

I hope you find this reply helpful.

Income Support

Ms Lynne: To ask the Secretary of State for Social Security what factors account for the fall in the take-up of income support amongst eligible pensioners between the years 1993–94 and 1994–95; and what policies are being adopted by his Department to address this matter. [5667]

Mr. Roger Evans: It is not possible to identify separately all contributory factors. Pensioner take-up may be expected to change up or down from year to year in response to small changes in the relative sizes of income support and retirement pension at each annual uprating. Between 1993–94 and 1994–95 income support was uprated by slightly more than retirement pensions. This meant that some pensioners became entitled to small amounts of income support, which may have been left unclaimed. Research has shown that people are more likely to leave unclaimed small amounts of benefit; in 1994–95, 30 per cent. of pensioners appearing as entitled non-recipients in the survey were leaving unclaimed amounts less than £5.

The Benefits Agency provides information which is comprehensive, accurate, accessible and easily understood which enables people to establish their eligibility. The DSS, including its agencies, is spending nearly £9 million

on publicity in the current financial year. The claiming of benefit is a matter of personal choice and there will always be those who choose not to make a claim. The important point is that a wide range of benefits are available for those who do wish to do so.

Child Support Agency

Mr. Betts: To ask the Secretary of State for Social Security how many Child Support Agency cases are being investigated for overpayment which have been outstanding for *(a)* one month, *(b)* two months, *(c)* three months and *(d)* six months; and what are the total sums of money involved in each of these categories. [6089]

Mr. Andrew Mitchell: The information is not available.

Each time a maintenance assessment is reviewed, liability will change and an over or under payment of maintenance may occur.

Sir Dudley Smith: To ask the Secretary of State for Social Security how many cases the Child Support Agency is considering at the present time, where a man owes more than £3,000 of maintenance and arrears and has paid less than £50 in four years. [4124]

Mr. Andrew Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Sir Dudley Smith, dated 27 November 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency maintenance and arrears.

The information you have asked for is not available in precisely the format that you have requested, so I have provided as much as I can. The Agency does not differentiate between the cases it deals with on a gender basis, and I am therefore unable to provide the figures for *men* who owe more than £3,000 in maintenance. At 31 October 1996, the total number of cases with more than £3,000 of maintenance and arrears outstanding was 101,818.

In a large number of these cases the arrears recorded as outstanding will be the result of an interim maintenance assessment. This measure, which sets maintenance at a punitive rate for absent parents (AP) who refuse to co-operate, was frequently used in the first two years of the Agency, but it is now only used as a last resort. It takes no account of an AP's actual financial circumstances. Since April 1995, an interim maintenance assessment is amended to a full maintenance assessment from the date liability starts once the AP co-operates: this almost always produces a much-reduced amount of arrears actually owed.

Where maintenance is not paid, the Agency has become increasingly successful in establishing payment by means of deduction from earnings orders and liability orders. I am unable to provide information on the number of cases where less than £50 has been paid in the last four years. Such a specific statistic has not been routinely collected; it could only be provided at disproportionate cost.

However, I can tell you that the latest available analysis of the Agency's work indicated that in 75% of cases where a full maintenance assessment has been completed, payment is being made in full or in part. This is based on the assumption that direct payments not via the Agency collection service are payed in full—otherwise parents with care can (and do) raise the matter with the Agency.

I hope this is helpful.

Paul Sutherland

Mr. Donohoe: To ask the Secretary of State for Social Security if he will place in the Library a copy of the detailed ruling by the High Court in respect of the case between his Department and Paul Sutherland in London on 7 November. [6390]

Mr. Roger Evans: Yes.

Child Support

Mr. Flynn: To ask the Secretary of State for Social Security if he will place in the Library a copy of the comments he received from the president of the Independent Tribunal Service on the draft Social Security (Adjudication) and Child Support Amendment (Number 2) Regulations 1996. [6429]

Mr. Roger Evans: Yes.

Women

Mrs. Roche: To ask the Secretary of State for Social Security how many women are currently employed by his Department at each civil service grade. [6431]

Mr. Burt: The information is in the table:

Grade	*Number of women*
Senior civil service	30
Grade 6	123
Grade 7	163
Senior executive officer	383
Higher executive officer	2,232
Executive officer	15,248
Administration officer	33,295
Administration assistant	7,222
Typing grades	1,013
Support grades	518
Others	125
Total	60,352

Mrs. Roche: To ask the Secretary of State for Social Security what proportion of those employed by his Department in 1992–93 were women. [6477]

Mr. Burt: The proportion of women employed by this department in 1992–93 was 67.7 per cent. out of a total of 84,750 staff.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Social Security what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6461]

Mr. Andrew Mitchell: The Department and its agencies provide, or take part in, a number of child care initiatives including subsidised holiday play schemes and nurseries, family care expenses scheme under which expenses are offered to staff for additional child minding costs while they are on work that falls outside normal working hours, membership of child care information services, child care referral service and the provision of a creche for DSS summer school. In 1992, subsidised holiday play schemes and nurseries were provided,

although the number of places were fewer than are currently available; family care expenses and creche facilities for DSS summer school were also available.

Information on the number of employees who have used child care facilities in each year since 1992 is not available.

Information Technology Projects

Ms Church: To ask the Secretary of State for Social Security, pursuant to his answer of 7 November, *Official Report*, column *681*, on information technology projects, what is his Department's definition of disproportionate cost. [6698]

Mr. Burt: The Department follows the standard guidance that where the cost of collecting information and preparing a reply to a parliamentary question is in excess of £450, it may be considered disproportionately costly to answer it.

WALES

Computers

Mr. Hoon: To ask the Secretary of State for Wales how many lines of computer code there are in his Department's computer systems. [5347]

Mr. Hague: My Department uses a number of propriety software packages and for these, information on the number of programs or lines of source code is known only to the supplier.

My Department is carrying out an inventory of that bespoke software which is likely still to be in use in 2000 as part of our strategy for dealing with the year 2000 date change, but compilation of the inventory is not yet complete.

Mr. Hoon: To ask the Secretary of State for Wales how many separate computer programs his Department operates. [5356]

Mr. Hague: There is no universal definition of what constitutes a computer program; this could be simply a formula or a line of executable code.

However, my Department is at present responsible for two major software systems.

Disease Statistics

Mr. Barry Jones: To ask the Secretary of State for Wales how many cases of *(a)* AIDS, *(b)* hepatitis B, *(c)* prostate cancer, *(d)* tuberculosis, *(e)* whooping cough and *(f)* lung cancer were reported in 1995. [5547]

Mr. Gwilym Jones: The latest available information for Wales is as follows:

(a) 20 AIDS cases were reported to the communicable disease surveillance centre Wales in 1995.

(b) 24 cases of hepatitis B were notified in 1995.

(c) 857 cases of cancer of the prostate were registered as newly diagnosed in 1990.

(d) 180 cases of tuberculosis (excluding chemoprophylaxis) were notified in 1995.

(e) 112 cases of whooping cough were notified in 1995.

(f) 2,314 cases of cancer of the trachea, bronchus and lung were registered as newly diagnosed in 1990.

Health Variations

Mr. Llew Smith: To ask the Secretary of State for Wales (1) what assessment he has made of the relative health of divorced partners in Wales; [6059]

(2) what assessment he has made of the relationship between types of diet and degrees of poor health in Wales; [5921]

(3) what steps he has taken to help in improving the health of members of single-parent families in Wales. [6058]

Mr. Gwilym Jones: Assessments of the links between life styles and social factors and the health of individuals or groups are derived from a range of sources, including applied research and initiatives such as the Welsh health survey. Health authorities are responsible for planning and implementing measures to meet the health needs of their areas and are guided by such assessments and those made by their directors of public health.

Welsh Health Common Services Authority

Mr. Morgan: To ask the Secretary of State for Wales if he will make a statement on the post-project evaluation by the Welsh Health Common Services Authority to demonstrate whether implementation of the move to Crickhowell house matched the projections in the option appraisal agreed with the Department, as set out in the letter from the hon. Member for Clwyd, North-West (Mr. Richards) dated 22 August 1994. [5912]

Mr. Hague: A post-project evaluation was completed by the Welsh Health Common Services Authority in November 1994. Its conclusion was that the costs of moving to Crickhowell house represented good value for money in comparison with an alternative scenario.

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to the letter from the hon. Member for Clwyd, North-West dated 22 August 1994, if he will place in the Library details of the alternatives to Crickhowell house considered in the option appraisal for the centralisation of the Welsh Health Common Services Authority; what rent levels and rent-free periods were offered by the other property development companies in their negotiations with the authority; and what role former *(a)* senior civil servants and *(b)* Ministers took in the negotiations leading up to the lease being signed for Crickhowell house by the Department in late 1991. [5919]

Mr. Hague: It would be inappropriate to publish details of proposals provided by developers on a commercially confidential basis, but they are open to audit. The preferred developer was selected by the authority after appraising competitive bids and approved by Ministers. The chairman of the authority at the time was also director of NHS Wales and a senior civil servant in the Department.

Asthma, Arthritis and Back Pain

Mr. Llew Smith: To ask the Secretary of State for Wales (1) what assessment he has made of the relative

prevalence of back pain and arthritis in the Welsh population compared with the United Kingdom as a whole; and to what he attributes variations; [6065]

(2) what resources he has committed to the study of the causes of changes in the prevalence of *(a)* asthma, *(b)* arthritis and *(c)* back pain in Wales. [6068]

Mr. Gwilym Jones: Indications of improvement in the levels of asthma, arthritis and back pain are currently being considered by a working group led by the Welsh Office with representatives of Welsh health authorities.

The working group is to identify a range of indicators and target levels which could be achieved over the next five years by the application of evidence based clinical care.

Before it is issued in March 1997 the list of indictors and targets will be subject to consultation with the health service, starting in December this year.

Private Finance Initiative

Mr. Morgan: To ask the Secretary of State for Wales if he will publish the current list of all PFI deals already agreed. [5904]

Mr. Hague: Private finance initiative deals agreed include:

University hospital of Wales: phase 1 car park;

University hospital of Wales: phase 2 car park;

University hospital of Wales: concourse;

Llandough hospital: contract energy management;

Withybush hospital: contract energy management;

Welsh Office: office IT system (OSIRIS).

Learning Difficulties

Mr. Llew Smith: To ask the Secretary of State for Wales what steps he is taking to assist people in Wales with learning difficulties to reduce the side effects of taking medication. [6064]

Mr. Gwilym Jones: The Welsh health gain protocol sets a target for 2002 of reducing to 10 per cent. the number of mentally disabled persons who suffer side effects from drugs. A first step is a study into the effects of withdrawing drugs from mentally disabled persons.

Health Service (Extra-contractual Referrals)

Mr. Morgan: To ask the Secretary of State for Wales what appraisal he has made of the impact of the removal of the requirement for prior authorisation of extra-contractual referrals on the net and gross expenditure profiles of Welsh health authorities; what representations he has had from those authorities concerning the impact of the change; and if he will make a statement. [5911]

Mr. Hague: Discussions are under way with representatives of NHS Wales about potential changes to the ECR administration process. These discussions include the issue of the removal of the requirement for prior authorisation. The impact on expenditure profiles will be dependent on the conclusions of these discussions.

Buckley Link Road

Mr. Barry Jones: To ask the Secretary of State for Wales what was the total cost and length of the Buckley link road. [6281]

Mr. Gwilym Jones: Flintshire county council is responsible for the Buckley link road scheme.

Shotton Steelworks

Mr. Barry Jones: To ask the Secretary of State for Wales when he next proposes to visit Shotton steelworks, Flintshire. [6285]

Mr. Hague: I have no plans at present to visit Shotton steelworks.

Deeside Economy

Mr. Barry Jones: To ask the Secretary of State for Wales what assessment he has made of the impact on the Deeside economy on the withdrawal of full development status from Deeside; and if he will make a statement. [6287]

Mr. Hague: The assessment that can be made so far is that, in the Shotton, Flint and Rhyl travel-to-work area, average unemployment in the 12 months to October 1996 was 19 per cent. below the level in the 12 months to July 1993 compared with a fall of 20 per cent. in Wales as a whole.

Powys Council

Mr. Alex Carlile: To ask the Secretary of State for Wales if he will make a special funding provision to Powys council in respect of road clearing and gritting during the winter months; and if he will make a statement. [6407]

Mr. Hague: No. Local authorities are funded for their revenue services through the local government revenue settlement. The formula for distributing resources between authorities is agreed with the Welsh Local Government Association.

Women

Mrs. Roche: To ask the Secretary of State for Wales how many women are currently employed by his Department at each civil service grade. [6448]

Mr. Hague: The information is as follows:

Grade	*Number*
Permanent secretary	1
Senior civil service	15
Grade 6	4
Grade 7	36
Senior executive officer	26
Higher executive officer	125
Executive officers	262
Administrative officers	385
Administrative assistants	410
	1,264

Mrs. Roche: To ask the Secretary of State for Wales what proportion of those employed by his Department in 1992–93 were women. [6478]

Mr. Hague: As at 1 January 1993, 53 per cent. of the total staff employed in my Department were women.

Care and Repair Wales

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had with the Welsh Local Government Association with respect to the funding arrangement for Care and Repair Wales for 1997–98. [6558]

Mr. Hague: The Welsh Local Government Association was consulted in March 1996 about future funding arrangements for Care and Repair Wales as part of the wider Welsh Office consultation on redefining the relationships with local authorities.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Wales what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6459]

Mr. Hague: My Department opened a workplace nursery in 1991 and has supported holiday playcare schemes in the easter and summer school holidays each year since 1990. My Department also has provision to reimburse staff for additional child care expenses incurred in the course of their official duties.

Information on the number of employees using these child care facilities is not kept in the format requested.

Secondments

Mr. Morgan: To ask the Secretary of State for Wales how many secondments there were to his Department in each of the past five years. [6623]

Mr. Hague: The number of secondments into my Department in each year since 1992 is as follows:

1992: 13

1993: 20

1994: 4

1995: 8

1996: 5.

Written Answers to Questions

Friday 29 November 1996.

ENVIRONMENT

Mineral Planning Guidance

Mr. Elletson: To ask the Secretary of State for the Environment when he intends to publish the revision of mineral planning guidance note 7. [6735]

Sir Paul Beresford: I am pleased to announce that the document was published today. Copies are available in the Libraries of both Houses.

Sellafield

Mr. Meacher: To ask the Secretary of State for the Environment which of the plants and facilities at Sellafield belong to *(a)* British Nuclear Fuels plc, *(b)* the UK Atomic Energy Authority and *(c)* other bodies; and which have been subject to (i) an environmental audit and (ii) an environmental impact assessment. [5720]

Mr. Page: I have been asked to reply.

Details of which organisations own the various plants and facilities on the Sellafield site are administrative, and commercially sensitive, matters for the operators. For security reasons, it is not the practice to disclose information on individual buildings. All the operators are required to meet the applicable environmental and licensing requirements.

HOUSE OF COMMONS

Overnight Facilities

Mr. Flynn: To ask the Chairman of the Administration Committee in what circumstances hon. Members, officers and staff of the House can use the overnight facilities in each of the parliamentary buildings; what was the total cost of the provision of such facilities in each of the last five years; and if he will make a statement. [5608]

Mr. Michael J. Martin: This is a matter for the Serjeant at Arms. I have asked him to write to my hon. Friend.

EDUCATION AND EMPLOYMENT

Grant-maintained Schools

Mr. Pawsey: To ask the Secretary of State for Education and Employment what percentage of secondary schools are currently grant maintained. [6758]

Mr. Forth: Grant-maintained secondary schools make up 18 per cent. of maintained secondary schools in England.

Pupil Selection

Mr. Blunkett: To ask the Secretary of State for Education and Employment how many and what proportion of the consultees on the White Paper, "Self-Government for Schools", who responded to the pupil selection proposals were in favour of increased selection. [6924]

Mr. Forth: We received 637 responses to the White Paper "Self-Government for Schools". Over three-quarters were from LEAs and LEA-maintained schools. Some 397 respondents commented on the proposals to give schools greater freedom to introduce or extend selection. Of these, 10—3 per cent.—expressed support for the proposals.

Office for Standards in Education

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will give a breakdown of spending on Ofsted in 1996–97 and of budgeted spending in 1997–98. [6935]

Mr. Robin Squire: This is a matter for Her Majesty's chief inspector of schools, who heads the Office for Standards in Education. I have asked Mr. Chris Woodhead to write to the hon. Member.

Pupils (Islington)

Mr. John Marshall: To ask the Secretary of State for Education and Employment how many children from Islington were educated outside Islington; and how many children from outside Islington were educated in Islington in the last year for which figures are available. [6761]

Mr. Robin Squire: As at January 1996, some 3,750 pupils aged five to 15 from Islington were estimated to be educated outside Islington. At the same date, some 3,900 pupils aged five to 15 from outside Islington were estimated to be educated in Islington.

Pre-school Provision

Mr. Blunkett: To ask the Secretary of State for Education and Employment what was *(a)* the number and *(b)* the percentage of four year-olds in (i) nursery schools, (ii) nursery classes in primary schools and (iii) reception classes in primary schools, in each local education authority and nationally, at January 1996. [5953]

Mr. Robin Squire: Information on pupils aged four in maintained nursery and primary schools for England is shown in the following table. The Department does not publish information on participation rates of individual age cohorts by local education authority.

Pupils aged four in maintained nursery and primary schools[1]
England *January 1996*

	Number	Percentage of population
Nursery schools	20,800	3.2
Nursery classes in primary schools	134,200	20.4

Pupils aged four in maintained nursery and primary schools[1] England *January 1996*

	Number	Percentage of population
Infant classes in primary schools	343,400	52.2
All pupils aged four in nursery and primary schools	498,400	75.8

[1] These figures are not directly comparable with those released in previous years due to changes in the data collected.

Mr. Blunkett: To ask the Secretary of State for Education and Employment what was *(a)* the number and *(b)* the percentages of four-year-olds in pre-school provision in each local education authority and nationality in January 1996. [5954]

Mr. Squire: Information on pupils aged four in maintained nursery schools and nursery classes in maintained primary schools for England is shown in the table. The Department does not publish information on participation rates of individual age cohorts by local education authority.

Pupils aged four in maintained nursery schools and nursery classes in maintained primary schools[1]

	Number	*Percentage of population*
Nursery schools	20,800	3.2
Nursery classes in primary schools	134,200	20.4
All pupils aged four in nursery and primary schools	155,000	23.6

[1] These figures are not directly comparable with those released in previous years due to changes in the data collected.

DEFENCE

Services Sound and Vision Corporation

Mr. Yeo: To ask the Secretary of State for Defence what developments there have been affecting his Department's relationship with the Services Sound and Vision Corporation since his answer of 15 October, *Official Report*, column *863*; and if he will make a statement. [7270]

Mr. Soames: The contracts mentioned in the answer given on 15 October have been offered to, and accepted, by SSVC. The MOD's relationship with the SSVC is now the same as its relationship with any commercial supplier and the corporation's non-departmental public body status has been revoked accordingly.

Edinburgh Castle

Ms Roseanna Cunningham: To ask the Secretary of State for Defence if he will list the regulations which govern which flag flies over Edinburgh castle; what plans he has to alter these regulations to ensure that the Saltire or the Lion Rampant flies over Edinburgh castle while the Stone of Scone rests in the castle; and if he will make a statement. [5944]

Mr. Soames *[holding answer 26 November 1996]:* The rules governing flag flying over Army flag stations such as Edinburgh castle are set out in Queen's regulations for the Army. These state the type, size and occasions on which flags are to be flown. I have no plans to amend these regulations. The Saltire will fly from the Half Moon battery at Edinburgh castle on Saint Andrew's day and for the forseeable future thereafter.

NATIONAL HERITAGE

Indemnity Undertakings

Mr. Legg: To ask the Secretary of State for National Heritage how many indemnity undertakings were given by Departments under section 16 of the National Heritage Act 1980 for the six-month period ended 30 September; and what was the value of *(a)* any contingent liabilities in respect of such undertakings given at any time under that section which remain outstanding as at 30 September and *(b)* non-statutory Government indemnities in respect of loans handled by the Government art collection which remain outstanding as at 30 September. [7271]

Mrs. Virginia Bottomley: The provision for the Government indemnity scheme is made by the National Heritage Act 1980. The scheme facilitates public access to loans of works of art and other items for public display made to museums, galleries and other such institutions by private owners and non-national institutions. It does this by indemnifying lenders against loss or damage to their loan. Loans covered by the scheme must be for public benefit. The scheme also covers loans of such objects for study purposes within institutions where this would contribute materially to the public's understanding or appreciation of the loan—for example through a scholarly publication.

In the six-month period ended 30 September 1996, the following undertakings to indemnify were given by the relevant Departments for objects on loan to national and non-national institutions:

	Numbers
Department of National Heritage	453
Scottish Office Education Department	164
Welsh Office Education Department	70
Department of Education for Northern Ireland	30

The value of contingent liabilities in respect of such undertakings given at any time under section 16 and which remain outstanding at 30 September are:

	£
Department of National Heritage	1,388,795,250
Scottish Office Education Department	348,112,981
Welsh Office Education Department	49,547,929
Department of Education for Northern Ireland	7,013,664

The value of non-statutory Government indemnities to cover loans handled by the Government art collection and which were outstanding at 30 September 1996 is:

Value: £9,000,000.

PRIME MINISTER

European Council Meeting

Mr. Llew Smith: To ask the Prime Minister what proposals on *(a)* monetary union and *(b)* the environment he intends to table for discussion at the European Council in Dublin on 13–14 December; and if he will place copies of such United Kingdom submissions in the Library before the Council. [6806]

The Prime Minister: None.

DUCHY OF LANCASTER

Cabinet Committees

Sir Roger Sims: To ask the Deputy Prime Minister if he will provide a list of the Cabinet committees on which he sits. [7355]

The Deputy Prime Minister: I chair five ministerial committees of the Cabinet, as follows:

The Ministerial Committee on competitiveness (EDC),

The Ministerial Committee on the co-ordination and presentation of Government policy (EDCP),

The Ministerial Committee on the environment (EDE),

The Ministerial Committee on local government (EDL) and

The Ministerial Group on the millennium festival (GEN 36).

I am a member of a further 11 ministerial committees of the Cabinet, as follows:

The Ministerial Committee on economic and domestic policy (EDP),

The Ministerial Committee on defence and overseas policy (OPD),

The Ministerial Committee on nuclear defence policy (OPDN),

The Ministerial Committee on Northern Ireland (NI),

The Ministerial Committee on the intelligence services (IS),

The Ministerial Committee on home and social affairs (EDH),

The Ministerial Committee on public expenditure (EDX),

The Ministerial Committee on the Queen's Speeches and future legislation (FLG),

The Ministerial Sub-Committee on European questions (OPD(E)),

The Ministerial Sub-Committee on terrorism (OPD(T)) and

The Ministerial Group on countering benefit fraud (GEN 40).

Internal Market

Sir Roger Sims: To ask the Chancellor of the Duchy of Lancaster what decisions were taken at the EU ministerial Council on the internal market on 26 November; and what matters were voted upon. [7356]

Mr. Freeman: I attended the Council on behalf of the UK Government. An open debate was held on the Commission's report on the impact and effectiveness of the single market. I welcomed the report's message that the single market had benefited international competitiveness and jobs. I also supported the emphasis on effective application and enforcement and improved infractions systems. More work was needed on energy and services, including financial services.

The single market would also work better with simpler legislation, which would especially benefit small firms. I welcomed the Commission's report on its simpler legislation for the internal market—SLIM—initiative and the results of the pilot project. These would deliver concrete benefits to business. The UK's calculations showed that the Intrastat proposals alone would result in savings of over £5 million for the UK's small firms.

The Council asked the Commission to bring forward legislative proposals to implement the SLIM teams' proposals quickly. The Council also expressed a desire to see the SLIM approach extended to further areas of single market legislation and invited suggestions from all member states. I suggested that the electromagnetic compatibility, personal protective equipment, package travel directives and the VAT information exchange system would benefit from inclusion in a second round of SLIM. I also mentioned the importance of work to simplify legislation on machine standards and food hygiene.

The Council reached political agreement on a common position:

on an amendment to the directive on extraction solvents used in the manufacture of foodstuffs; and

subject to a UK parliamentary scrutiny reserve, to amend two public procurement directives to align them more closely with the World Trade Organisation Government procurement agreement.

No agreement was reached on a common position on a directive on the legal protection of designs where neither the Commission proposal nor a presidency compromise gained sufficient support.

The European company statute, free movement of persons, problems facing ski instructors and tour guides and the "Action Robert Schumann" proposal to improve legal professionals' understanding of single market law were also raised and Council Members attended the launch of citizens first, the Commission's information initiative designed to bring the EU closer to the citizen.

Women

Mrs. Roche: To ask the Chancellor of the Duchy of Lancaster what proportion of those employed by his Department in 1992–93 were women. [6435]

Mr. Willetts *[holding answer 28 November 1996]:* On 1 April 1992, women comprised 41 per cent. of the total number of people employed in the Cabinet Office, its agencies, HMSO and the Central Office of Information.

Mrs. Roche: To ask the Chancellor of the Duchy of Lancaster how many women are currently employed by his Department at each civil service grade. [6437]

Mr. Willetts *[holding answer 28 November 1996]:* The breakdown of female staff by grade across the Cabinet Office and the Office of Public Service and its five agencies at 30 September, together with that of the Central Office of Information is shown in the table.

Grade	Cabinet office and Office of Public Service			Central Office of Information
	Central Department	OPS agencies	Overall total	
SCS	19	2	21	0
G6	2	7	9	1
G7	36	29	65	7
SEO	10	27	37	3
HEOD	25	0	25	0
HEO	39	33	72	6
EO	67	86	153	12
SPS	57	1	58	0
AO	88	142	230	44
PS	53	26	79	9
AA	39	7	46	6
AT	7	0	7	0
SIO	5	0	5	32
IO	6	0	6	37
AIO	1	0	1	3
SGB	43	21	64	4
TYP	27	16	43	8
SA	6	0	6	0
Other	22	44	66	0
Total	558	441	1,013	172

Other includes various specialist grades and non-graded staff.

Mrs. Roche: To ask the Chancellor of the Duchy of Lancaster, how many women are currently employed by his Department; and what proportion this is of the total. [1257]

Mr. Willetts *[pursuant to his reply, 4 November 1996, c. 336]:* I regret that my answer of 4 November did not include figures for the Central Office of Information. The corrected reply follows.

There are 558 women employed within the centre of the Cabinet Office and Office of Public Service which represents 46.4 per cent. of the work force. There are a total of 1,013 women within the whole of the Cabinet Office and Office of Public Service and agencies, which represents 32.4 per cent. of the work force. The divergence is attributable to the Security and Facilities Executive, where the majority of employees are male security guards. The Central Office of Information has 172 female employees, which represents 42.9 per cent. of the work force.

Civil Service (Nationality Restrictions)

Mr. Derek Foster: To ask the Chancellor of the Duchy of Lancaster (1) what were the Government's objectives in introducing nationality restrictions on employment in the civil service in June 1996; [5248]

(2) if the Government will scrap the nationality bar and restore the rights of Irish and Commonwealth citizens in applying for civil service posts; [5249]

(3) what legal provisions govern the rights of Irish and Commonwealth citizens to apply for posts in the UK civil service. [5250]

Mr. Freeman *[pursuant to his reply, 21 November 1996; c. 664]:* I regret that the word "Community" in the quoted reference from the British Nationality Act 1981 should have read "Commonwealth". The corrected reply follows.

The changes announced in my written answer to the hon. Member for Taunton (Mr. Nicholson) on 1 March 1996, column *771*, took effect on 1 June 1996 and I have no plans to reverse them.

The legal provisions governing the rights of Irish and Commonwealth citizens to apply for posts in the UK civil service are as follows. The Aliens' Restriction (Amendment) Act 1919 prohibits the appointment of any alien "to any office or place in the Civil Service of the State". Because of Great Britain's historic connections with Ireland and the Commonwealth, the definition of "alien" did not include British protected persons or the Irish, even when the Republic of Ireland left the Commonwealth in 1948. Civil service posts were accordingly open to Commonwealth nationals and citizens of the Republic of Ireland. Having regard to the conditions at the time of their enactment, the concept of "alien" in the 1919 Act included those who are now nationals of European Economic Area member states. Under the British Nationality Act 1981, an "alien" is

"a person who is neither a Commonwealth citizen nor a British protected person nor a citizen of the Republic of Ireland".

The June 1996 changes were made under the Minister's powers in the Civil Service Order in Council in order to protect the UK's right, which every other EEA member state has, to be able to reserve its core posts for its own nationals.

SOCIAL SECURITY

Computers

Mr. Hoon: To ask the Secretary of State for Social Security how many separate computer programmes his Department operates. [5357]

Mr. Burt: There is no universal definition of what constitutes a computer programme.

This Department is at present responsible for 18 major mainframe systems, and more than 1,500 small software systems.

Mr. Hoon: To ask the Secretary of State for Social Security how many lines of computer code there are in his Department's computer systems. [5348]

Mr. Burt: The Department uses a mixture of in-house developed and proprietary software packages. Information on the number of lines of source code used in the proprietary software packages is known only to the supplier.

The in-house developed software contains millions of lines of code and the cost of counting these would be disproportionate. An analysis of this software is currently being carried out as part of our strategy for dealing with the year 2000 date change. This will identify what software changes are required, and the analysis will be completed by January 1997.

Incapacity Benefit

Mr. Alan Howarth: To ask the Secretary of State for Social Security how many people whose incapacity

benefit was disallowed because of a failure to return the IB50 questionnaire belatedly returned the questionnaire and were awarded benefit. [6049]

Mr. Burt: The information requested is not available.

Mr. Howarth: To ask the Secretary of State for Social Security how many people failed the incapacity benefit all-work test in 1995–96 as a result of a Benefits Agency medical service examination. [6048]

Mr. Burt: Between April 1995 and March 1996, around 90,000 claimants were disallowed incapacity benefit following medical examination under the all-work test.

Benefits Agency Staff

Mr. Worthington: To ask the Secretary of State for Social Security (1) how many staff are now employed by the Benefits Agency on a casual basis; [5743]

(2) how many staff were last year asked to leave the Benefits Agency employment before completing two years' service. [5744]

Mr. Roger Evans: I refer the hon. Member to the reply given to him by Peter Mathison, chief executive of the Benefits Agency, on 21 November, *Official Report*, column *685*.

War Pensions

Mr. Betts: To ask the Secretary of State for Social Security (1) what is the current cost of the statutory disregard of war disablement pensions and war widows' pensions for each applicable Government benefit; [6982]

(2) what is the cost to local authorities of the discretionary disregard of war disablement pensions and war widows' pensions for *(a)* housing benefit and *(b)* council tax benefit; [6977]

(3) how many local authorities give a full disregard to war disablement pensions and war widows' pensions in the calculation of housing and council tax benefit; how many authorities give a partial disregard; and how many give no disregard beyond the statutory £10; [6978]

(4) what would be the cost of disregarding the total of war disablement pensions and war widows' pensions for *(a)* housing benefit and *(b)* council tax benefit; [6979]

(5) what is the cost of the current £10 statutory disregard of war disablement pensions and war widows' pensions for *(a)* housing benefit and *(b)* council tax benefit; [6980]

(6) what would be the cost of disregarding the total of war disablement pensions and war widows' pensions for each applicable Government benefit. [6981]

Mr. Roger Evans: The information is not available in the format requested. Such information as is available is set out in the table.

Information on local authorities' discretionary schemes, other than in relation to levels of expenditure, is not collected centrally and could be obtained only at disproportionate cost.

Disregard of war disablement pensions and war widow's pensions in the income-related benefits: estimated costs

£ million

	Housing benefit	*Council tax benefit*	*Income support*	*Total costs*
Estimated cost of current mandatory disregards	15	5	5	25
Estimated additional cost of a total disregard	45	15	35	95
Estimated overall cost of a total disregard	60	20	40	120

1. For 1994–95, the latest date for which information is available, local authorities reported additional expenditure on discretionary schemes of around £30 million for housing benefit and £10.5 million for council tax benefit.
2. Costs for family credit, disability working allowance and income-based jobseeker's allowance are likely to be negligible.
3. Estimates are based on data given in local authority subsidy returns for 1994–95; the May 1994 income support quarterly statistical enquiry; and the 1991, 1992 and 1993 family expenditure surveys. The estimates have been uprated to 1996–97 levels.
4. In compiling these estimates, expenditure has been rounded, where appropriate, to the nearest £5 million. Estimates given are of a broad magnitude only due to lack of comprehensive data on receipt of war pensions for claimants of income-related benefits or potential claimants of income-related benefits.

Special Advisers

Mr. Berry: To ask the Secretary of State for Social Security how many special advisers are employed by his Department; and if he will list their names. [6831]

Mr. Lilley: There is one special adviser employed by my Department. His name is Peter Barnes.

Social Security (Adjudication) Regulations

Mr. Flynn: To ask the Secretary of State for Social Security if he will amend the Social Security (Adjudication) Regulations 1995 to give appellants entitlements to an oral hearing if they request it after the expiry of the 10 days time limit. [6903]

Mr. Roger Evans: There is no need for such an amendment. The decision not to opt for an oral hearing is not irrevocable. Requests for an oral hearing will be granted up to the point at which the tribunal decision is issued.

TRANSPORT

New Car Assessment Programme

Mr. Donohoe: To ask the Secretary of State for Transport when he expects the results of his Department's commissioned research on the new car assessment programme to be published; and what information will be released at this point. [6409]

Mr. Bowis: I expect the results to be published early next year. Information on front and side impact protection and pedestrian protection offered by seven super-mini-sized cars will be released.

Mr. Donohoe: To ask the Secretary of State for Transport what representations he has received during the last 12 months, and from whom, about the research being

carried out by his Department under the new car assessment programme and the publication of the results of this research. [6410]

Mr. Bowis: During the last 12 months, I have received the following representations.:

	Number
Motoring associations	6
Industry	4
Members of Parliament	1
Members of the public	0

The motoring associations were in favour of the NCAP, industry wanted to ensure that the results are presented in a fair and objective way and the Member of Parliament requested details of the programme.

Mr. Donohoe: To ask the Secretary of State for Transport how much his Department *(a)* has spent and *(b)* is planning to spend on research under the new car assessment programme; and what this work involves. [6411]

Mr. Bowis: To the end of November 1996, my Department has spent £1,035,000 on work connected with the new car assessment programme and, in the current phase, plans to spend a total of £1,580,000. This work involves purchasing vehicles, conducting crash tests and the collection and interpretation of data.

Noise Barriers

Sir John Stanley: To ask the Secretary of State for Transport under what statutory provision highway authorities are empowered to fund the construction of noise barriers on existing motorways and trunk roads. [6950]

Mr. Watts: Highway authorities are empowered under section 282 of the Highways Act 1980.

Sir John Stanley: To ask the Secretary of State for Transport what is the statutory provision under which his Department occasionally and in exceptional circumstances exercises a discretion to provide noise barriers to trunk roads built before October 1969; and if statutory provisions are subsequently amended to be disapplied to motorways and trunk roads built after October 1969. [6951]

Mr. Watts: My Department occasionally and in exceptional circumstances exercises a discretion to provide noise barriers on roads built before 17 October 1969 under section 282 of the Highways Act 1980. This section, which replaced section 23 of the Land Compensation Act 1973, provides the power to carry out works within a highway to mitigate the adverse effects of its construction, existence or use.

Other sections of the Land Compensation Act 1973 provide powers to insulate residential properties against noise, and to pay financial compensation to property owners for loss of value attributable to the construction, or substantial improvement, of a road. These powers were applied retrospectively to roads built or improved after 16 October 1969.

These statutory provisions remain in force.

Air Safety

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 26 November, *Official Report*, column *155*, what investigations the Civil Aviation Authority has undertaken to ensure that International Civil Aviation Organisation standards are being met. [6974]

Mr. Bowis: It is not clear to which of the answers of 26 November the hon. Member is referring.

Polystyrene (Fire Risks)

Mr. Cohen: To ask the Secretary of State for Transport what research he has *(a)* commissioned and *(b)* evaluated on the fire and smoke risks from the transportation of polystyrene; and if he will make a statement. [6418]

Mr. Watts: Extensive research and evaluation work on the fire and smoke hazards of a wide range of materials, including polystyrene in different applications, has been carried out for the Home Office's fire research and development group, the Fire Research Station and the Health and Safety Executive.

Railtrack (Land Sales)

Mr. Gapes: To ask the Secretary of State for Transport what sanctions apply to the selling by Railtrack of land in the operational portfolio. [6009]

Mr. Watts: Railtrack cannot sell any operational land—that is, land required for rail purposes, as defined at section 39 of the Railways Act 1993—without going through rigorous statutory closure procedures. The Rail Regulator, who has a duty to have regard to the interests of all rail users, will take decisions on closure proposals, with any subsequent appeals being referred to the Secretary of State. The regulator has the power both to require Railtrack to comply with the closure procedures and to impose a fine in the unlikely event of a breach.

Any profits realised by Railtrack from property sales are subject to arrangements whereby 25 per cent. of the profits over and above those taken into account by the regulator in setting the level of charges for access to the track, are clawed back and paid into the Exchequer via lower subsidy levels.

Midland MainLine

Sir Irvine Patnick: To ask the Secretary of State for Transport what steps have been taken to monitor the level of services on the Midland MainLine; and if he will make a statement. [4747]

Mr. Watts: The franchise agreement places obligations on the franchise operator to provide, and gives the franchising director the right to request, information about services in order to monitor compliance with the franchise obligations. The franchise agreement requires the franchise operator to monitor customer satisfaction, and to publish its own passenger's charter with terms no less favourable than those offered by British Rail. The office for Passenger Rail Franchising recently published statistics for punctuality and reliability in comparison with franchisees' passengers charter standards. Since the franchise commenced in April, Midland MainLine's punctuality and reliability has exceeded its charter targets

of 90 per cent. and 99 per cent. respectively. In addition to the operational information provided by franchisees, Opraf has its own computer systems which make full use of data from Railtrack systems independently to monitor operating performance.

The franchisee for Midland MainLine plans broadly to maintain the pre-franchising number of services over the first three years of the franchise, with the introduction of additional services in 1999.

Air Accidents (1993)

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 26 November, *Official Report,* column *154,* if he will provide further information on the air accidents occurring in 1993. [6968]

Mr. Bowis: Of the accidents referred to in my reply of 26 November, *Official Report,* column *154,* five involved aircraft struck by ground vehicles and equipment, and two involved cabin attendants falling from aircraft while attempting to close a door.

The air accidents investigation branch investigated six of the seven accidents. The reports of its investigations, copies of which have been placed in the Library, were published in AAIB bulletins in 1993. The AAIB determined that the remaining accident was not a reportable accident.

Exhaust Emission Checks

Mr. Tredinnick: To ask the Secretary of State for Transport how many spot checks are made each year on commercial vehicles to ensure that they comply with exhaust emission standards; what percentage of these have been found in the last available two years to be above the legal limit; and if he will make a statement. [6804]

Mr. Bowis: I have asked the chief executive of the Vehicle Inspectorate to write to my hon. Friend.

Letter from Ron Oliver to Mr David Tredinnick, dated 29 November 1996:

The Secretary of State has asked me to reply to your question about the number of spot checks which are made each year on commercial vehicles to ensure that they comply with exhaust emission standards; and what percentage of these have been found in the last available two years to be above the legal limit.

Instrumented checks using calibrated test equipment are carried out by the Inspectorate's vehicle examiners. Vehicles found to have exhaust emissions in excess of the legal limit are issued with a prohibition. Details of checks on commercial vehicles for the last two financial years are as follows:

	1995–96			*1994–95*		
	Instrumented checks	*Prohibitions issued*	*Percentage above limit*	*Instrumented checks*	*Prohibitions issued*	*Percentage above limit*
HGV	11,405	350	3.1	12,959	450	3.5
PSV	10,140	247	2.4	7,292	184	2.5
LGV[1]	15,116	954	6.3	n/a	n/a	n/a
Taxis	6,705	784	11.7	n/a	n/a	n/a

n/a = not available.
[1] LGV - Light Goods Vehicle.
Separate data for emissions checks of LGVs and Taxis is not available prior to 1995–96.

	1993–94	*1994–95*	*1995–96*
Number of HGV offences reported for prosecution			
Scotland	1,818	2,208	2,481
England and Wales	11,514	11,300	12,217
Number of above offences pursued			
Scotland	n/a	1,382	1,501
England and Wales	10,987	10,635	11,314
Total Number of HGV inspections			
Scotland	30,193	25,376	29,039
England and Wales	210,186	241,841	219,635

1. Information is not available separately for England and Wales. 2. Number of HGV offences shown as reported for prosecution in England and Wales are those reported to the Inspectorate's internal prosecution service.

Figures not available for Scotland.

Bypasses

Mr. Matthew Taylor: To ask the Secretary of State for Transport what assessment he has made of the effects of undertaking comprehensive traffic measures in an area to be bypassed on the economic assessment of that bypass; and what research he has *(a)* commissioned and *(b)* evaluated on this matter. [6895]

Mr. Watts: My Department's published appraisal guidance advises that, where comprehensive traffic calming measures are proposed for an area to be bypassed, the effects of the scheme are tested with and without the traffic calming measures.

The evidence suggests that traffic calming measures can enhance substantially the amenity of the bypassed town centre but generally have little impact on the volume of traffic using bypasses. No specific research has been commissioned into the economic consequences of town centre traffic calming on a bypass.

Rail Privatisation

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 31 October, *Official Report,* column *238,* if he will list the total number of hours worked by consultants employed by Samuel Montague in relation to rail privatisation. [6972]

Mr. Watts: The answer could be provided only at disproportionate cost.

Airline Alliance

Sir Peter Fry: To ask the Secretary of State for Transport what information he has asked the Civil Aviation Authority to provide concerning benefits to the United Kingdom that would arise from the proposed

British Airways-American Airlines alliance; and what factors underlie changes from the previous practice in respect of consultation with the CAA. [5657]

Mr. Bowis: It is for the competition authorities to analyse the proposed British Airways-American Airlines alliance. I understand that the CAA has contributed to the analysis carried out by the Office of Fair Trading.

Private Finance Initiative

Mr. Andrew Smith: To ask the Secretary of State for Transport what is the average time taken in the tendering process for *(a)* design, build, finance and operate roads projects and *(b)* other PFI transport projects. [5757]

Mr. Watts *[holding answer 26 November 1996]:* The average time taken in the tendering process for DBFO roads projects, from invitation to tender to the awarding of the contract, is 13 months. Information for other PFI transport projects is not readily available, particularly in cases where my Department is not the project promoter, and could be obtained only at disproportionate cost. An average figure would in any case be meaningless, given the differences in scale and complexity between projects.

Heavy Goods Vehicles (Testing)

Mr. Donohoe: To ask the Secretary of State for Transport (1) what discussions have taken place between his Department and the legal authorities in England, Wales and Scotland in relation to the prosecution of offences involving HGVs reported by the Vehicle Inspectorate; [6359]

(2) if he will list for each of the last five financial years for *(a)* England, *(b)* Wales and *(c)* Scotland (i) how many HGV offences have been reported to the legal authorities, (ii) how many of these offences have been pursued and (iii) how many HGV inspections in total have taken place. [6360]

Mr. Bowis *[holding answer 28 November 1996]:* I have asked the chief executive of the Vehicle Inspectorate to write to the hon. Member.

Letter from Ron Oliver to Mr. Brian Donohoe, dated 29 November 1996:

The Secretary of State has asked me to reply to your questions concerning:

1 What discussions have taken place between his Department and the legal authorities in England, Wales and Scotland in relation to the prosecution of offences involving HGVs reported by the Vehicle Inspectorate; and

2 The number of HGV offences reported to the legal authorities for each of the last 5 financial years for (a) England, (b) Wales and (c) Scotland; (i) how many HGV offences have been reported to the legal authorities; (ii) how many of these offences have been pursued; and (iii) how many HGV inspections in total have taken place.

In England and Wales prosecutions are undertaken by the Vehicle Inspectorate's own Prosecution and Legal Services department. Therefore no discussions have taken place with legal authorities regarding HGV offences. In Scotland, offences are reported for prosecution to the Procurator Fiscal and discussions are underway between the Inspectorate and the Crown Agent in Scotland about cases referred to the Procurator Fiscal which are not pursued.

Details of HGV offences reported for prosecution for each of the last 3 financial years are shown on the attached table.

TRADE AND INDUSTRY

European Rocket Project

Mr. Dalyell: To ask the President of the Board of Trade if he will report progress on the Ariane project; what representations he has received from *(a)* Professor David Southwood of Imperial college, London, and *(b)* Professor Stephen Schwartz and other plasma physicists at Queen Mary and Westfield colleges, London on this matter; what reply he sent; and if he will place copies of the correspondence in the Library. [6106]

Mr. Ian Taylor: Following the failure of Ariane 501, a second qualification flight is planned for April 1997. A third qualification flight, which might also carry a commercial payload, is planned for September 1997.

I have received letters from Professor Schwartz and, via the hon. Member for Linlithgow (Mr. Dalyell) from Professor Southwood about the Cluster mission. Copies of the correspondence have been placed in the Library of the House.

EU Working Time Directive

Sir Michael Grylls: To ask the President of the Board of Trade what representations he has received from business organisations in respect of the European Court of Justice's ruling on the working time directive. [5821]

Mr. John M. Taylor: My Department has received a wide range of representations about the working time directive. Many of these have been from employers or employer organisations concerned about the directive's potential implications for industry.

Ms Quin: To ask the President of the Board of Trade what is his Department's estimate of the number of employees who will receive new entitlements to paid holidays as a result of the introduction of the working time directive. [4690]

Mr. Taylor *[holding answer 25 November 1996]:* The number of employees who might receive the entitlements proposed in the directive would depend on the conditions of entitlement set by implementing measures.

Personal Insolvencies

Mr. William O'Brien: To ask the President of the Board of Trade how many personal insolvencies was recorded over each of the past five years; and how many of these were recorded as being caused through the action of the Child Support Agency. [6239]

Mr. John. M. Taylor: The number of individual insolvencies in each of the last five years is shown in the table. Individual insolvencies include business insolvencies applying to individuals and are therefore not strictly personal insolvencies. Information on cause of insolvency is not available, but child support is not a provable debt in bankruptcy.

Individual insolvencies in England an Wales

1991–95

	Number
1991	25,640
1992	36,794
1993	36,703

Individual insolvencies in England an Wales

1991–95

	Number
1994	30,739
1995	26,319

European Union (Employment Protection)

Mr. Sheerman: To ask the President of the Board of Trade what employment protection is available to British nationals working in other European Union states, with particular reference to Germany. [6145]

Mr. John M. Taylor: Employment protection arrangements in other European Union states are primarily a matter for the Governments of those states.

South Africa

Sir David Steel: To ask the President of the Board of Trade if he will make a statement on the current policy of Her Majesty's Government in respect of trade access for British companies in South Africa. [6398]

Mr. Lang: The Government support the conclusion of a trade agreement between the European Union and South Africa, which will open market access in both directions. To maximise the benefits for both parties, the agreement should aim at comprehensive product coverage in line with World Trade Organisation rules on free trade areas.

That was the position taken by the Government at the General Affairs Council on 25 March 1996 when the EU's negotiating position on a free trade area with South Africa was adopted. South Africa's formal response to the EU's offer of a free trade area is still awaited.

Internet

Rev. Martin Smyth: To ask the President of the Board of Trade what decisions were made at the recent meeting of the Telecommunications Council on practical measures to deal with illegal and harmful content on the Internet. [6328]

Mr. Ian Taylor: The UK's "Internet Watch" self-regulatory framework for dealing with illegal and harmful content on the Internet was well received at recent meetings of the Commission ad hoc working group on this subject. In its report to the EU Telecommunications Council, the working group advocated the establishment of self-regulatory frameworks along the lines of "Internet Watch" in all EU member states.

At its meeting on 28 November, the Telecommunications Council welcomed this report. It adopted conclusions inviting member states to encourage and facilitate self-regulatory systems, possibly including reporting hotlines, and encouraging the provision of Pics-enabled software, to assist in the establishment of rating and filtering system. The Council also called on the Commission to foster co-ordination of self-regulatory bodies at Community level.

This is a highly satisfactory outcome, which will enhance the effectiveness of the "Internet Watch" approach.

EU Industry Council

Lady Olga Maitland: To ask the President of the Board of Trade if he will make a statement on the outcome of the EU Industry Council held in Brussels on 14 November. [7384]

Mr. Greg Knight: The Council agreed a new steel aid code which meets main UK objectives, subject to UK parliamentary scrutiny. The negotiations secured a tightening of aid for partial closures and confirmation of the legal status of annex applying environment aid. The Commission gave a presentation of the sixth report on the control of aid to the steel industry.

The Council agreed the budget for a new multiannual programme for SMEs of 127 mecu. It agreed the text of a resolution on small and micro enterprises.

On state aids more generally, Council conclusions were adopted which were based on one section of the draft resolution. The conclusions recognised that the application of state aid rules requires continuous endeavours to increase legal certainty, predictability and consistency, noted the Commission's orientations regarding possible future proposals under article 94 regarding procedural rules and block exemptions in specified fields, and supported the early commencement of detailed work.

The main issues of the EC merger regulation, threshold reduction and treatment of multiple notifications were discussed. The presidency noted that no qualified majority existed for reducing thresholds. Most member states agreed on the need to solve the problems for business caused by multiple notification. They agreed that further work would be done at working group level.

The Council adopted conclusions on benchmarking, the competitiveness of the European automotive industry, an industrial competitiveness policy for the European chemical industry, and on the competitiveness of sub-contracting in the European textile and clothing industry.

On shipbuilding, the Council agreed to conclusions noting three main action points, to report back to individual cases to the next Industry Council, to work up a policy for the strategic development of the industry and to issue new figures for the state aid level applicable to individual ships by the end of the year.

Finally, the Council discussed progress in the transAtlantic business dialogue. It also discussed standardisation and the global information society.

Libya (Exports)

Mrs. Beckett: To ask the President of the Board of Trade if he will establish an inquiry into the export to Libya in 1992 of goods for the use of the military. [2967]

Mr. Lang *[holding answer 7 November 1996]:* I have no plans to do so.

Mrs. Beckett: To ask the President of the Board of Trade what investigation he has established into the export to Libya in 1992 of goods for the use of the military; and if he will publish *(a)* the terms of reference and *(b)* the findings of the investigation as soon as possible. [2968]

Mr. Lang *[holding answer 7 November 1996]:* None.

Export Licences

Mr. Tony Lloyd: To ask the President of the Board of Trade what information he provides to Parliament about export licences. [3319]

Mr. Lang *[holding answer 11 November 1996]:* The DTI places in the Library of the House of Commons a six-monthly analysis of all individual export licences which have been issued or refused. The analysis gives details of numbers of licences issued or refused, by country of destination and by category of goods as classified in the Export of Goods (Control) Order 1994 and the Dual-Use and Related Goods (Export Control) Regulations 1995. The most recent analysis covered the first half of 1996. An analysis covering the second half of the year will be placed in the Library of the House in early 1997.

Power Company Takeovers

Mr. Tony Banks: To ask the President of the Board of Trade if he will refer the bids from United States companies for East Midlands Electricity and Northern Electric to the Monopolies and Mergers Commission; and if he will make a statement. [5702]

Mr. John M. Taylor *[holding answer 25 November 1996]:* The Director General of the Fair Trading is currently considering the bids by CE Electric and Dominion Resources for Northern Electric and East Midlands Electricity respectively and will advise my right hon. Friend the President of the Board of Trade in due course. All representations on this matter should therefore be submitted directly to the DGFT. The President will make his decision on whether or not to refer the bids to the Monopolies and Mergers Commission, in the light of the DGFT's advice.

Mr. Banks: To ask the President of the Board of Trade what representations he has made to the United States Administration about protection of United States power companies from foreign takeovers; and if he will make a statement. [5701]

Mr. Page *[holding answer 25 November 1996]:* In a letter of 28 June 1996 to the Secretary of Commerce, my right hon. Friend the President of the Board of Trade raised the subject of US regulation of foreign ownership of US energy utility companies. In his response, Mr. Kantor confirmed that US law does not preclude foreign firms from owning US gas or electricity utilities. We are, however, continuing to study in such cases the detailed regulations to which both US and foreign companies are subject.

Employment Contracts

Mr. Hain: To ask the President of the Board of Trade how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed term-contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed term-contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5418]

Mr. John M. Taylor *[holding answer 25 November 1996]:* I have asked the Department's agencies to reply directly to the hon. Member.

Historical data on the numbers of temporary staff employed in the headquarters area of the Department are not maintained, and the information is not available in the form requested.

The Department currently has 48 temporary staff on fixed-term appointments and 175 casuals. Historical information of the numbers, in man years, of permanent and casual staff employed by the Department and its agencies is available from the staff numbers table on pages 120 and 121 of the Department's expenditure plans report, Cm 3205, published each March. A copy is available in the Library of the House.

Letter from Jim Norton to Mr. Peter Hain, dated 29 November 1996:

To ask the President of the Board of Trade, how many (a) full-time jobs, (b) part-time jobs, (c) full-time jobs which are on (i) renewable and (ii) unrenewable fixed term contracts, (d) part-time jobs which are on (i) renewable and (ii) unrenewable fixed terms contracts, (e) temporary jobs and (f) jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992.

The President of the Board of Trade has asked me to reply on behalf of the Radiocommunications Agency to the above Parliamentary Question.

2. The total number of posts in RA for each of the financial years since 1992 is as follows:

1992–93: 556

1993–94: 580

1994–95: 582

1995–96: 585

1996–97: 561.5.

3. These are not identified separately as full-time and part-time since part-time posts count, pro-rata on the number of hours worked, as full-time posts. However, I can say that the following number of part-time staff were employed in each of the above financial years:

1992–93: Number unavailable

1993–94: 21

1994–95: 22

1995–96: 23

1996–97[1]: 24.

[1] As at 30 September.

4. Of the posts shown in para 2 above, two are fixed term contracts. One, for the Chief Executive, commenced in May 1993 for five years and carries no obligation to renew. The other, started in August 1994 is for three years and is renewable.

5. There are no temporary jobs in RA. However, the Agency employs casual staff at times to cover vacant posts or for specific work. The numbers of such staff are as follows:

1992–93: 22

1993–94: 23

1994–95: 16

1995–96: 19.5

1996–97[1]: 17.

[1] As at 30 September.

Letter from Seton Bennett to Mr. Peter Hain, dated 29 November 1996:

The President of the Board of Trade has asked me to reply on behalf of the National Weights and Measures Laboratory to your question about full-time and part-time jobs in this executive agency.

The information you require is summarised in the following table:

	1992	1993	1994	1995	1996
(a) Full-time jobs	40	40	41	41	41
(b) Part-time jobs	6	7	7	8	9
(c) (i) Renewable f/t contracts	nil	nil	nil	nil	nil
(c) (ii) Unrenewable f/t contracts	nil	nil	nil	nil	nil
(d) (i) Renewable p/t contracts	nil	nil	nil	nil	nil
(d) (ii) Unrenewable p/t contracts	nil	nil	nil	nil	nil
(e) Temporary jobs	nil	nil	nil	nil	nil
(f) Jobs classified as casual	3	4	1	2	5

Letter from Peter Joyce to Mr. Peter Hain, dated 29 November 1996:

The President of the Board of Trade has asked me to reply to your question about various categories of jobs in The Insolvency Service for each year since 1992. The posts allocated to The Service as at 1 April each year were as follows:

	1992	1993	1994	1995	1996
(a) Full-time	1,533	1,537	1,593	1,553	1,432
(b) Part-time[1]	28	30	28	24	30
Total permanent posts	1,547	1,552	1,607	1,565	1,447
(c) Full-time fixed-term contracts:					
(i) renewable	0	0	0	0	0
(ii) unrenewable	0	0	0	0	0
(d) Part-time fixed-term contracts:					
(i) renewable	0	0	0	0	0
(ii) unrenewable	0	0	0	0	0
(e) Temporary	0	0	0	0	0
(f) Casual	105	273	270	121.5	76.5

[1] Counted as 0.5 full-time equivalent. To assist its investigative effort The Service has the use of accountancy staff obtained on short term contracts from an agency. There were 20 such people as at 01 April 1995 and 45 at 01 April 1996.

In addition to staff filling part-time posts there are others filling full-time posts on for example a job-share basis. Similarly, additional casual staff are employed in permanent posts which are temporarily vacant, for example due to maternity leave.

Letter from P. R. S. Hartnack to Mr. Peter Hain dated 29 November 1996:

I am replying for the Patent Office in response to your Parliamentary Question tabled on 19 November 1996 about the number of various categories of jobs within Executive Agencies of the Department of Trade and Industry for each year since 1992.

The information you requested is set out in the table below:-

HEAD COUNT	1992	1993	1994	1995	1996
(A) Full-time jobs	944	903	827	820	690
(B) Part-time jobs	36	42	51	52	46
(C) (i) Full-time renewable (FTA)	52	61	50	3	2
(C) (ii) Full-time unrenewable (FTA)	0	0	0	0	0
(D) (i) Part-time renewable (FTA)	2	2	3	0	0
(D) (ii) Part-time unrenewable (FTA)	0	0	0	0	0
(E) Temporary jobs	25	31	37	68	41
(F) Casuals	12	0	1	0	0

Letter from John S. Holden to Mr. Peter Hain, dated 29 November 1996:

You recently tabled a question about various aspects of employment by DTI and its Executive Agencies. I am replying as Chief Executive of Companies House Executive Agency.

The attached table gives the information you have requested; all fixed term contracts have the possibility of renewal.

If I can be of any further assistance please do not hesitate to contact me.

Companies House: FTE 1992 to current

As at 31 March

	Permanent	Fixed	Casual	Total
Full-time				
1993	805	34	73	912
1994	745	81	32	858
1995	788	9	16	813
1996	726	7	41	774
Current	664	7	76	747
Part-time				
1993	144.0	27.7	4.7	176.4
1994	143.0	35.2	6.2	184.4

Companies House: FTE 1992 to current

As at 31 March

	Permanent	*Fixed*	*Casual*	*Total*
1995	184.3	0.0	5.2	189.4
1996	166.3	3.1	12.3	181.7
Current	150.9	4.0	10.9	165.7
Total				
1993	949.0	61.7	77.7	1,088.4
1994	888.0	116.2	38.2	1,042.4
1995	972.3	9.0	21.2	1,002.4
1996	892.3	10.1	53.3	955.7
Current	814.9	11.0	86.9	912.7

Includes employees on Career Break, Unpaid Maternity and Special Leave Without Pay.

Royal Observatories

Mr. Ingram: To ask the President of the Board of Trade when he expects to issue the invitation to tender for the royal observatories; and if he will make a statement. [6119]

Mr. Ian Taylor *[holding answer 26 November 1996]:* I have been informed that the Particle Physics and Astronomy Research Council is unable to proceed at present with tendering of the programme of the royal observatories.

A series of difficulties which have significant financial and legal implications remain to be resolved before PPARC can issue invitations to tender, some of which only emerged during the detailed analysis required to prepare the tender documents. PPARC is determined to resolve these difficulties as soon as possible, but their resolution will realistically take several months.

Given the length of this delay, it will not be possible to adhere to the advertised time scale for the award and commencement of contracts. Consequently, the current tendering exercise has been formally terminated. Organisations which were shortlisted to bid against the invitations to tender have been informed. Tendering will proceed once the difficulties have been resolved and the cost and benefits re-assessed. Meanwhile, the work of the royal observatories will continue on the present basis.

A1 Service (Takeover)

Mr. Donohoe: To ask the President of the Board of Trade what action his Department is taking in respect of the Monopolies and Mergers Commission's investigation of the take-over of A1 Service by Stagecoach Holdings plc. [6487]

Mr. John M. Taylor *[holding answer 28 November 1996]:* As I explained in my letter of 26 September 1996 to the hon. Member, the Office of Fair Trading is currently seeking from Stagecoach Holdings plc the undertakings which they were asked to give following the publication of the Monopolies and Mergers Commission report on the acquisition by Stagecoach of A1 Service in November 1995. The hon. Member is aware that the obtaining of undertakings from Stagecoach was delayed because of judicial review proceedings initiated by the company, which were concluded in June 1996 when the Court of Session in Edinburgh dismissed Stagecoach's petition.

Women

Mrs. Roche: To ask the President of the Board of Trade what proportion of those employed by his Department in 1992–93 were women. [6469]

Mr. John M. Taylor *[holding answer 28 November 1996]:* On 1 april 1992, the Department employed 5,592 female staff, which was 45 per cent. of the total number of staff and on 1 April 1993 employed 5,700 female staff, which was 44 per cent. of the total staff. During 1992, the Department of Energy joined the DTI and the figure for 1992 therefore excludes former Department of Energy staff.

Mrs. Roche: To ask the President of the Board of Trade how many women are currently employed by his Department at each civil service grade. [6449]

Mr. Taylor: *[holding answer 28 November 1996]:* The figures for female staff in the Department by grade level, on a headcount basis, are as set out:

	Number
Senior Civil Service	32
Grade 6—level	28
Grade 7—level	149
SEO—level	82
HEO—level	301
EO—level	491
AO—level	896
AA—level	396

Child Care Facilities

Mrs. Roche: To ask the President of the Board of Trade what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6450]

Mr. John M. Taylor *[holding answer 28 November 1996]:* The Department operates a holiday play scheme in central London offering up to 32 places on any one day for at least 11 weeks of the year during school holidays. In addition, DTI staff in Government Offices may make use of local holiday play schemes. The Department's staff have had access to a holiday play scheme in central London since 1990. The following figures show the number of staff whose children used the DTI play schemes during 1993, 1994 and 1995. Figures for 1992 are not available.

	1993	1994	1995
Number of staff using the scheme	74	142	205

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the President of the Board of Trade if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6035]

Mr. John M. Taylor *[holding answer 25 November 1996]:* This information could be provided only at disproportionate cost.

NORTHERN IRELAND

Nursery Vouchers

Mr. Worthington: To ask the Secretary of State for Northern Ireland by what means, when and at what cost, he intends to promote vouchers for pre-school children. [5864]

Mr. Ancram: Details of expenditure plans will shortly be finalised. I will write to the hon. Member.

Mr. Worthington: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 14 November, *Official Report*, column *355*, for what reasons the administration costs of the pre-school voucher scheme do not have additional start-up costs in the first year. [6090]

Mr. Ancram: The cost of administering the nursery voucher scheme, including start up costs have been estimated on the basis of the three-year period of the initial contract and a detailed breakdown is not available. The answer of 14 November spread the total estimated cost for Northern Ireland of £300,000 evenly over the three years.

Mr. Worthington: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 14 November, *Official Report*, column *355*, if he will negotiate to ensure that, in the contract with Capita over the pre-school voucher scheme, that there will be no costs falling on an incoming administration should the voucher scheme not go ahead. [6091]

Mr. Ancram: The national contract with Capita does not cover Northern Ireland but contains an opt-in clause permitting coverage to be extended to the Province when the necessary legislation is in place. In line with commercial practice, the contract for the national scheme contains provision for the payment of costs related to early termination of the contract. Further details are available in the contract, a copy of which has been placed in the Library of the House.

Education Administration

Mr. Worthington: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 14 November, *Official Report*, column *355*, if he will itemise the administration tasks that have to be completed by Capita for £9.17, as the estimated cost of administration per full-time equivalent pupil. [6092]

Mr. Ancram: The principal administrative tasks are:

Establishing and equipping a voucher centre office;

Issue of an initial letter and application forms to parents;

Production, issue, receipt and processing of vouchers; and

Provision of a telephone helpline.

Further details are contained in the contract for the national scheme, a copy of which has been placed in the Library.

Eastern Health and Social Services Board

Dr. Hendron: To ask the Secretary of State for Northern Ireland what savings have been made by the Eastern health and social services board in respect of purchases from the North and West Belfast HSS trust since 5 April. [6577]

Mr. Moss: The 1995 public expenditure survey settlement included a requirement from the Department of Finance and Personnel to the health service in Northern Ireland to find 3 per cent. cash efficiency savings. However, after discussions with boards and trusts, I concluded that this would not be possible. Accordingly, instead of being prescriptive, I agreed to guidelines of 1.5 per cent. efficiency savings and 1.5 per cent. cuts in services. In seeking to achieve the necessary savings, I understand that the board negotiated with North and West Belfast HSS trust a contract for 1996–97 which proposed a service reduction equating 1.3 per cent.—£0.831 million—a total saving of 2.93 per cent.—£1.528 million.

Dr. Hendron: To ask the Secretary of State for Northern Ireland what savings the Eastern health and social services board is expected to make in respect of purchases from the North and West Belfast HSS trust in the current financial year. [6578]

Mr. Moss: I understand that the board, in accordance with the guidelines that service reductions should focus on low priority acute elective activity, agreed a contract with North and West Belfast HSS trust which will realise the following savings: cost improvement of 1.56 per cent.—£0.831 million—and in-year service reductions on 0.66 per cent.—£0.331 million.

Dr. Hendron: To ask the Secretary of State for Northern Ireland which of the savings to be made by the Eastern health and social services board in respect of purchases from the North and West Belfast HSS trust will affect residential homes and their staff. [6579]

Mr. Moss: I understand that the savings realised from the North and West Belfast HSS Trust for 1996–97 have had no implications for the provision of its statutory residential care homes. The contract signed with the trust has no detrimental effect on its existing levels of statutory residential care. The trust has made no approach to the board about any proposals to reduce statutory residential provision in 1996–97.

Royal Group of Hospitals

Dr. Hendron: To ask the Secretary of State for Northern Ireland how many patients of non-fundholding general practitioners have had their surgery suspended

following the announcement by the Royal Group of Hospitals that it is to suspend all non-emergency operations for non-fundholders' patients. [6580]

Mr. Moss: No admissions to the Royal Group of Hospitals that had been booked before its announcement on 30 October have had to be cancelled due to lack of funding.

SCOTLAND

Computers

Mr. Hoon: To ask the Secretary of State for Scotland how many lines of computer code there are in his Department's computer systems. [5341]

Lord James Douglas-Hamilton: The Department uses a number of proprietary software packages, and for these information on the number of programmes or lines of source code is known only to the supplier.

The Department is reviewing existing systems likely still to be in use in 2000 as part of our strategy for dealing with the year 2000 date change issue, but this review is not yet complete.

NHS Trusts

Mr. Chisholm: To ask the Secretary of State for Scotland if he will list those trusts which failed to make a 6 per cent. return on their assets last year, indicating in each case the percentage return that was made. [5656]

Lord James Douglas-Hamilton: The following trusts failed to make a 6 per cent. return on their assets last year:

Aberdeen Royal Hospitals: 5.5 per cent.

Law Hospital 5.7 per cent.

Raigmore Hospital: 5.3 per cent.

Royal Alexandra Hospital: 4.7 per cent.

However the remaining 43 NHS trusts in Scotland achieved the required rate of return.

Glasgow Southern Orbital Road

Mr. Stewart: To ask the Secretary of State for Scotland what is his latest estimate of the time required for the statutory procedures and construction period for the proposed Glasgow southern orbital road. [6101]

Mr. Michael Forsyth: It is estimated that it would take four years, from the time the local roads authorities decide to proceed with the project, to complete the road.

Mr. Stewart: To ask the Secretary of State for Scotland what discussions he has had with local authorities in *(a)* Renfrewshire, *(b)* Lanarkshire and *(c)* Ayrshire concerning proposals for a Glasgow southern orbital road. [6103]

Mr. Forsyth: Officials from the Scottish Office and East Renfrewshire council met on 12 November to discuss the further work to be carried out by the council in developing its bid to the 1998–99 transport challenge fund for the Glasgow southern orbital road. There have been no discussions with authorities in Lanarkshire or Ayrshire.

Legal Aid

Mr. Stewart: To ask the Secretary of State for Scotland how often the Scottish Legal Aid Board asked *(a)* solicitors and *(b)* advocates to produce their files in (i) 1994 and (ii) 1995; and how often these requests were refused. [6129]

Lord James Douglas-Hamilton: This information is not routinely gathered and detailed figures cannot be given. There were two large cases in 1995 where solicitors did not produce their files to substantiate their accounts. Both cases were taken to the auditor of court for taxation.

In 1994, a firm of solicitors was asked to produce a significant number of its files to substantiate charges being made to the legal aid fund. As they could not produce them, a liability to the legal aid fund for over 1,000 cases amounting to a sum in excess of £30,000 was extinguished.

Departmental Staff

Mr. Davidson: To ask the Secretary of State for Scotland how many staff were employed by his Department on Wednesday 20 November. [6142]

Lord James Douglas-Hamilton: On Wednesday 20 November, the Scottish Office—excluding the Scottish Prison Service—employed 4,716 permanent and 380 casual staff—full-time equivalents. At the same time, the Scottish Prison Service employed 4,526 permanent and 41 casual staff—full-time equivalents.

Edinburgh Castle (Flags)

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland if he will make it his policy that the Saltire or Lion Rampant is flown in the place of prominence over Edinburgh castle *(a)* on St. Andrew's day and *(b)* for the duration of the stay of the Stone of Scone in the castle; and if he will make a statement. [5945]

Mr. Michael Forsyth *[holding answer 26 November 1996]:* We have been considering for some time the arrangements for the flying of flags. On St. Andrew's day, and for the foreseeable future thereafter, the Saltire will be flown in a prominent position over Edinburgh castle, in addition to the Union flag.

Crime and Punishment White Paper

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland how many submissions he received on chapter 6 of his White Paper, "Crime and Punishment", Cm 3302; who the submissions were from; how many were *(a)* in favour and *(b)* against the Government's proposals; and if he will make a statement. [6323]

Lord James Douglas-Hamilton *[holding answer 27 November 1996]:* My right hon. Friend received 29 responses relating to chapter 6 of the Crime and Punishment White Paper, Cm 3302. Those who responded are listed in the table.

I am making arrangements for copies to be made available in the Library of the replies from those respondents who have not asked for confidentiality to be respected.

Association of Chief Police Officers in Scotland

Association of Directors of Social Work

Association of Scottish Police Superintendents

British Association of Social Workers

Council of the Sheriffs' Association

District Courts Association

Dumfries and Galloway Council

Edinburgh Bar Association

Faculty of Advocates

Falkirk and District Faculty of Solicitors (represented by Nelsons)

Glasgow Bar Association

Glasgow City Council (Social Work Department)

John Carroll, Solicitor

Law Society of Scotland

Lord Justice Clerk

Lord Justice General

Professor J. Ross Harper

Scottish Consumer Council

Scottish Council for Civil Liberties

Scottish Grocers' Federation

Scottish Law Agents' Society

Scottish Legal Action Group

Scottish Legal Aid Board

Scottish National Party

Scottish Police Federation

Sheriff J. K. Mitchell (Glasgow and Strathkelvin)

Temporary Sheriffs' Association

University of Dundee

Unwin Rasmusen.

Electricity Transmission Lines

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make a statement on his policy regarding the undergrounding of *(a)* existing electricity transmission lines and *(b)* proposed new lines. [6680]

Mr. Kynoch *[holding answer 28 November 1996]:* My right hon. Friend has regard to his planning guidance and to any representations that may be made with regard to the undergrounding of all or part of existing or proposed electricity transmission lines.

Mr. Home Robertson: To ask the Secretary of State for Scotland when he intends to meet ScottishPower to discuss his proposal to require undergrounding of parts of the transmission line to the planned Northern Ireland interconnector; and when he intends to make a final decision on his proposed conditions. [6676]

Mr. Kynoch *[holding answer 28 November 1996]:* My right hon. Friend has no plans to meet ScottishPower to discuss the proposed interconnector. He has asked the company to provide him with further information by 20 December. My right hon. Friend will announce a final decision in due course.

Mr. Home Robertson: To ask the Secretary of State for Scotland what estimate he has made of the cost of undergrounding those sections of the proposed Northern Ireland interconnector transmission line that he has identified for that purpose. [6677]

Mr. Kynoch *[holding answer 28 November 1996]:* None. However, in evidence to the inquiry, ScottishPower plc provided estimated costs for the four sections as follows:

Water of Girvan: £3.8 million

Nick of the Balloch: £5.8 million

Duisk Valley: £10.5 million

Water of Tig/Dunnach Burn: £7.8 million.

Electricity Supply Interconnector

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make a statement on his decision concerning ScottishPower's application to construct an electricity supply interconnector between Scotland and Northern Ireland. [6674]

Mr. Kynoch *[holding answer 28 November 1996]:* My right hon. Friend is minded to grant consent to the application to construct an overhead line to run from Coylton in Ayrshire to Auchencrosh, subject to the undergrounding of four sections of the line and certain other conditions. He has asked ScottishPower to provide him with further information by 20 December.

Mr. Home Robertson: To ask the Secretary of State for Scotland what estimate he has made of the value to the Scottish economy of an electricity interconnector with Northern Ireland. [6682]

Mr. Kynoch *[holding answer 28 November 1996]:* None. The proposed construction of an electricity interconnector with Northern Ireland is a matter for the private companies concerned. Northern Ireland Electricity plc and ScottishPower plc.

TREASURY

Arms Sales

Mr. Tony Lloyd: To ask the Chancellor of the Exchequer what representations he has received from *(a)* the UN and *(b)* its agencies in respect of the involvement of UK companies in (i) transporting arms, (ii) selling arms and (iii) facilitating arms sales to (1) Rwanda and (2) exiled Rwandans; when he received these; and if he will make a statement. [5496]

Mr. Oppenheim: The report of the UN International Commission on Rwanda claims that letters dated 30 November 1995, 18 December 1995 and 26 August 1996—the last letter recalled the two earlier ones—were sent by the UN International Commission to Customs and no response had been received. These letters were not received by Customs.

Customs did, however, have a meeting with Commission officials on 10 January 1996 and received written communication both from UN International Tribunal in Rwanda, on 21 March 1996, and from the UN International Commission, 12 September 1996. In these

contacts, the UN requested information from Customs about arms supplies to Rwanda and exiled Rwandans. Customs investigators responded to these UN requests.

More recently, Customs obtained from the UN copies of the letters dated 30 November 1995 and 18 December 1995. The information requested by the UN in these letters was, in fact, provided by Customs investigators to UN officials in their meeting of 10 January 1996.

The UN Commission has recently expressed complete satisfaction with the co-operation received.

Mr. Lloyd: To ask the Chancellor of the Exchequer what investigations have been instigated with regard to Mil-Tec Corporation Ltd. in connection with armaments whose final destination was Rwanda or Zaire. [5299]

Mr. Oppenheim *[holding answer 21 November 1996]:* Customs is aware of the current allegations and will take appropriate action in the light of its assessment of information obtained.

It is not, however, Customs general practice to comment publicly about the existence or nature of any investigations of individuals or companies not yet accused of criminal offences since to do so could risk prejudicing any on-going inquiries or future criminal proceedings.

Value Added Tax

Mr. Sheerman: To ask the Chancellor of the Exchequer in what circumstances he *(a)* is able to allow and *(b)* is obliged to disallow claims for deductions for value added tax purposes where expenditure has been incurred but not paid. [6207]

Mr. Oppenheim: The right of businesses to claim deduction of value added tax is in general based on the principle of supplies received rather than on payments made. However, the cash accounting scheme allows businesses with a turnover of not more than £350,000 a year to opt to deduct VAT in the period when payment for supplies is made.

The Chancellor announced a new measure on this issue in his Budget: the VAT bad debt relief scheme has been changed so that non-payers will be required to repay any input tax which they have previously claimed from Customs and Excise. This change, which will apply to supplies made after 26 November 1996 which the customer has not paid for and for which the supplier has claimed bad debt relief, should help to encourage faster payment of debts.

Economic and Monetary Union

Mr. Llew Smith: To ask the Chancellor of the Exchequer what assessment he has made of which member states of the European Union have met or are likely to meet the convergence criteria for European economic and monetary union. [6779]

Mr. Kenneth Clarke: An assessment of which countries meet the conditions for joining the single currency on 1 January 1999 will be made by the Council of Ministers in early 1998. At present, there are considerable uncertainties surrounding this and other issues relating to the single currency.

Infrastructure Projects

Mr. Morgan: To ask the Chancellor of the Exchequer (1) when his departmental guidelines on cost-benefit analysis for all Government-sponsored or supported infrastructure projects were last updated with respect to the treatment of betterment; [5470]

(2) if he will list the occasions during the past 10 years when there was prolonged and significant disagreement between his Department and spending Departments over the interpretation of cost-benefit analysis carried out into major infrastructure project proposals; what sanctions he has to enforce his interpretation of his Department's cost-benefit analysis; and if he will make a statement; [5447]

(3) if he will list the occasions on which spending Departments have proceeded with Government-sponsored or supported infrastructure projects *(a)* against the advice or *(b)* without the approval of his cost-benefit analysis unit; [5474]

(4) if he will list the main elements of the procedure for resolving disputes between his Department and spending Departments concerning the approval by Departments of Government-sponsored or supported infrastructure schemes and the correct interpretation of cost-benefit analysis carried out on infrastructure project proposals; and if he will make a statement. [5469]

Mr. Waldegrave *[holding answer 21 November 1996]:* Guidance for officials and managers in central Government Departments with responsibility for the appraisal and evaluation of proposals entailing central Government expenditure is set out in "Economic Appraisal in Central Government: A Technical Guide for Government Departments"—HM Treasury, HMSO, April 1991—known as the Green Book.

The Green Book describes the principles of appraisal and project evaluation, and provides for specialist readers, technical guidance on issues of wide application in central government, including agencies.

Departments approve major capital projects within their delegated limits and responsibility lies with individual departmental accounting officers to ensure value for money.

Above delegated limits approval is subject to agreement by the relevant Treasury expenditure team that the proposed expenditure provides value for money in terms of public expenditure. A central unit in the Treasury provides general guidance, it does not approve individual projects.

The Green Book provides general guidance. From time to time, more specific guidance is written on particular issues such as the use of land and buildings. An annex on land and buildings, which refers to the treatment of betterment, is in the current version of the Green Book. In addition, and for many applications, departments develop and maintain their own guidance tailored to their specific needs and consistent with the conventions set out in the Green Book.

The current edition of the Green Book was produced in April 1991. Treasury officials are currently leading a Whitehall-wide interdepartmental group with the aim of providing an updated and revised edition of guidance for publication in the first quarter of 1997.

Rural Tax Offices

Mrs. Roche: To ask the Chancellor of the Exchequer how many rural tax offices there were in *(a)* 1979, *(b)* 1985 and *(c)* currently; and what plans he has to alter that number. [3254]

Mr. Jack *[holding answer 12 November 1996]:* It is not possible to provide this information as tax offices are not categorised to show whether they are urban or rural.

Exchange Rate Mechanism

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer what is Her Majesty's Government's policy in respect of the Maastricht treaty agreement to return to the ERM for two years before monetary union. [4727]

Mr. Kenneth Clarke *[holding answer 18 November 1996]:* The Prime Minister and I have made it clear on many occasions that we have no intention of re-entering sterling into any exchange rate mechanism. Since the Maastricht treaty was written, the operation of the ERM has changed considerably. It is not possible, in the light of this, to say how the convergence criteria on exchange rates will be interpreted. The decision on which countries meet the conditions for joining EMU will not be made until spring 1998 at the earliest.

Building Societies

Dr. Spink : To ask the Chancellor of the Exchequer if he will make a statement regarding building societies use of annual percentage rates in promoting mortgages, which are accurate and understandable to the public. [6292]

Mr. John M. Taylor: I have been asked to reply, because most mortgage advertising and the calculation of the annual percentage rate of charge for credit is regulated under the Consumer Credit Act 1974.

As some recent court cases have shown, there have been difficulties over the interpretation of the regulations on APR for low-start mortgages. Officials in my Department are discussing with representative of the mortgage lenders how these difficulties might be resolved in a way which gives consumers a clear, balanced view of future commitments.

WALES

Assistance to Industry

Mr. Barry Jones: To ask the Secretary of State for Wales what financial assistance he has given to *(a)* British Aerospace (Airbus) Broughton, *(b)* Raytheon Jets, *(c)* British Steel Shotton, *(d)* Optical Fibres, Deeside and *(e)* Pilkington, Deeside. [6286]

Mr. Hague: The main form of financial assistance available to companies in Wales is regional selective assistance. The Department's relationship with individual companies is commercially confidential but details of projects where companies have received an offer of £75,000 or more are published, following the first payment of grant, in the quarterly publication "Labour Market Trends".

In the last four years, the following information has been published:

Company Name	*Travel to Work Area*	*Offer Value*	*Category*[1]	*SIC 1992 Description of Project*
Pilkington Micronics Ltd.	Shotton, Flint and Rhyl	£950,000	A	Manufacture and processing of other glass including technical glassware
Raytheon Corporate Jets	Shotton, Flint and Rhyl	£1,516,000	A	Manufacture of aircraft and spacecraft

[1] Category A projects relate to creation of new jobs.

Public Appointments

Mr. Barry Jones: To ask the Secretary of State for Wales if he will list the people he has appointed to non-departmental public bodies since his appointment. [6638]

Mr. Hague: This information is contained in "Appointment by the Secretary of State for Wales", which is updated quarterly. Copies are available in the Library of the House.

Theatr Clwyd

Mr. Barry Jones: To ask the Secretary for Wales when he proposes to visit Theatr Clwyd; and if he will make a statement. [6639]

Mr. Hague: I have no plans at present to visit Theatr Clwyd.

Wrexham-Bidston-Birkenhead Railway

Mr. Barry Jones: To ask the Secretary of State for Wales if he has travelled on the Wrexham-Bidston-Birkenhead railway in an official capacity since his appointment. [6599]

Mr. Hague: No.

Cardiff Bay Development Corporation

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had with *(a)* the chairman of the Cardiff Bay development corporation and *(b)* the relevant local authorities concerning the exit strategy for the corporation; if he has amended his predecessor's forecast winding up date for the corporation; and if he will make a statement. [6955]

Mr. Hague: My March strategic guidance letter to the chairman of the corporation asked the board to prepare a draft plan for winding-up the corporation and put it out to consultation with local authorities and all interested bodies.

I have discussed issues concerning wind-up with the corporation. The corporation is about to issue the draft wind-up action plan for consultation. I have not changed the previously stated intention to wind up the corporation by the end of 1999.

I have asked the chief executive to report to me by 31 March 1997 the outcome of the consultation process and conclusions about succession arrangements.

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had with and representations he has received from *(a)* other development agencies and *(b)* local authorities in south-east Wales concerning a geographical extension of the development remit of the Cardiff Bay development corporation. [6954]

Mr. Hague: Representations have been made to me and my officials by the corporation, other development agencies and commercial interests. I have no plans to extend the designated area of the corporation.

Crickhowell House

Mr. Morgan: To ask the Secretary of State for Wales what arrangements he has agreed with Associated British Ports concerning the leasing of Crickhowell house with respect to capital payments to *(a)* his Department and *(b)* the Welsh Health Common Services Authority; what refunds were made when (i) the NCM development was finalised and (ii) Scottharbour development commenced; when these payments were made; and to which organisations they were paid. [6953]

Mr. Hague: The details of the terms of the lease are restricted to the parties concerned for commercial reasons. However, the terms are open to inspection by the statutory auditors.

BSE (Expenditure)

Mr. Morgan: To ask the Secretary of State for Wales what provision he has made in his 1997–98 expenditure plans for expenditure on BSE pari passu with the allocation announced in the expenditure plans in the Ministry of Agriculture budget. [6956]

Mr. Hague: I shall make a statement about public expenditure in Wales shortly.

HOME DEPARTMENT

Terrorist Prisoners

Mr. Worthington: To ask the Secretary of State for the Home Department on how many occasions, and for what reasons, prisoners convicted of terrorist offences in Great Britain and given temporary transfer to Northern Ireland prisons have had that transfer cancelled and been called back to prisons in England and Wales. [5955]

Miss Widdecombe: Since the introduction of revised criteria governing the transfer of prisoners between United Kingdom jurisdictions in November 1992, no prisoner convicted of a terrorist-related offence in Great Britain and temporarily transferred to a prison in Northern Ireland has had that transfer cancelled and been returned to a prison in England and Wales.

Prison Escapes

Mr. Mullin: To ask the Secretary of State for the Home Department if he will list the number of prison escapes in each category for each of the last 10 years. [4739]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. Chris Mullin, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the Office, to reply to your recent question asking if he will list the number of prisoner escapes in each category for the last 10 years.

Information about the number of escapes by category has only been recorded centrally since the 20 June 1988. Escapes by prisoners who are not category A are shown by the category of prison not prisoner. Most "escapes" by category D prisoners are classed as absconds. These are not included in the figures in the attached tables.

Type of establishment	*20.6.88–31.3.89*	*1.4.89–31.3.90*	*1.4.90–31.3.91*	*1.4.91–31.3.92*	*1.4.92–31.3.93*	*1.4.93–31.3.94*	*1.4.94–31.3.95*	*1.4.95–31.3.96*	*1.4.96–31.10.96*
Dispersal (not cat A)	0	1	0	0	0	0	1	0	0
Category B[1]	49	15	34	50	45	24	22	7	4
Category C	82	99	153	170	126	96	88	33	20
Category D	0	0	0	0	0	0	0	0	0
Closed Young Offender	10	29	37	75	58	50	24	11	3
Closed Female	0	0	1	10	7	1	6	0	0
Escorts (Male)	95	106	107	140	138	116	61	65	50
Escorts Female	7	5	4	14	13	9	7	2	0
Total	243	255	336	459	387	296	209	119	77

Details of Category A escapes are shown separately.

Type of establishment	*20.6.88–31.3.89*	*1.4.89–31.3.90*	*1.4.90–31.3.91*	*1.4.91–31.3.92*	*1.4.92–31.3.93*	*1.4.93–31.3.94*	*1.4.94–31.3.95*	*1.4.95–31.3.96*	*1.4.96–31.10.96*
Dispersal	0	0	0	1	1	0	8	0	0
Local	0	2	0	2	0	0	0	0	0
Escorts	0	0	0	1	1	0	0	3	0
Total	0	2	0	4	2	0	8	3	0

[1] includes locals

Doncaster Prison

Mr. Redmond: To ask the Secretary of State for the Home Department (1) what repairs and maintenance work have been carried out at HMP Doncaster since it was opened in 1994; and what was their cost; [5179]

(2) if he will list the representatives of *(a)* overseas Governments and *(b)* overseas Ministries of Justice who have visited HMP Doncaster on fact-finding missions since it opened; on what dates these visits occurred; and if he will make a statement. [5181]

Miss Widdecombe: Responsibility for these matters has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. Martin Redmond, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your Questions about maintenance work and visits from overseas governments to Doncaster prison.

Planned maintenance since the prison opened has cost £197,000. This includes routine cleaning of shower heads, checking of the boiler house plant and ancillary equipment, deep cleaning of the kitchen and food serving facilities, and maintenance of the close circuit television, solenoid operated doors, intercoms, external security lighting and lifts. Work which is contracted-out to specialists is included in the maintenance costs.

Routine repairs to the prison estate over that period have cost £713,000. This figure includes the cost of employing the seven permanent staff who carry out much of this work. The repairs include replacing broken wash basins, toilet seats and lighting tubes, machinery breakdowns and repairs to hot water boilers.

Details of official visits from overseas government ministers and justice ministers to Doncaster prison are given in the attached table.

Date of visit	*Ministerial visits to Doncaster prison*
14 July 1994	The hon. W. Matthew MP. Minister for Emergency and Correctional Services, Government of South Australia
28 May 1995	Ms O Zakharo, Deputy Chair of the Senate Standing Committee on Education, Employment and Training, Australia
17 July 1995	Herr Preusker, Prison Governor from Germany
18 August 1995	Mr. J. Forster and Mr. P. Wood, Queensland Corrective Services Commission
5 October 1995	Svenolov Svensson and Hans Sjoberg, European Prison Education Association
22 February 1996	Dr. Janu, Vice President of the Constitutional Court of Justice, Czech Republic
28 March 1996	Prison Service, Poland Mr. Grzegorz Szkopek, General Director Mr. Ryszard Radolinski, Chief Advisor to the Minister of Justice Mr. Zbigniew Kuzma, Director of Security Mr. Walemar Oiszewski
24 May 1996	Prison Service, Latvia Mr. Leon Aire, Senior Official, Ministry of Home Affairs Mr. S. Pokshans, Director General Mr. Iouri Kapustine Mr. Viktors Shackis Mr. Alexander Kouplin Mr. Janis Indriks
7 May 1996	Mr. J. Griffin, Chief Executive Office, Correctional Services Division, Victoria, Australia
17 May 1996	Mr. Peter Vassilev, Prison Service, Bulgaria Ms Liliana Grigororva, Prison Service, Bulgaria
18 August 1996	Ms T Smith, policy officer, Department of Corrective Services, Sydney, Australia
18 October 1996	Mr. T. Micol, Queensland Correction Services Commission, Australia
30 October 1996	Delegation from the Government of Colombia and Prison Service: Oscar Pardo, Director, Presidential Efficiency Unit Daniel Salazar, Presidential Efficiency Unit Theresa Huertas, Presidential Efficiency Unit Claudia Pineros, Presidential Efficiency Unit Clara Bernal, Director, Ministry of Agriculture Cecilia Torres, Director, Prison Service

Prisoners (Yorkshire)

Mr. Redmond: To ask the Secretary of State for the Home Department how many prisoners, and of what grades, have been released early from each prison in each of the counties of Yorkshire due to miscalculation of their release dates. [5178]

Miss Widdecombe: Records are not kept centrally on a regular basis of the number and security classification of prisoners who have been released early due to error in calculating their sentences. This information could be obtained only at disproportionate cost.

Following the issue of guidance in a sentence calculation manual on the counting of remand time in consecutive sentences, a total of 66 prisoners were released early in August this year from prisons in Yorkshire; and in the light of the recent decision of the High Court in the cases of Evans and Reid relating to concurrent sentences, a total of six prisoners held in prisons in Yorkshire were released as of 20 November following recalculation of their sentences. Young offenders are not categorised in the same way as adult male prisoners for security purposes. They are classified on the basis of suitability for open or closed conditions.

Prison	*Number*	*Security classification*
Doncaster	3	2 category C; one young offender (closed)
Full Sutton	8	All category B
Hull	2	Both category C
Leeds	4	All category C
Northallerton	2	Both young offenders (closed)
Wolds	6	4 category C; 2 category D
Everthorpe	4	All category C
Wealston	23	16 category C; 7 Category D
Lindholme	5	Category C
Hatfield	11	All young offenders (closed)
Moorland	1	Young offenders (closed)
Wetherby	3	All young offenders (closed)

Handguns

Mr. Austin Mitchell: To ask the Secretary of State for the Home Department what estimate he has made of the number of legally held handguns *(a)* above .22 calibre and *(b)* of .22 calibre and below; and in each case what estimate he has made of the cost of compensating owners and dealers if the guns are made illegal. [4784]

Miss Widdecombe: The number of legally held handguns of higher calibres owned by private individuals in Great Britain is estimated to be 160,000. The number of .22 rimfire handguns is estimated to be 40,000.

The Government have estimated that the cost of compensating private owners and dealers in respect of handguns of above .22 rimfire calibre is between £25 million and £50 million.

The .22 rimfire handguns have not been made illegal. Had they been, the Government estimate that the cost of compensation would be in the region of £12 million.

Prisoners (Drugs)

Mr. George Howarth: To ask the Secretary of State for the Home Department if he will list *(a)* the number of prisoners tested for drugs each month since March by individual establishment and *(b)* the number of prisoners who have tested positive for each type of drug, in each month since March by individual establishment. [5671]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. George Howarth, Dated 29 November 1996:

The Home Secretary has asked me to reply to your recent Question about the numbers of prisoners tested for drugs each month since March by individual establishment and (b) the number of prisoners who have tested positive for each type of drug, in each month since March by individual establishment.

The figures requested are given in the accompanying tables, copies of which have been placed in the Library.

Table A sets out the numbers tested in each establishment each month between March and September. Data for October is provisional. Table B gives the percentage of samples which have tested positive for each type of drug in each month between March and September by individual establishment. Percentages rather than numbers positive are given as this is a more meaningful indicator. Accordingly, the mandatory drug testing database is configured to produce reports in this format. Conversion of the percentages into figures could only be done at disproportionate cost.

The data in both tables is for drug tests undertaken under all forms of Drug Strategy testing. These comprise the random, on suspicion, risk assessment, frequent testing and on reception types of mandatory drug tests, and voluntary testing. Since forms of targeted testing of drug misusers are included in these figures and because multiple drug positives from single sample have all been counted, the figures in table B indicate higher levels of drug misuse than those for random mandatory drug testing previously published in Hansard.

Mr. Howarth: To ask the Secretary of State for the Home Department what special procedures the Prison Service adopts when testing women inmates who are menstruating for drugs. [5670]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me to reply to your recent Question about the procedures for testing menstruating women for drugs.

There are no special arrangements for collecting urine samples from menstruating women. Women of the Muslim and Jewish faiths are strongly opposed to exposing blood and staff are advised to take account of such religious convictions in considering whether to lay disciplinary charges when a prisoner refuses to provide a sample on those grounds.

Contamination of the sample by menstrual blood is a possibility. If contamination of a sample by blood occurs, the sample is sent to the laboratory for advice on whether it can still be analysed. Statistics on samples spoiled by menstrual blood are not kept, however only 1.5% of samples from female establishments are declared spoiled for any reason, including damage in transit, dilution or adulteration by other substances.

Mr. Callaghan: To ask the Secretary of State for the Home Department how many drug searchers in Her Majesty's prisons have resulted in finds in 1994 and 1995; and if he will make a statement. [5892]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr Jim Callaghan, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question about drug searchers.

In 1994, of the drug finds reported to Prison Service Headquarters, 5355 were as the result of searchers. In 1995 this figure was 7197.

Mr. Howarth: To ask the Secretary of State for the Home Department if he will list the expenditure per month per prison on drug rehabilitation since March. [6273]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question about expenditure on drug rehabilitation in each prison per month since March.

This information is not collected centrally and could only be provided at disproportionate cost.

Mr. Howarth: To ask the Secretary of State for the Home Department, pursuant to his answer of 13 November, *Official Report,* column *233,* (1) if he will list *(a)* the number of prisoners tested for drugs while on risk assessment each month since March and *(b)* the number of these who have tested positive for each type of drug, in each month since March; [6277]

(2) if he will list *(a)* the number of prisoners randomly tested for drugs each month since March and *(b)* the number who have tested positive for each type of drug, in each month since March; [6275]

(3) if he will list *(a)* the number of prisoners tested for drugs on reception each month since March and *(b)* the number of these prisoners who have tested positive for each type of drug, in each month since March; [6279]

(4) if he will list *(a)* the number of prisoners tested for drugs while on frequent testing each month since March and *(b)* the number of these who have tested positive for each type of drug, in each month since March; [6278]

(5) if he will list *(a)* the number of prisoners tested for drugs on suspicion each month since March and *(b)* the number of these who have tested positive for each type of drug, in each month since March; [6276]

(6) if he will list *(a)* the number of prisoners voluntarily tested for drugs each month since March and *(b)* the number of these who have tested positive for each type of drug, in each month since March. [6280]

Miss Widdecombe: Responsibility for these matters has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Questions about (a) the number of prisoners tested for drugs while on risk assessment, randomly, on reception, on suspicion and voluntarily each month since March and (b) the number of prisoners who have tested positive for each type of drug, in each month since March.

The figures requested are given in the accompanying tables, copies of which have been placed in the Library.

Table A sets out the numbers tested by test type in each month between March and September. Data for October is provisional. Table B shows the percentage of samples which have tested positive for each type of drug in each month between March and September by test type. Percentages rather than numbers positive are given as this is a more meaningful indicator. Accordingly, the mandatory drug testing database is configured to produce reports in this format. Conversion of the percentages into figures could only be done at disproportionate cost.

Table A: Prison service drug testing: Number of prisoners tested each month by test type, March to September 1996

Month	*Risk assessment*	*Frequent testing*	*On reception*	*Random*	*On suspicion*	*Voluntary*
March	244	126	55	4,445	1,050	560
April	221	123	33	4,439	1,045	553
May	284	156	52	4,682	1,029	738
June	271	157	53	4,666	892	722
July	317	181	65	4,823	1,179	865
August	235	130	49	4,558	902	720
September	338	187	33	4,661	921	603
Total	1,910	1,060	340	32,336	7,018	4,761

Table B: Mandatory drug testing system usage percentage by drug group

Period from 1 March 1996 to 30 September 1996

Drug group	*April*	*May*	*June*	*July*	*August*	*September*	*October*	*November*	*December*	*January*	*February*	*March*	*Over all*
Risk assessment													
Cannabis	13.57	12.32	11.81	12.30	10.64	12.72	—	—	—	—	—	11.89	12.20
Opiates	5.43	4.93	5.17	5.99	3.83	6.51	—	—	—	—	—	3.69	5.18
Cocaine	—	—	—	—	0.85	1.18	—	—	—	—	—	—	0.31
Benzodiazepines	—	3.52	1.11	1.26	1.70	0.89	—	—	—	—	—	0.82	1.36
Methadone	0.45	0.70	0.37	0.63	—	0.59	—	—	—	—	—	—	0.42
Amphetamines	—	—	—	—	0.43	0.30	—	—	—	—	—	—	0.10
Barbiturates	—	—	—	—	—	—	—	—	—	—	—	—	—
LSD	—	—	—	—	—	—	—	—	—	—	—	—	—
Frequent test program													
Cannabis	26.83	32.05	28.66	25.41	31.54	23.53	—	—	—	—	—	37.30	28.87
Opiates	7.32	12.82	10.83	16.57	18.46	12.83	—	—	—	—	—	12.70	13.21
Cocaine	—	0.64	—	0.55	—	—	—	—	—	—	—	0.79	0.28
Benzodiazepines	4.07	5.13	2.55	1.66	3.08	0.53	—	—	—	—	—	1.59	2.55
Methadone	0.81	0.64	0.64	1.10	—	—	—	—	—	—	—	—	0.47
Amphetamines	—	—	—	—	—	0.53	—	—	—	—	—	0.79	0.19
Barbiturates	—	—	—	—	—	—	—	—	—	—	—	—	—
LSD	—	0.64	—	—	—	—	—	—	—	—	—	—	0.09
On reception													
Cannabis	39.39	25.00	30.19	36.92	28.57	15.15	—	—	—	—	—	38.18	31.18
Opiates	30.30	26.92	5.66	18.46	24.49	6.06	—	—	—	—	—	10.91	17.35
Cocaine	6.06	1.92	1.89	—	4.08	—	—	—	—	—	—	1.82	2.06
Benzodiazepines	12.12	1.92	7.55	7.69	10.20	—	—	—	—	—	—	5.45	6.47
Methadone	6.06	5.77	1.89	3.08	—	—	—	—	—	—	—	1.82	2.65
Amphetamines	—	1.92	—	—	—	—	—	—	—	—	—	—	0.29
Barbiturates	—	—	—	—	—	—	—	—	—	—	—	—	—
LSD	—	—	—	—	—	—	—	—	—	—	—	—	—
Random drug testing													
Cannabis	20.86	19.74	18.54	19.29	19.61	19.72	—	—	—	—	—	25.97	20.49
Opiates	5.24	5.42	4.89	6.22	6.03	6.35	—	—	—	—	—	5.01	5.60
Cocaine	0.16	0.28	0.23	0.17	0.29	0.26	—	—	—	—	—	0.11	0.21
Benzodiazepines	1.46	2.28	2.11	1.57	1.56	1.59	—	—	—	—	—	0.88	1.64
Methadone	0.18	0.23	0.21	0.25	0.26	0.24	—	—	—	—	—	0.18	0.22
Amphetamines	0.20	0.19	0.19	0.14	0.22	0.24	—	—	—	—	—	0.27	0.21
Barbiturates	0.05	0.04	0.09	0.08	—	0.09	—	—	—	—	—	0.02	0.05
LSD	—	—	—	—	—	—	—	—	—	—	—	—	—
Suspicion													
Cannabis	40.38	37.90	36.32	38.76	36.47	37.46	—	—	—	—	—	50.38	39.84
Opiates	15.50	16.42	20.07	19.76	18.40	18.68	—	—	—	—	—	16.10	17.81
Cocaine	0.67	0.49	1.23	0.51	0.89	0.33	—	—	—	—	—	0.57	0.66

Table B: Mandatory drug testing system usage percentage by drug group

Period from 1 March 1996 to 30 September 1996

Drug group	*April*	*May*	*June*	*July*	*August*	*September*	*October*	*November*	*December*	*January*	*February*	*March*	*Over all*
Benzodiazepines	5.45	5.93	6.05	5.17	5.21	5.10	—	—	—	—	—	5.81	5.53
Methadone	1.05	0.68	0.67	0.68	0.44	1.63	—	—	—	—	—	0.57	0.81
Amphetamines	0.29	0.78	0.11	0.08	0.22	0.11	—	—	—	—	—	0.29	0.27
Barbiturates	—	—	—	—	0.11	—	—	—	—	—	—	0.10	0.03
LSD	—	—	—	—	—	0.11	—	—	—	—	—	—	0.01
Voluntary													
Cannabis	11.39	10.70	13.71	14.22	14.03	9.29	—	—	—	—	—	15.71	12.79
Opiates	10.31	5.83	10.39	9.25	6.67	7.13	—	—	—	—	—	8.75	8.30
Cocaine	0.18	0.27	0.28	0.23	0.97	0.33	—	—	—	—	—	—	0.34
Benzodiazepines	1.63	2.98	3.46	2.77	1.67	2.65	—	—	—	—	—	1.61	2.46
Methadone	0.18	1.08	0.55	0.35	0.42	0.66	—	—	—	—	—	0.36	0.53
Amphetamines	0.54	0.41	0.28	0.23	0.28	0.50	—	—	—	—	—	—	0.32
Barbiturates	—	0.14	—	—	—	—	—	—	—	—	—	—	0.02
LSD	—	—	—	—	—	—	—	—	—	—	—	—	—

Report for all areas, all establishments and all categories.
Ethnic group: All groups.
Sex: All.

Mr. Howarth: To ask the Secretary of State for the Home Department (1) how many prisoners, who have tested positive for opiates each month since March, are suspected to have tested positive due to their consumption of *(a)* commercially available opiate–based analgesics and *(b)* opiates which contravene the Misuse of Drugs Act 1971; [6252]

(2) what plans he has to introduce drug tests in the Prison Service to distinguish between different forms of opiates. [6251]

Miss Widdecombe: Responsibility for these matters has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Questions about the number of prisoners who have tested positive for opiate–based analgesics and for opiates which contravene the Misuse of Drugs Act 1971, and whether there are plans to introduce drug tests that can distinguish between different forms of opiates.

The screening tests used by the Prison service do not distinguish between different types of opiate because there is no need for them to do so. If it is suspected that a positive screening result was due to prescribed medication, a more sophisticated confirmation test is required to determine whether the positive result was caused by a therapeutic dose of prescribed medication.

The confirmation test used by the Prison Service is capable of distinguishing between codeine (which is found in many medications), six-acetylmorphine (the active constituent of heroin), and morphine. Six-acetylmorphine is detectable in urine for only a short time after use, before breaking down compietely into morphine. Codeine also breaks down into morphine, but traces of the codeine persist until there is insufficient of either drug to cause a positive result. Therefore, a sample positive only for morphine can be attributed to misuse of an illicit drug. An analysis of the proportion of morphine to codeine, where both are present, will indicate whether a positive result is due to medication or to both medication and an illicit drug.

The attached table shows the number of samples which have confirmation tested positive for the different opiates in each month between March and September this year. Legitimate use of prescribed medication is not regarded as a positive test result and hence is not included in this table.

Breakdown of positive confirmation tests by opiates type, all types of prison drug testing, March to September 1996

Month	*Samples tested*	*Morphine*	*Codeine*	*6–Acetylmorphine*
March	237	40	31	30
April	225	41	40	29
May	315	46	38	29
June	336	115	51	41
July	344	200	47	54
August	272	158	40	34
September	291	189	43	35

The introduction of hydrolysis on July 2 has allowed the detection of opiates in a more degraded state. Since both codeine and 6–acetylmorphine breakdown into morphine, a sharp increase in morphine positives was to be expected. This affects the June figures because many samples collected in that month would not have been confirmation tested until July.

Mr. Howarth: To ask the Secretary of State for the Home Department (1) if he will list the average number of hours spent by prisoners in rehabilitation aimed at addressing drug use in each prison for each month since March; [6271]

(2) if he will list the average number of hours spent by prisoners in rehabilitation aimed at addressing drug use in each prison who have tested positive for drug use in each prison for each month since March. [6272]

Miss Widdecombe: Responsibility for these matters has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Questions about time spent by prisoners in drug rehabilitation.

The information is not available in the form requested.

The attached table summarises the approximate number of hours per month spent on addressing drug misuse from April to October 1996 by prison establishment. This is a preliminary analysis of information submitted by establishments since April 1996.

Average hours per month spent on addressing drug misuse (April–October 1996)

Prison	Average hours spent on drugs detox per month	Average hours spent in in-patient beds	Total hours per month
Acklington	89	—	89
Askham Grange	973	—	973
Bedford	306	146	452
Belmarsh	438	—	438
Birmingham	456	365	821
Blakenhurst		Data not supplied	
Blundeston	547	—	547
Bristol	255	486	741
Brixton	730	—	730
Buckley Hall	152	—	152
Bullingdon	386	164	550
Camp Hill	730	—	730
Canterbury	242	104	346
Cardiff	1,576	182	1,758
Chelmsford	314	161	474
Doncaster	147	51	198
Dorchester	4,512	215	4,727
Drake Hall	1,042	91	1,133
Eastwood Park	378	486	865
Elmley	—	38	38
Everthorpe	1,173	—	1,173
Exeter	177	112	289
Feltham	—	130	130
Frankland	768	—	768
Garth	292	—	292
Gartree	2,845	730	3,575
Glen Parva	197	156	353
Gloucester	158	—	158
Grendon	—	243	243
Guys Marsh	613	—	613
Highdown	253	460	713
Hindley	—	195	195
Holloway	—	195	195
Holloway		Data not supplied	
Holme House	491	78	569
Hull	236	—	236
Lancaster House	225	108	332
Leeds	260	201	461
Leicester	621	50	671
Lewes	208	179	387
Lincoln	318	154	472
Lindholme	2,180	—	2,180
Littlehey	759	—	759
Liverpool	251	139	390
Long Lartin	296	—	296
Low Newton	320	42	362
Maidstone	486	—	486
Manchester	135	54	189
Moorland	2,432	292	2,724
New Hall	213	41	253
Norwich	137	64	201
Nottingham	778	608	1,386
Parkhurst	—	3,891	3,891
Pentonville	3,347	203	3,549
Portland	730	—	730
Preston	180	—	180
Reading	1,596	—	1,596
Risley	282	479	761
Rochester	174	608	782
Shepton Mallet	659	—	359
Shrewsbury	105	—	105
Spring Hill	310	—	310
Stafford	1,459	730	2,189
Styal	702	182	884
Swaleside	122	86	207
Swansea	1,313	235	1,548
Verne	208	104	313
Wandsworth	—	89	89
Wayland	243	—	243
Wealstun	505	—	505
Wetherby	292	—	292
Whitemoor	438	182	620
Winchester	200	93	293
Wolds	593	292	885
Woodhill	139	146	285
Wormwood Scrubs	306	230	536

Average hours per month spent on addressing drug misuse (April–October 1996)

Mr. Howarth: To ask the Secretary of State for the Home Department if he will list the total number of extra days which will be served in prison due to positive drugs tests which were taken during each month since March. [6274]

Miss Widdecombe: Responsibility for this mater has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question asking him to list the total number of extra days which will be served in prison due to positive drugs tests which were taken during each month since March.

This information is given in the attached table.

Unsuspended additional days awarded for all drug test offences

March to October 1996 (provisional)

	Number of days	Number of punishments
March	14,455	995
April	11,770	817
May	16,175	1,115
June	13,553	962
July	15,621	1,031
August	13,249	879
September	13,409	901
October	14,122	918
March–October	112,354	7,618

1. This table includes the offences of 'unauthorised use of a controlled drug', 'refusing to provide a drug test sample' and 'falsifying a drug test sample'.

2. The 'unauthorised use of a controlled drug' offence is not exclusively provable by testing, as discovery of the physical act of drug use might also lead to the offence being proven. We are unable to distinguish between those offences discovered by testing and by other means.

3. Offences are grouped by the date of adjudication rather than the date of testing/discovery.

Mr. Howarth: To ask the Secretary of State for the Home Department, pursuant to his answer of 13 November, *Official Report*, column *233*, if he will list the number of multiple drug positives from a single sample for each category of drug. [6270]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question about the number of multiple drug positives from a single sample for each category of drug.

The attached table shows the numbers of samples that were positive for each combination of drug groups between January and September this year. Prior to January statistics were provided in a different format which did not indicate to which drug types a multiple positive result related. Data for January and February is incomplete because of a phased transition from two laboratories which provided data in the old format to the Laboratory of the Government Chemist which provides the detailed data on individual samples necessary to produce this table.

Mandatory drug testing system
Multi drug combinations report

Total samples tested 51,546

Period from 1 January 1996 to 30 September 1996

Drug group	*Amphetamines*	*Barbiturates*	*Benzodiazepines*	*Cannabis*	*Cocaine*	*LSD*	*Methadone*	*Opiates*
Amphetamines	—	—	12	59	2	—	1	20
Barbiturates	—	—	4	3	—	—	—	3
Benzodiazepines	12	4	—	603	12	—	60	403
Cannabis	59	3	603	—	85	2	90	1,744
Cocaine	2	—	12	85	—	—	5	57
LSD	—	—	—	2	—	—	—	—
Methadone	1	—	60	90	5	—	—	99
Opiates	20	3	403	1,744	57	—	99	—

Report for all areas, all establishments and all categories.
Sample type: All groups.
Ethnic Group: All groups.
Sex: All.

Prisons (London)

Mr. Cox: To ask the Secretary of State for the Home Department if he will list the allocated budgets for each London prison for 1997. [5569]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. Tom Cox, dated 29 November 1996:

The Home Secretary has asked me to reply to your recent Question about the allocated budgets for each London prison for 1997.

Budgets are allocated for a financial year and adjusted periodically during the year. The present budget allocations for London prisons for 1996–97 are in the attached table.

	£ million
Belmarsh	23.2
Brixton	17.8
Feltham	15.5
Holloway	16.3
Latchmere House	2.2
Pentonville	16.2
Wandsworth	19.9
Wormwood Scrubs	21.2

Prison Officers

Mr. Cox: To ask the Secretary of State for the Home Department what is his Department's policy in respect of the wearing by prison officers of name badges when on duty in a prison establishment in England and Wales; and if he will make a statement. [6210]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. Tom Cox, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question about the wearing of name badges by prison officers when on duty in prison establishments in England and Wales.

The current policy was introduced in July 1993 and made it a requirement for all members of the Prison Service coming into contact with prisoners or the public to wear name badges. The wearing of name badges was resisted by the trade unions, in particular the Prison Officers' Association, who advised its members not to conform. Governors were advised to encourage staff to wear name badges but not to take disciplinary action where they failed to do so.

The policy was reviewed in July 1995 when it was decided to proceed with the introduction of a new style photo bearing security pass which would incorporate, along with other information, the bearer's name. The trade unions have been fully consulted, and have indicated that they have no objection in principle to the proposal.

The new passes will be produced by an external bureau and tenders have been invited. It is expected that the contract will be let by the new year, and the passes should be introduced in establishments later in Spring 1997.

The wearing of these passes will be mandatory for all those who work in prisons.

Mr. George Howarth: To ask the Secretary of State for the Home Department how many prison officers by grade, including governors, have left the Prison Service during each month of 1996. [5672]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me to reply to your recent Question about how many prison officers by grade, including governors, have left the Prison Service during each month of 1996.

Details for each grade are given in the attached table. Information is not yet available centrally for governors and officers who left the Service during October.

Governors and Officer grades leaving during 1996

	January	*February*	*March*	*April*	*May*	*June*	*July*	*August*	*[1]September*
GOV 1	1	0	2	0	0	0	0	0	0
GOV 2	1	0	0	0	0	0	0	0	0
GOV 3	0	1	0	0	0	0	2	0	0
GOV 4	2	0	1	0	2	1	2	0	3
GOV 5	1	2	0	1	0	1	1	2	6
Principal officer	8	3	8	6	4	7	1	2	0
Senior officer	6	9	17	6	10	4	8	8	3
Officer	22	31	67	24	23	24	30	36	1
Total	41	46	95	37	39	37	44	48	13

[1] The figures provided for September are provisional, subject to the next update of the personnel computer system.

Prison Canteens

Mr. George Howarth: To ask the Secretary of State for the Home Department (1) what is the Prison Service's policy in respect of stocking specialist cultural goods for minority groups in prison canteens; [5674]

(2) what is the current Prison Service policy regarding the stock which prison canteens and shops can hold; and if he will list the items which all canteens are obliged to stock. [5673]

Miss Widdecombe: Responsibility for these matters has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me to reply to your recent Questions about Prison Service policy on the stocking of goods in prison canteens.

In accordance with Prison Service Standing Order 4 and Instruction to Governors, IG 72/94, copies of which are in the House Library, governors should ensure that prison shops are stocked, so far as is practicable, with items which meet the likely needs of prisoners, including those from the ethnic minorities. The following items must be stocked:

Batteries for personal possessions;

A range of food and confectionary;

Toiletries

Tobacco

Phone cards;

Postage stamps;

Stationery and writing implements.

Specialist cultural goods for minority groups may also be obtained by prison shops using mail order facilities or by external shopping, where this would not incur disproportionate costs.

Prisoners (Self-harm)

Mr. George Howarth: To ask the Secretary of State for the Home Department if he will list the incidents of self-harm recorded *(a)* among (i) 15, (ii) 16, (iii) 17 and (iv) 18-year-olds and *(b)* in total by prison for each year since 1990. [5675]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. George Howarth, dated 29 November 1996:

The Home Secretary has asked me to reply to your Question about recorded incidents of self harm amongst 15, 16, 17 and 18 year old inmates in custody in each year since 1990.

The information routinely collected from Prison Service establishments about incidents of self harm is not categorised by age. Information is, however, becoming available in the form requested about the most serious incidents of self harm, those sometimes referred to as attempted suicides. Further work is planned which will improve the quality of this information in coming years. The attached tables are based on a preliminary analysis of the information available. Table 1 lists the total number of reported serious incidents of self harm amongst 15, 16, 17 and 18 year olds respectively for the years in question. Table 2 contains a breakdown of the figures in Table 1 by individual Prison Service establishments.

Table 1: Reported serious incidents of self harm by age

Age at time of incident	*1990–91*	*1991–92*	*1992–93*	*1993–94*	*1994–95*	*1995–96*
15	1	2	4	7	9	5
16	1	14	18	21	22	14
17	14	48	48	46	39	30
18	11	73	69	62	54	50
Total	27	137	139	136	124	99

Table 2: Reported serious incidents of self-harm by inmates who were 15 to 18 years old at the time of the incident by location

Location	*1990–91*	*1991–92*	*1992–93*	*1993–94*	*1994–95*	*1995–96*
HMP Albany	—	1	—	—	—	—
HMP Belmarsh	—	—	—	1	—	—
HMP Brixton	1	—	4	—	—	—
HMP Bullwood Hall	—	1	3	—	1	—
HMP Camphill	—	—	—	1	1	—
HMP Cardiff	—	7	—	2	—	2
HMP Chelmsford	—	6	2	—	3	1
HMP Doncaster	—	—	—	—	28	10
HMP Dorchester	—	—	1	—	—	—
HMP Durham	—	1	—	—	—	1
HMP Eastwood Park	—	1	—	—	—	—
HMP Everthorpe	—	3	—	—	—	—
HMP Exeter	1	5	8	3	4	1
HMP Gloucester	—	1	2	3	2	—
HMP Guys Marsh	—	—	2	6	—	—
HMP Haverigg	—	—	1	—	—	—
HMP Highpoint	—	—	—	1	—	—
HMP Hollesley Bay	—	—	—	1	—	1
HMP Holloway	—	2	—	—	—	—
HMP Holme House	—	—	5	13	—	—
HMP Hull	3	2	—	—	8	9
HMP Kirklevington	—	1	—	—	—	—
HMP Leeds	4	2	—	—	—	—
HMP Lewes	—	3	—	1	—	—
HMP Lincoln	—	5	—	2	—	—
HMP Lindholme	—	—	—	1	—	—
HMP Moorland	—	9	30	40	12	—
HMP New Hall	—	1	—	—	—	—
HMP Norwich	1	6	1	5	—	1
HMP Risley	—	3	1	—	—	—
HMP Rochester	—	4	5	—	2	1
HMP Styal	—	—	1	—	—	—
HMP Swansea	—	3	4	—	2	1
HMP The Verne	—	—	1	—	—	—
HMP Usk	—	—	—	—	1	—
HMP Winchester	1	4	—	—	—	—
HMP Woodhill	—	—	—	—	—	1
HMP Wormwood Scrubs	—	1	—	—	—	—
HMRC Brockhill	—	1	—	—	—	—
HMRC Hindley	5	2	18	5	9	6
HMRC Low Newton	—	7	4	3	1	3
HMRC Northallerton	—	—	2	3	4	3
HMRC Pucklechurch	—	1	2	1	—	1
HMRC Reading	—	3	—	—	—	4
HMRC Stoke Heath	—	3	—	1	5	4
HMYOI Aylesbury	—	1	2	–	3	2
HMYOI Brinsford	—	7	7	7	12	10
HMYOI Castington	—	1	—	—	3	3
HMYOI Deerbolt	—	2	4	6	5	6
HMYOI Dover	—	—	—	—	—	1
HMYOI Feltham	3	19	5	7	10	12
HMYOI Glen Parva	1	1	5	4	1	3
HMYOI Huntercombe	1	4	3	—	—	—
HMYOI Lancaster Farms	—	—	—	7	1	—
HMYOI Onley	3	5	10	7	1	—
HMYOI Portland	2	4	4	2	4	2
HMYOI Swinfen Hall	—	1	—	—	—	—
HMYOI Thorn Cross	—	—	—	—	—	—
HMYOI Werrington	1	—	—	2	—	3
HMYOI Wetherby	—	3	2	1	1	2
Court Escort	—	—	—	—	—	5
Total serious incidents	27	137	139	136	124	99

Firearms Incidents

Mr. Touhig: To ask the Secretary of State for the Home Department (1) how many *(a)* automatic, *(b)* semi-automatic and *(c)* single shot legally held firearms have been used in firearms incidents for each of the last 10 years; [5970]

(2) how many *(a)* automatic, *(b)* semi-automatic and *(c)* single shot illegally held firearms have been used in firearms incidents for each of the last 10 years. [5971]

Miss Widdecombe: The information requested is not available centrally.

Mr. Touhig: To ask the Secretary of State for the Home Department (1) how many legally held *(a)* .22 calibre handguns, *(b)* handguns below .22 calibre and *(c)* handguns above .22 calibre have been used in firearms incidents in each of the last 10 years. [5972]

(2) how many illegally held *(a)* .22 calibre handguns, *(b)* handguns below .22 calibre and *(c)* handguns above .22 calibre have been used in firearms incidents in each of the last 10 years. [5973]

Miss Widdecombe: Information as to whether or not firearms used in offences are legally held has not, in the past, been routinely collected centrally in England and Wales.

However, a special exercise has recently been conducted to find out whether the guns used in homicides were licensed or not.

This covered the years 1992 to 1994, and out of a total of 79 homicides involving the use of a handgun, information was available in 61 cases to show that six were legally held—all more than .22 calibre—and 55 illegally held by the suspect—information on the calibre of 49 of these weapons being available, showing that seven were of .22 calibre and 42 above .22 calibre.

Discharged Prisoners (Accommodation)

Mr. Callaghan: To ask the Secretary of State for the Home Department how many prisoners were discharged from prison without permanent accommodation in which to live during the last year for which figures are available. [5889]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. Jim Callaghan, dated 29 November 1996:

The Home Secretary has asked me to reply to your recent Question about the number of prisoners discharged from prison without permanent accommodation in which to live.

The information requested is not collected and can be provided only at disproportionate cost.

Prisons (Body Belts)

Mr. Cox: To ask the Secretary of State for the Home Department on how many occasions a body belt has been used on *(a)* male and *(b)* female prison inmates in each prison in England and Wales since 1 January. [6213]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. Tom Cox, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question asking, on how many occasions a body belt was used on (a) male and (b) female prison inmates in each prison in England and Wales since 1st January.

The number of applications of body belt restraints under rule 46(1) of the Prison Rules 1964 and rule 49(1) of the Young Offender Institution Rules 1988 are given in the attached table.

Body belt restraints applied to violent or refractory inmates in Prison Service establishments, January to October 1996 (Provisional)

Inmate Sex	*Establishment*	*No of occasions body belt used*
Male	Acklington	1
	Albany	1
	Belmarsh	1
	Bristol	1
	Birmingham	3
	Bullingdon	2
	Canterbury	1
	Durham	2
	Doncaster	3
	Frankland	4
	Full Sutton	1
	Featherstone	3
	Glen Parva	1
	Holme House	1
	Highpoint	2
	Haverigg	1
	Long Lartin	8
	Liverpool	1
	Littlehey	1
	Moorland	1
	Manchester	1
	Nottingham	1
	Onley	1
	Preston	4
	Pentonvill	1
	Rochester	1
	Risley	1
	Stocken	1
	Swaleside	1
	Swinfen Hall	1
	Swansea	1
	Winchester	6
	Wakefield	1
	Woodhill	3
	Wayland	1
	Whitemoor	5
	Wormwood Scrubs	6
Total male		75
Female	New Hall	1

Wandsworth Prison

Mr. Cox: To ask the Secretary of State for the Home Department when the work on the refurbishment of A and B wings at Wandsworth prison will be completed; and what will be the estimated cost of the work. [6214]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from A. J. Pearson to Mr. Tom Cox, dated 29 November 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question about the work on the refurbishment of A and B wings at Wandsworth prison.

We expect that work on A wing will be completed for occupation in November 1998 and on B wing in September 1998. The estimated cost of the work is £11.13m.

Emergency Powers (Defence) Act 1939

Mr. Clwyd: To ask the Secretary of State for the Home Department if he will introduce legislation to repeal the

Emergency Powers (Defence) Act 1939; and if he will publish a consultation paper with proposals for the content of new empowering legislation in place of the Act. [6003]

Mr. Sackville: The Emergency Powers (Defence) Act 1939 was repealed by the fourth schedule to the Emergency Laws (Repeal) Act 1959.

The Act was introduced as a result of the emergency of the outbreak of world war II. These were unique circumstances and there are no plans to introduce similar legislation today.

FOREIGN AND COMMONWEALTH AFFAIRS

Women

Ms Janet Anderson: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5489]

Sir Nicholas Bonsor: In July of this year, the model guidance on policy appraisal for equal treatment was revised and circulated at Cabinet level for Departments to adapt to their own circumstances—a copy was placed in the Library of the House. This guidance requires officials to identify policies which might have unequal effects on women and men, and other groups, to assess whether this is justified in policy terms, and to adjust the policy if it is not. Officials are currently considering how best to adapt this to the FCO's circumstances.

The FCO's diplomatic and aid wings also contributed to the Government report "One Year On", published in October and detailing the efforts of this Department and others in women's rights following the world conference on human rights in Vienna in 1993 and the world conference on women in Beijing in 1995.

Irish Republic

Mr. Robert McCartney: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his policy with respect to the Irish Republic opening a consulate in Northern Ireland; and on what occasions representations have been made by him or others in his Department on the matter. [6381]

Mr. Rifkind: Any question of opening an Irish consulate in Northern Ireland would be a matter in the first instance for the Government of the Irish Republic. Neither I nor others in my Department have made representations on this matter.

General Affairs Council

Mr. Hayes: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the outcome of the General Affairs Council on 25 November in Brussels. [7269]

Mr. David Davis: The 13 A points in document 11893/96, the text of which will be placed in the House as soon as it is available, were approved. They included the approval of Ambassador Miguel Angel Moratinos as the European Union's special envoy to the middle east peace process.

The Council noted the resolutions adopted by the European Parliament listed in document 10901/96. A copy of the document will be placed in the House as soon as it is available.

The Council received a report on progress and agreed conclusions on the preparation of the World Trade Organisation Singapore conference encouraging the Commission, in consultation with member states, to seek an ambitious result. The Presidency noted Sir Leon Brittan's report on his recent visit to China.

Carl Bildt, high representative, gave an update on Bosnian institution building. The Commission reported on contacts made at official level on the regional approach in the margins of the Paris steering board. I reported to the Council on preparation for the London conference. I explained that the central theme would be to demand a strengthened commitment to peace implementation from involved parties as a condition for continued international assistance.

The European Union's special envoy to the Great Lakes, Aldo Ajello, summarised developments in the region since November. The Council agreed in principle on a small, 2.5 mecu EU contribution to the UN trust fund established to assist participation by African states in the multi-national force. The Commission will submit an appropriate proposal to the Humanitarian Aid Committee on 28 November.

The Council held a brief exchange of views on East Timor, underlining its support for the Portugal—Indonesia bilateral talks being held under the auspices of the UN Secretary-General in New York. The Council also considered the follow-up to the common position which was adopted in June and invited the Commission to draw up specific proposals for EU development assistance to East Timor.

The Council discussed the middle east peace process. I set out a proposal for a joint EU—Israeli study on the problems of the Palestinian economy which was agreed by the Council. This will be taken forward at working group level.

The Maltese Foreign Minister met EU Foreign Ministers in the margins of the Council. The Council subsequently took note that, at the meeting, the Foreign Minister of Malta had set out the reasons why full membership of the Union was not considered feasible for Malta by his Government, but that he had nevertheless requested a very close relationship with the Union, short of full membership. The Council invited the Commission to make proposals for future EU—Malta relations in the light of his statement.

There was an exchange of views on relations with Turkey over lunch. It was decided that Prime Minister Erbakan should be invited to dinner in the margins of the Dublin European Council on 14 December. The Council concluded that the presidency should take up contacts, with a view to holding an association council early next year.

Over lunch, Ministers approved a declaration on the recent developments in Iran, which have involved accusations and threats by Iran being directed at Germany in the context of a trial taking place there. The declaration made it clear that the judiciary of member states is

independent of Governments and Parliament. In it, the European Union expressed the wish that Iran should continue to play a constructive role in international relations and noted that the Union was pursuing the critical dialogue on the basis that it should promote this goal and create better relations with the European Union. The Union also urged Iran in the declaration to discourage threats against persons involved in the trial and extend protection to German citizens in Iran.

Also over lunch, the land transport aspects of the EU–Switzerland negotiations were raised. It was agreed that substantive discussion should be postponed to the 6 December General Affairs Council.

The Council discussed the site for the Community plant site office. The Presidency concluded that a decision on the site could be taken at the 6 December General Affairs Council.

The Council adopted a declaration expressing its concern at the situation in Belarus. It urged President Lukashenko to respect the ruling of the Constitutional Court while reiterating the European Union's desire for a close and co-operative relationship with Belarus.

The Council also adopted a declaration on Chechnya, welcoming the conclusion of the agreement between Prime Minister Chernomyrdin of the Russian Federation and the head of the Chechen Government, Maskhadov and urging them to continue their efforts to find a permanent settlement. The declaration pledged the European Union's continuing support for humanitarian efforts to relieve the plight of refugees and displaced persons.

The Council had an exchange of views on the humanitarian situation in Bulgaria and expressed its willingness in principle to provide assistance. Ministers invited the Commission to keep Council apprised of developments. There was a structured dialogue with Cyprus, which continued over lunch, on 26 November.

The intergovernmental conference ministerial session covered flexibility and institutions. On the former, Ministers considered whether there was a case for new treaty language enabling groups at less than the full membership to integrate further in specific areas using the Community institutions and what general conditions should apply to any such arrangements. On the latter, Ministers looked particularly at the role of the European Parliament and national parliaments. The Government's line on these issues is set out in "A Partnership of Nations". The ministerial session was preceded, as usual, by a briefing meeting with European Parliament representatives.

Council of Ministers

Mr. Hayes: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list *(a)* the forthcoming business in the Council of the European Union for December and *(b)* major EU events for the next six months. [7268]

Mr. David Davis : The answer is as follows:

Monthly Forecast of Business for December 1996

The following Councils are scheduled:

December 2: Ecofin Council

December 2: Labour and Social Affairs Council

December 3: Energy Council

December 5: Research Council

December 6: Education and Social Affairs (Informal)

December 6: General Affairs Council

December 9: Environment Council

December 10: Environment Council

December 12: Transport Council

December 13: Transport Council

December 13: European Council

December 14: European Council

December 16: Culture Council

December 16: Agriculture Council

December 17: Agriculture Council

December 19: Fisheries Council

December 20: Fisheries Council

The following subjects are likely to be discussed:

December 2: Ecofin Council

Approval of the provisional agenda.

Approval of the list of A items.

EIB lending to third countries: interim lending mandate.

SEM 200 final report of personal representatives group.

Preparation of Dublin European Council on 13–14 December:

Preparation of Stage 3 of EMU:

legal status of euro;

relationship between participating and non-participating member states;

budgetary discipline in stage 3 (Stability Pact).

Employment.

Co-ordination of the Community's economic and structural policies: Report from the Commission.

Taxation:

Specific arrangements for travellers' allowances granted to the Nordic countries;

Standard rate of VAT.

Proposal for a directive of the European Parliament and of the Council amending Council directive 89/647/EEC on a solvency ratio for credit institutions (possible item).

Community action in the field of statistics (possible item).

Subscription by the European Community for extra shares in the capital of the EBRD (possible item).

Preparation of the Dutch presidency:

Priorities during the Dutch presidency (working programme);

Preparation of structured dialogue with central and eastern European countries Ministers.

December 2: Labour and Social Affairs Council

Adoption of the agenda.

Approval of the list of A items (possible item).

Follow-up to the Essen European Council:

Joint report on employment labour to the European Council (Dublin, 13 and 14 December 1996).

Proposal for a council decision setting up an employment and labour market policy committee.

Proposal for Council directive on the burden of proof in cases of discrimination based on sex.

Proposal for a directive amending directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions.

Draft resolution on equality of opportunity for people with disabilities.

Proposal for a directive amending directive 86/378/EEC on the implementation of the principle of equal treatment for men and women in occupational social security schemes.

Draft resolution of the Council and of the representatives of the Governments of the member states meeting within the council on the role of social protection systems in the fight against unemployment.

Proposal for a Council regulation amending regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community and regulation (EEC) No 574/72 laying down the procedure for implementing regulation (EEC) No 1408/71.

Proposal for a Council directive on the protection of the health and safety of workers from the risks relating to chemical agents at work: information from the presidency.

Council conclusions on continuous vocational training:

information from the Presidency.

Communication from the Commission on worker information and consultation: information from the Commission.

Commission communication concerning the development of the social dialogue at Community level: presentation by the Commission.

Other business:

Information from the Presidency on the follow-up to the French memorandum for a European social model; Presentation by the Commission of the report on the progress made in Social and economic Cohesion.

December 3: Energy Council

Adoption of the provisional agenda.

Approval of the list of A items (possible item).

Strategy on renewable energy: presentation by the Commission followed by an open debate.

Amended proposal for a directive of the European Parliament and of the Council concerning common rules for the internal market in natural gas: policy debate and Council conclusions.

Amended proposal for a Council regulation adopting a multiannual programme to promote international co-operation in the energy sector—SYNERGY programme: adoption.

Report on the situation of oil supply, refining and markets in the European Community: Council conclusions.

Climate changes—the energy dimension: Council conclusions.

Commission communication and proposal for a Council and Commission decision on the conclusion by the European Communities of the energy charter treaty and the energy charter protocol on energy efficiency and related environmental aspects: progress report.

Euro-Mediterranean partnership in energy: oral report from the Commission.

Second Commission report on the review of Community energy legislation and communication from the Commission to the European Parliament and the Council concerning the repeal of several Community legislative texts in the field of energy policy.

Proposal for a decision of the European Parliament and of the Council amending European Parliament and Council decision No. 1254/96/EC laying down a series of guidelines on Trans-European Energy Networks: common position.

Decision on Altener II.

Commission Communication concerning the promotion of energy efficiency in the European Union—specific action for vigorous energy efficiency—SAVE II Programme (request by the Commission).

Other business:

Directive of the European Parliament and of the Council concerning common rules for the internal market in electricity (request by the Commission): information from the Commission;

Auto-oil programme (request by the Commission): information from the Commission.

Proposal for a Council decision concerning the organisation of co-operation around agreed Community energy objectives (request by the Commission): presentation by the Commission;

Proposal for a Council directive to introduce rational planning techniques in the electricity and gas distribution sectors (request by the Commission): information from the Commission;

December 5: Research Council

Adoption of provisional agenda.

Adoption of list of A items (possible item).

Research into Transmissible Spongiform Encephalopathies

(TSEs): Commission communication

draft Council conclusions.

Financial supplement to the 4th RTD framework programme.

Fifth RTD framework programme.

Small and medium enterprises and the RTD framework programmes:

draft Council conclusions.

Role of the Joint Research Centre (JRC): communication from the Commission:

draft Council conclusions.

Role of research in the fight against drug abuse:

draft Council conclusions.

Signature of S/T co-operation agreement with South Africa (possible A item).

Other Business:

Green Paper on Innovation: presentation and information from the Commission;

Implementation and management of the framework programmes on RTD: equal treatment for men and women;

(information from the Swedish delegation).

The European Community and space: presentation by the Commission;

EC/MED S/T co-operation: information from the Commission.

December 6: Education and Social Affairs (informal)

There is no formal agenda.

December 6: General Affairs Council

Approval of the provisional agenda.

Approval of the list of A items.

Resolutions, decisions and opinions adopted by the European Parliament (Strasbourg, 11 to 15 November 1996).

Preparation of Dublin European Council.

Mediterranean policy:

report on the follow-up of the Barcelona conference;

PLO—negotiations for a new agreement (possible item).

Preparation of European Economic Area ministerial council (likely A item).

Relations with the Associated CEECs.

adaptation of agricultural provisions of Europe agreements.

Transatlantic relations:

preparation of the EU-US Summit;

EU-Canada (possible item).

India:

Council conclusions on Commission communication.

Relations with Switzerland.

Relations with Ukraine

adoption of an action plan (likely A item).

Relations with Russia:

report of the implementation of an action plan (likely A item).

Monitoring centre for racism and xenophobia.

OCT review.

Former Yugoslavia: autonomous measures.

Middle East.

Kedo (the presidency said this was very doubtful).

Proposal for a Council decision on the mid-term review of Council decision 91/482/EEC of 25 July 1991 on the Association of the Overseas Countries and Territories with the European Community: trade arrangements.

December 9–10: Environment Council

Review of Community fifth action programme on the Environment: political agreement or common position.

Amendment of directive 90/219 on the contained use of genetically modified micro-organisms: political agreement.

Council resolution on the review of the Community waste management strategy.

Council conclusions on climate change.

Auto-oil programme proposals (car emissions and fuel quality for 2000): progress report.

Directive on drinking water quality: progress report.

Leghold traps: possible agreement of framework agreement on humane trapping standards.

Other business:

Tropospheric ozone (possible item).

Genetically modified maize (possible item).

December 12–13: Transport council

Approval of the list of A items (possible item).

Negotiations between the Community and the United States in air transport: Commission report.

Negotiations between the European Union and Switzerland on road and air transport: Commission report.

Rail transport

White paper on a strategy for revitalising the Community's railways: policy debate.

Road transport:

Proposal for a Council directive on the charging of heavy goods vehicles for the use of certain infrastructures: policy debate.

Proposal for a Council regulation laying down the conditions under which non-resident carriers may operate national road passenger transport services within a member state: common position.

Proposal for a Council regulation amending regulation (EEC) No 684/92 of 16 March 1992 on common rules for the international carriage of passengers by coach and bus: common position.

Proposal for a Council regulation amending Council regulation (EEC) No 3821/85 and Council directive 88/599/EEC on recording equipment in road transport (Tachograph): policy debate.

Air transport:

Recommendation for a Council decision authorising the Commission to start negotiations with a view to establishing a European organisation for the safety of air navigation (Eurocontrol): policy debate.

Recommendation for a Council decision authorising the Commission to start negotiations with a view to establishing a European organisation responsible for civil aviation safety: presentation by the Commission.

Proposal for a Council regulation on air carrier liability in case of accidents: common position.

Maritime transport:

Commission communication: "Towards a New Maritime Strategy": Debate.

Proposal for a Council directive setting up a harmonised safety regime for fishing vessels of 24m in length and over: policy debate.

Proposal for a Council directive amending directive 93/75/EEC concerning minimum requirements for vessels bound for or leaving Community ports and carrying dangerous or polluting goods: policy debate.

Other business

High-level working party on air traffic safety: Commission report.

High-level working party on public-private partnerships: financing of 10 transport projects: Commission report.

Trans-European network for rail freight freeways: Commission report.

Commission Green Paper: "The Citizens' Network: Fulfilling the Potential of Public Passenger Transport in Europe": Commission report.

Commission Green Paper "Towards Fair and efficient Pricing in Transport. Policy Options for Internalizing the External Costs of Transport in the European Union": Commission Report.

Third Pan-European transport conference (Helsinki, 23–25 June 1997): Statement by the Finnish delegation.

December 16: Culture Council

Resolution on integration of cultural aspects in other Community actions.

TV without frontiers: orientation debate.

Audiovisual investment guarantee fund: orientation debate.

December 16–17: Agriculture Council

Identification and registration of bovine animals.

Potatoes

Durum wheat (if EP opinion available).

Forest fires (if EP opinion available).

Arable sanctions (if EP opinion available).

Geographical designations (possible item).

500 mecu beef aid (possible item).

Plant health: solidarity and responsibility (possible item).

BSE (possible item).

Veterinary and phytosanitary equivalence agreement (possible item).

Amendment to directive (64)432 on trade in bovines and swine (possible item).

European plant breeders rights office (possible item).

December 19–20: Fisheries Council

Total Allowable Catches and quotas.

Multi-annual guidance programme IV.

Reciprocal access to waters of third countries.

Technical conservation measures (possible item).

European calendar: December 1996–May 1997

	Venue	*Event*
December 1996		
2	Brussels	Ecofin Council
2	Brussels	Social Affairs Council
2	London	Rt Hon. David Maclean MP Meets Herr Schöbohn (German Senator)
3	Brussels	Energy Council
5	Brussels	Research Council
6	Brussels	General Affairs Council
6	Dublin	Education and Social Affairs Council (Informal)
7	Brussels	Foreign Ministers Conclave
9–10	Brussels	Environment Council
9–13	Strasbourg	European Parliament Plenary
12–13	Brussels	Transport Council
13–14	Dublin	European Council

European calendar: December 1996–May 1997

	Venue	*Event*
16	Brussels	Culture Council
16–17	Brussels	Agriculture Council
17	Brussels	K4 Committee
19–20	Brussels	Fisheries Council
January 1997		
1		Dutch presidency begins
7	Brussels	Fisheries Council
13–17	Strasbourg	European Parliament Plenary
20–21	Brussels	General Affairs Council
20–21	Brussels	Agriculture Council
27	Brussels	Ecofin Council (t.b.c.)
29–30	Brussels	European Parliament Plenary
31	Amsterdam	Transport Council (Informal)
February 1997		
1	Amsterdam	Transport Council (Informal)
1–2	Brussels	Economic Affairs Council (Informal)
5–6	Noordwijk	Justice and Home Affairs Council (Informal)
17	Brussels	Ecofin Council
17–18	Brussels	Agriculture Council
17–21	Strasbourg	European Parliament Plenary
24–25	Brussels	General Affairs Council
28	Amsterdam	Development Aid Council (Informal)
March 1997		
1–2	Amsterdam	Development Aid Council (Informal)
3	Amsterdam	Education Council (Informal)
3–4	Brussels	Environment Council
6	Brussels	Telecommunications Council
10	Brussels	Internal Market Council
10–14	Strasbourg	European Parliament Plenary
11–12	Brussels	Transport Council

European calendar: December 1996–May 1997

	Venue	*Event*
14–15	Rotterdam	Social Affairs Council (Informal)
15–16	Apeldoorn	Gymnich (Informal)
17	Brussels	Ecofin Council
17–19	Brussels	Agriculture Council
18–19	Brussels	Justice and Home Affairs Council
24–25	Brussels	General Affairs Council
April 1997		
4–6	Noordwijk	Ecofin Council (Informal)
7–10	Strasbourg	European Parliament Plenary
10	Luxembourg	Consumer Council
14–15	Luxembourg	Fisheries Council
17	Luxembourg	Social Affairs Council
18–20	Amsterdam	Environment Council (Informal)
21–22	Luxembourg	Agriculture Council
23	Brussels	European Parliament Plenary
24	Luxembourg	Industry Council
24–25	Luxembourg	ACP/EU
25	Brussels	European Parliament Plenary
29	Luxembourg	General Affairs Council
May 1997		
5	Brussels	General Affairs Council
12	Brussels	Ecofin Council
12–13	Brussels	Agriculture Council
12–16	Strasbourg	European Parliament Plenary
14–15	Brussels	Research Council
20	Brussels	Internal Market Council
25–27	Domburg	Agriculture Council (Informal)
26	Brussels	Energy Council
27–28	Brussels	Justice and Home Affairs Council
28–29	Brussels	European Parliament Plenary
29	Brussels	Telecommunications Council

This calendar is primarily concerned with European Union matters, but certain other relevant events are also included.
Events and dates quoted are based on the information available on the date of issue.

Written Answers to Questions

Monday 2 December 1996

HOME DEPARTMENT

Inquests

Mr. Corbyn: To ask the Secretary of State for the Home Department what proposals he has to limit the time between recording a death and the holding of an inquest. [5206]

Mr. Sackville: None. I understand that coroners endeavour to hold inquests as soon as practicable following the death, but there are often factors outside the control of the coroner, which can affect the inquest date.

Bradford Commission

Mr. Madden: To ask the Secretary of State for the Home Department which *(a)* Minister, *(b)* officials from his Department and *(c)* officials from the integrated Government office in Leeds (1) gave and (2) were invited to give (i) oral and (ii) written evidence to the Bradford commission; and if he will make a statement. [6693]

Mr. Kirkhope: No Minister, and no official from the Government office for Yorkshire and the Humber, gave evidence or was invited to do so. One official from the Home Office who was present in Bradford at the relevant time submitted written evidence based on her observations.

Mr. Madden: To ask the Secretary of State for the Home Department if he will make a statement on the contents of the Bradford commission report published on 20 November. [6714]

Mr. Kirkhope: The report raises a number of important issues. As expected, most of these are for the consideration of the authorities in Bradford who are concerned with the development of policy and the delivery of services, but all those involved in the promotion of good community relations will wish to note the contents.

Drug Dealers

Mr. Michael: To ask the Secretary of State for the Home Department (1) if he will list the cases in which offenders have been convicted for the third or subsequent occasion of dealing in class A drugs in the past two years; [6687]

(2) how many individuals have been convicted of their third offence of dealing in class A drugs in each of the past five years. [6688]

Mr. Maclean: The information requested is not collected routinely and data for individual years and cases are not available. On the basis of an analysis of all offenders convicted of drug trafficking offences during a three-month period in 1994, we estimate that around 120 of those convicted of class A drug trafficking offences in 1994 had two or more previous convictions for similar offences.

Live Animal Experiments

Mr. Matthew Taylor: To ask the Secretary of State for the Home Department when he expects to publish statistics of scientific procedures on living animals in Great Britain for 1995. [7126]

Mr. Sackville: I expect the report to be published on 18 December.

Computers

Mr. David Atkinson: To ask the Secretary of State for the Home Department what assessment he has made of the consequences for data protection arising from the failure of computer systems to be millennium compliant; and if he will make a statement. [6667]

Mr. Sackville: I am advised by the Data Protection Registrar that she considers that failures of computer systems to take account of the year change to 2000 could result in contraventions of the Data Protection Act 1984. She intends to issue advice.

Ethnic Minorities

Mr. Chidgey: To ask the Secretary of State for the Home Department what plans he has to extend section 11 grants for bilingual education beyond the five-year expiry date of March 1997. [6425]

Mr. Kirkhope: I refer the hon. Member to the reply I gave on 13 November 1996. *Official Report*, column *242*.

Prisons (Education Budget)

Mr. Cox: To ask the Secretary of State for the Home Department what the prison education budget will be for each of the London prisons for 1997. [6211]

Miss Widdecombe: Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Hugh Taylor to Mr. Tom Cox, dated 2 December 1996:

The Home Secretary has asked me, in the absence of the Director General from the office, to reply to your recent Question about the education budget for each London prison in 1997.

Budgets are allocated to prisons in financial years, running from April to March. The allocations for the financial year 1997–98 are expected to be agreed by the Prisons Board by February.

The education budgets for London prisons in 1996–97 are shown in the attached table.

Budget 1996–97

Prison	*£*
Belmarsh	356,000
Brixton	353,500
Feltham	420,081
Holloway	366,938
Pentonville	237,532
Wandsworth	229,805
Wormwood Scrubs	284,340

General Election (Costs)

Mr. Hain: To ask the Secretary of State for the Home Department what was the cost to public funds of delivering general election material in 1992 *(a)* in total, *(b)* for poll cards and *(c)* candidates' mailings. [5952]

Mr. Sackville *[holding answer 27 November 1996]:* The cost to public funds of delivering general election material in 1992 was:

(a) a total of £17,940,315[1];

(b) for poll cards £2,632,479; and

(c) for candidates' mailings £12,692,751.

[1]This includes £2,370,794 which was paid to the Royal Mail regional office at Bolton in respect of postal services delivered to constituencies in north Wales and north-west England, for which no breakdown between costs for delivery of poll cards and candidates' mailings is available, and certain miscellaneous staff and further postage costs.

Full Sutton Prison

Mr. Bayley: To ask the Secretary of State for the Home Department if he will make a statement about the discovery of an impression of a master key in a prisoner's cell at Her Majesty's prison, Full Sutton; how this breach of security will be investigated; and what steps he is taking to prevent similar breaches of security in future. [5253]

Miss Widdecombe *[holding answer 21 November 1996]:* Responsibility for this matter has been delegated to the Director General of the Prison Service, who has been asked to arrange for a reply to be given.

Letter from Richard Tilt to Mr. Hugh Bayley, dated 2 December 1996:

The Home Secretary has asked me to reply to your recent Question about the discovery of an impression of a master key in a prisoner's cell at Full Sutton prison.

The impression of a key was found during a cell search on Tuesday 14 November. The cell was being searched by a specialist team after it was vacated by a high risk category A prisoner, who was transferred to Portlaoise prison in the Republic of Ireland the previous day.

The impression was made by a key which opened class 1 locks at Full Sutton Prison. Such keys open external gates to buildings within the prison secure perimeter. The possession of a key impression is a major security breach, however, to stage a successful escape, the prisoner would have needed to manufacture a working key and accumulate additional equipment in order to overcome all the security systems in operation.

This is an extremely serious incident. All the class 1 locks in the prison have been replaced. A full search of the entire prison, including non-residential areas, took place over the weekend. The search was performed using highly trained dedicated search teams, specialist dogs and equipment designed to detect explosives.

An exhaustive analysis of the intelligence relating to the circumstances of the find is taking place in consultation with the police. Remedial action will be taken in light of the result of the analysis now underway.

TRANSPORT

A1 Dualling

Mr. Home Robertson: To ask the Secretary of State for Transport if he will make a statement on his policy for dualling the remaining single carriageway sections of the A1 trunk road. [6999]

Mr. Watts: As a result of the review just completed, the Willowburn-Denwick improvement remains in the programme, but the Morpeth to Lanehead improvement has been withdrawn.

We are aware of the concerns about the adequacy and safety record of this road. In addition to the major schemes, a comprehensive programme of low-cost safety schemes has been undertaken over the last few years. We continue to assess the needs of the route to identify sections where further minor improvements could be taken forward, including shorter section of dual carriageway to provide safer opportunities for overtaking.

Buses

Mr. Spearing: To ask the Secretary of State for Transport what *(a)* statutory powers and *(b)* financial options he exercises in respect of the conditions pertaining to bus design on routes let by tender by London Transport Buses to private route operators; and what discussions he has had with London Transport Buses concerning the continued use of the Routemaster bus in central London. [5654]

Mr. Bowis: The manufacture of Routemaster was brought to an end by the actions of the then Minister of Transport in 1968. Currently, Ministers have no specific powers on bus design for buses of operators franchised to run bus services in London. These are matters for London Transport, which has made it clear that it expects to see Routemasters continue on routes particularly in central London, so long as they remain available and in good condition.

Lorries

Mr. Rowe: To ask the Secretary of State for Transport what progress has been made with the review of the existing higher maximum weight limit for lorries engaged in road and rail operations. [7359]

Mr. Watts: In carrying out this review, we have taken into account a number of other proposals that have been put forward for change to the present maximum lorry weights. We have published today a consultation paper which considers these various options and seeks views on a range of proposals. Copies of the paper have been placed in the Library.

Coaches

Sir Peter Fry: To ask the Secretary of State for Transport if he will end the UK derogation to EU coach weight legislation. [6765]

Mr. Watts: I do not intend to end the United Kingdom derogation to European Union coach weight legislation.

Sir Peter Fry: To ask the Secretary of State for Transport what assessment he has made of the impact of installing *(a)* double glazing, *(b)* air-conditioning and *(c)* retarder on the axle weight of a coach. [6770]

Mr. Watts: No assessment has been made of the impact of installing double glazing, air-conditioning or retarders on the axle weight of a coach.

Sir Peter Fry: To ask the Secretary of State for Transport what reports he has received on the presence of 18-tonne continental coaches on UK roads. [6766]

Mr. Watts: I have received no information about the presence of 18 tonne continental coaches on UK roads.

Sir Peter Fry: To ask the Secretary of State for Transport if he will make it his policy in the period until the end of the derogation, to allow the UK coach industry to operate up to 18-tonne vehicles which comply with the 10.5-tonne rear axle limit. [6769]

Mr. Watts: The Department of Transport will shortly be issuing a consultation document looking into the feasibility of allowing coaches to operate at 18 tonnes with a 10.5 tonne maximum drive axle weight. Pending the results of this consultation a decision will be made on whether or not to permit such an increase.

Transport Expenditure

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will list for each of the last five years the funding for local authority transport spending provided by his Department. [6945]

Mr. Watts: The provision was as follows:

1992–93: £999 million

1993–94: £1,187 million

1994–95: £1,008 million

1995–96: £960 million

1996–97: £830 million.

Railways (Radio Communications)

Mr. Mackinlay: To ask the Secretary of State for Transport (1) when Railtrack intends to reach its engineering target of having 98 per cent. of the rail network covered by the national radio network; and if he will make a statement; [5339]

(2) when he proposes to introduce a timed and costed plan for the installation of cab secure radios in all locomotive units; and if he will place a copy of the plan in the Library; [5336]

(3) which rail lines are currently not covered by a fully operational radio system through which signal boxes can communicate with train drivers. [5338]

Mr. Watts: Installation of the lineside transmitter equipment for the national radio network is virtually complete. A planned enhancement of NRN will require conversion of radio frequencies. This has been authorised and is proceeding.

Under a draft railway group standard on train radio communications, it will be obligatory for all driving cabs to be equipped with an operational radio which will enable communication between train drivers, signallers or control centres, in order for the stock to operate on Railtrack's infrastructure. This has an implementation date of April 1997, with dispensation until February 1998 where secure radio is being installed, subject to approval by Railtrack.

All cabs will be equipped within this programme. Virtually all modern cabs are already fitted; older, former Network South-East stock and a few remaining heritage diesel units will be equipped within the programme.

There are no plans to install a "secure" system of radio communication on a national basis.

National Road Transport System

Mr. Hunter: To ask the Secretary of State for Transport what proportion of his investment programme for the provision and maintenance of the national road transport system in each year since 1992–93 has been devoted to the repair and maintenance of existing roads. [6742]

Mr. Watts: The following table shows gross capital expenditure by the Department for the provision and maintenance of the national road system, the capital amount spent on road maintenance and repair of the national road system and this figure represented as a percentage of the total.

Year	*Total capital expenditure £ million*	*Capital expenditure on the national road system maintenance and repair £ million*	*Percentage spent on road maintenance and repair Percent*
1992–93	1,874.2	364.5	19.4
1993–94	1,988.3	404.3	20.3
1994–95	2,008.5	402.2	20.0
1995–96	1,706.2	309.7	18.1

Mr. Hunter: To ask the Secretary of State for Transport what has been the cost to his Department of his investment programme for the provision and maintenance of the national road transport system each year since 1992–93, expressed in *(a)* cash terms and *(b)* real terms based on 1992–93 figures. [6740]

Mr. Watts: The following table shows gross capital expenditure by the Department for the provision and maintenance of the national road system in both cash terms and real terms since 1992–93.

Year	*Cash terms (£ million)*	*Real terms (£ million) (1992–93 prices)*
1992–93	1,874.2	1,874.2
1993–94	1,988.3	1,932.4
1994–95	2,008.5	1,916.8
1995–96	1,706.2	1,584.7

Road Schemes (Somerset)

Mr. David Nicholson: To ask the Secretary of State for Transport if he will list, for the financial years 1993–94, 1994–95 and 1996–97, in Somerset, those road schemes costing more than £50,000 requiring his Department's approval, indicating the location or road number, the total spent on each scheme in each year and the contribution made by his Department in each year. [6912]

Mr. Watts: Local authorities do not require my Department's approval for their road schemes, but they may seek financial help under the transport policies and programme—TPP—system. The Department keeps

records of individual schemes only where they cost at least £2 million. Details of the schemes that the Department supported in Somerset in the years quoted, and in 1995–96, including the amounts allocated to them as "accepted expenditure", and the actual spend in the first three years, are in the table. It also includes details of the block allocations made to Somerset for minor road schemes in the same period.

Somerset County Council road schemes

All Figures—£000

	1993–94 Accepted Expenditure	*1993–94 Spend*	*1994–95 Accepted Expenditure*	*1994–95 Spend*	*1995–96 Accepted Expenditure*	*1995–96 Spend*	*1996–97 Accepted Expenditure*
A361 Frome Bypass	330	201	—	—	—	—	—
A358 Ashill—Southfields Roundabout	324	334	—	—	—	—	—
A39 Glastonbury Western Relief Road	5,254	1,903	4,775	3,608	1,842	2,762	500
A3088 Lysander Road to Hendford	—	53	—	—	—	—	—
A39 Cannington Southern Bypass	2,030	1,008	490	769	233	89	—
East Mendip Quarry Strategy	2,283	285	345	204	389	806	—
A39 Wells Relief Road	—	—	1,000	649	4,500	4,367	4,856
A37 Yeovil to Dorset Boundary (Phase 1)	—	—	—	—	875	469	1,976

Minor Allocations

	Local Safety Schemes	*Other Minor Works*	*Head*
1993–94	300	861	1,161
1994–95	284	486	770
1995–96	423	768	1,191
1996–97	502	632	1,134

M20

Sir John Stanley: To ask the Secretary of State for Transport what was the volume of traffic on the M20 between junctions 3 and 5 one year after it was first opened; what it is now; and what it is estimated to be on such future dates for which estimates are available. [6952]

Mr. Watts *[holding answer 29 November 1996]:* I have asked the chief executive of the Highways Agency to write to my right hon. Friend.

Letter from Lawrie Haynes to Sir John Stanley, dated 2 December 1996:

The Secretary of State for Transport has asked me to reply to your recent question about the volume of traffic on the M20 between junctions 3 and 5.

Traffic data is only kept readily available for a limited period. Traffic flows one year after this section of road opened (December 1971) could only be obtained at disproportionate cost. However, the Annual Average Daily Traffic (AADT) flow between junctions 3 and 4 during 1993 (the earliest year for which continuous data is available) was 66,000 vehicles per day (vpd). An equivalent figure for the section between junctions 4 and 5 is not available.

The 1995 AADT traffic flows between junctions 3–5 and 4–5 were 83,100 and 91,500 vpd respectively. Figures for 1996 will not be available until early in the new year.

Evidence presented at the public inquiry into the now withdrawn scheme to widen this section of motorway suggested that, without the improvement, traffic flows during the design year (2012) were forecast to be:–

	AADT
Junctions 3–4	
Low growth	110,000
High growth	131,000
Junctions 4–5	
Low growth	127,000
High growth	153,000

Road Surfaces

Mr. Chidgey: To ask the Secretary of State for Transport what are the *(a)* construction, *(b)* cost and *(c)* environmental criteria which determine where and when low noise, open-textured, road surfacing should be used on trunk roads or motorways instead of, or as a replacement for, concrete or standard bituminous construction. [6615]

Mr. Watts: I have asked the chief executive of the Highways Agency to write to the hon. Member.

Letter from Lawrie Haynes to Mr. David Chidgey, dated 2 December 1996:

The Secretary of State for Transport has asked me to reply to your recent question asking what are the (a) construction, (b) cost and (c) environmental criteria which determine where and when low noise, open textured, road surfacing should be used on trunk roads or motorways instead of, or as a replacement for, concrete or standard bituminous construction.

Low noise surfaces may be considered for new roads, or those which are being substantially altered, where these pass through noise sensitive areas. Their environmental benefits are considered during the development of the detailed design of a new road scheme and balanced against the additional costs of their use compared with

alternative means of reducing the impact of traffic noise. The need to replace the surface of an existing road is determined solely by criteria relating to its residual life and skidding resistance.

Porous asphalt is the best known of low noise, open textured, surfacing. It has been subjected to extensive trials and we have established technical criteria for ensuring acceptable durability. Guidance on the criteria for construction is provided in the HMSO publication The Design Manual for Roads and Bridges, Volume 7: Pavement Design and Maintenance. The guidance includes advisory limits on traffic intensity and other factors affecting the practicality of its use. It is not Highways Agency policy to use porous asphalt as an overlay for existing roads partly because the surface drainage arrangements need to be altered, but also because the substantial additional costs cannot be accepted without any offsetting saving on other necessary noise mitigation measures or financial compensation.

Other types of open textured surfacing are being developed such as thin bituminous overlays. Examples have been approved for limited use in trunk road and motorway maintenance to restore skidding resistance. These products appear to offer promise through reduced noise levels when compared with conventional road surfaces, but have not yet demonstrated their ability to withstand heavy traffic. It is too soon to say whether or not these products will provide an economical alternative to conventional bituminous asphalt overlays.

There are particular difficulties with thin overlays on jointed concrete roads because of the tendency for the joints to be reflected as cracks in the surface material, causing a line of weakness. The trials with the new thin surfacing products include techniques to address this problem and are being monitored as part of the Highways Agency's continuing programme of research and development.

LORD CHANCELLOR'S DEPARTMENT

Public Defender Systems

Mr. Austin Mitchell: To ask the Parliamentary Secretary, Lord Chancellor's Department what research he has undertaken in the last three years on public defender systems. [5198]

Mr. Streeter: No new research on public defender systems, whereby salaried staff provide legal services in criminal cases, has been commissioned by this Department in the last three years. Officials from this Department recently made a fact finding visit to north America to see how both criminal and civil legal aid are delivered in the USA and Canada. Among other services, they saw public defender systems in action and spoke to those responsible for running them.

EDUCATION AND EMPLOYMENT

Student Loans

Mr. Bryan Davies: To ask the Secretary of State for Education and Employment if she will make a statement on the contracts awarded to *(a)* NM Rothschild for advice on the sale of student loan debt and *(b)* Shreeveport for advice on the contracting out of the work of the Student Loans Company, indicating (i) their costs and (ii) their duration. [6941]

Mr. Forth: We expect the duration of the contracts to be between nine months to a year. Costs are dependent on the daily fee rates charged and the use made of those companies by the Department. Individual fee rates negotiated between the Department and the advisers are confidential.

Grants for Education Support and Training

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will list *(a)* the breakdown of the allocations under each separate title of the grants for education support and training in 1996–97, *(b)* the planned breakdown for 1997–98, and *(c)* the change in numbers and percentage between the two years for each element and the total allocations for the above periods. [6937]

Mr. Robin Squire: The following table sets out allocations under the grants for education support and training—GEST—programme for 1996–97. GEST allocations for 1997–98 will be announced in December.

Grants for education support and training 1996–97

Number	*Grant*	*Programme £ million*
1a	School Effectiveness	131.7
1b	School Improvement Initiatives	2.3
2a	NC Assessment—audit	8.4
2b	NC Assessment—supply cover	16.8
3a	Primary Teachers' Subject Knowledge	16.7
3b	Training for KS2 Teacher Assessment	2.9
4	Training for Special Educational Needs	10.5
5	School SEN Policies	9.9
6	SEN Parent Partnership Schemes	4.0
7	Licensed and Overseas Teachers	0.4
8	Vocational Qualifications	10.9
8b	Vocational Qualifications—pilot Part Ones	3.5
9A and B	Truancy and Disaffected Pupils	13.8
9C	Pupil Behaviour and Discipline	3.7
10	Training in Youth and Community Work	2.2
11	Bilingual Pupils	5.7
12	Training for Careers Teachers	4.0
13a	Drug Prevention and Schools (Formula)	4.5
13b	Drug Prevention and Schools (Bids)	1.4
14	Specialist Schools	6.9
15a	Literacy and Numeracy Centres	3.5
15b	Literacy and Numeracy (Books and Equipment)	1.5
16	Specialist Teacher Assistants	1.2
	Programme total	266.4

Learning Difficulties

Sir John Hannam: To ask the Secretary of State for Education and Employment what proposals she has to ensure that newly qualified teachers starting their teaching careers are able to *(a)* identify and *(b)* give appropriate teaching to children at risk of specific learning difficulties and dyslexia. [6763]

Mr. Forth: The existing criteria for courses of initial teacher training require that newly qualified teachers should have acquired the necessary foundation to develop the ability to identify and provide for special educational needs and specific learning difficulties. We shall be consulting on revised requirements for initial teacher training in new year.

Pupil to Teacher Ratios

Mr. Pawsey: To ask the Secretary of State for Education and Employment what was the pupil to teacher ration in *(a)* 1979 and *(b)* the last year for which figures are available. [6760]

Mr. Robin Squire: The overall pupil-teacher ratios for maintained nursery, primary and secondary schools in England were 18.9 in January 1979 and 18.5 in January 1996.

Mr. Pawsey: To ask the Secretary of State for Education and Employment what is the average pupil to teacher ratio for *(a)* grant-maintained secondary schools and *(b)* local authority secondary schools. [6759]

Mr. Robin Squire: The pupil-teacher ratios in grant-maintained secondary schools and local education authority secondary schools in England in January 1996 were 16.3 and 16.7 respectively.

Teacher Training Agency

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will give a breakdown of spending on the Teacher Training Agency in 1996–97 and of planning spending for 1997–98. [6936]

Mr. Forth: The latest estimate of the Department's grant to the Teacher Training Agency in 1996–97 is £197.763 million, consisting of £190.090 million recurrent expenditure, £4.473 million on capital expenditure and £3.200 million on administration costs. Subject to parliamentary approval, we plan a total grant of £209.771 million to the TTA in 1997–98, including £204.778 million on programme expenditure and £4.993 million on administration. Decisions on the detailed distribution of these sums are for the TTA itself.

Grant-maintained Schools

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will give a breakdown of spending on the grant-maintained sector in 1996–97 and of planned spending in 1997–98, showing *(a)* current funding and *(b)* capital funding and the percentage change between the two years. [6927]

Mr. Forth: The information requested is as follows:

	1996–97 £ million	*1997–98 £ million*	*Percentage increase*
Recurrent	[1]101	116.2	15.0
Capital	138	144.9	5.0
Total	239	261.1	9.6

[1] Funding to the Education Assets Board and Education Associations is not included in the 1997–98 recurrent baseline. It has therefore been deducted from the published recurrent amounts shown for 1996–97 so as to provide comparable figures.

Youth Training

Mr. Byers: To ask the Secretary of State for Education and Employment what percentage of people on youth training *(a)* failed to complete the course, *(b)* failed to obtain a recognised qualification and *(c)* completed the course but failed to find a job, for each training and enterprise council in the financial year 1995–96. [6331]

Mr. Paice: The available information, which comes from the national follow-up survey of YT trainees, is given in the following table. These results are consistent with the national totals published in "Labour Market Trends". They relate to the period February 1995 to January 1996, the last full year for which data are available. The figures overstate the extent to which young people leave the programme early. They include a significant number who simply switched from one training provider to another, as well as trainees who left early having already achieved their full qualification. Those not gaining a qualification will include many who subsequently obtained a job, or continued in further education and training.

Youth Training
England and Wales by TEC

February 1995 to January 1996 leavers

TEC	*Proportion of leavers who: Did not complete the course*	*Did not gain a qualification*	*Completed the course but did not find a job*
Bedfordshire	58	56	9
Central and South Cambridgeshire	47	48	8
North Derbyshire	50	47	11
South Derbyshire	47	47	10
Leicestershire	53	56	12
Lincolnshire	52	47	14
Norfolk and Waveney	59	70	17
Northamptonshire	48	46	10
Greater Nottingham	55	52	11
North Nottinghamshire	48	55	12
Greater Peterborough	47	46	12
Suffolk	45	43	13
County Durham	56	46	12
Northumberland	52	48	19
Teeside	52	45	15
Tyneside	55	48	15
Sunderland City	n/a	n/a	n/a
Barnsley and Doncaster	56	48	13
Bradford	49	47	14
Calderdale-Kirklees	50	48	10

Youth Training
England and Wales by TEC

February 1995 to January 1996 leavers

TEC	Proportion of leavers who: Did not complete the course	Did not gain a qualification	Completed the course but did not find a job
Humberside	54	49	11
Leeds	45	45	7
Rotherham	56	56	15
Sheffield	56	51	14
Wakefield	48	61	15
North Yorkshire	41	46	11
Bolton-Bury	45	52	13
Normidtec	58	51	7
South and East Cheshire	n/a	n/a	n/a
Cumbria	47	47	15
Eltec	44	46	10
Lawtec	42	48	11
Central Manchester	53	55	10
Merseyside	62	58	13
Oldham	51	51	12
Rochdale	55	51	14
Qualitec	47	47	17
Stockport-High Peak	46	49	10
Metrotec	55	49	5
Cewtec	57	46	14
Birmingham	46	41	17
Central England	50	50	10
Coventry-Warks	47	44	10
Dudley	50	51	9
Hawtec	45	46	12
Sandwell Tec	47	48	9
Shropshire	49	46	10
Staffordshire	40	38	8
Walsall	59	57	8
Wolverhampton	53	56	11
Mid Glamorgan	56	61	11
South Glamorgan	n/a	n/a	n/a
Gwent	52	59	14
Powys	n/a	n/a	n/a
North-east Wales	40	46	16
North-west Wales	47	55	15
West Wales	55	59	15
Westtec	49	45	15
Devon-Cornwall	42	53	18
Dorset	52	49	9
Gloucester	41	52	12
Somerset	46	55	16
Wiltshire	48	45	14
Essex	49	45	16
Hampshire	49	49	12
Heart of England	40	45	16
Hertfordshire	38	45	14
Wight Training	42	53	16
Kent	48	51	14
Milton Keynes	44	46	12
Surrey	48	47	13
Sussex	46	50	11
Thames Valley	42	57	9
Aztec	44	50	13
North London	38	50	15
North-west London	47	55	22
Clintec	n/a	n/a	n/a
Central London	49	52	24
London East	47	47	17
Solotec	46	53	20
West London	45	43	12
South Thames	n/a	n/a	n/a
England and Wales	49	49	13

Note:
n/a = not available due to the low number of processed returns.
Source:
YT National follow-up survey.

Training

Mr. Byers: To ask the Secretary of State for Education and Employment what amount was spent on training by the Department for each unemployed person in *(a)* 1989–90 and *(b)* 1995–96, (i) in cash terms and (ii) in 1995–96 prices. [6332]

Mr. Paice: As the programmes covered by training expenditure are by no means confined to the unemployed, it would not be appropriate to express expenditure per unemployed person.

Disabled People

Mr. Peter Bottomley: To ask the Secretary of State for Education and Employment if she has made a decision on the future of committees for the employment of people with disabilities. [7400]

Mr. Paice: Committees for the employment of people with disabilities—CEPDs—were first set up under the Disabled Persons (Employment) Act 1944 to perform specific functions related to the Act. In recent year's they have mainly been involved in providing advice and assistance to the Employment Service. The current terms of appointment of CEPD members cease on 31 March 1997.

The employment provisions of the Disability Discrimination Act 1995—DDA—which come into force today, make fundamental changes to the way we approach the employment of disabled people, and will establish a new era of opportunity for them. In view of these new provisions, we have been considering whether the ES still requires local advisory arrangements. Consultations showed the value of partnership working between the ES and a range of local organisations and individuals able to influence positive developments in disabled people's employment in the local labour market.

We have taken into consideration the new opportunities that the DDA brings, the range of views expressed and the need to make best use of available resource. We have decided that the relevant provisions of the 1944 Act, under which CEPDS are appointed, will be repealed and that, with effect from April 1997, the ES will set up in each region a non-statutory regional disability consulting group.

These new regional consulting groups will provide a fresh, more streamlined approach to partnership working between the ES and relevant local organisations and individuals. The groups will be encouraged to contribute actively to the ES's regional and local initiative to promote improvements in the employment of disabled people.

I should like to take this opportunity to record my thanks for the important contribution made by current and past members of CEPDs and their predecessors. The new era which opens up today owes much to their willingness to work with the ES over many years to help improve the employment prospects for disabled people.

ENVIRONMENT

Local Authority Arrears

Sir Irvine Patnick: To ask the Secretary of State for the Environment if he will list the arrears from (i) rents and (ii) other income currently outstanding to each local authority; what incentives are used to encourage local authorities to reduce these debts; and if he will make a statement. [4903]

Sir Paul Beresford: Information on local authority rent arrears is collected from authorities on their housing subsidy claim form returns. A ranked listing of authorities' cumulative arrears as a percentage of rent roll is released each year in a DOE news release. Copies of the DOE news release, the latest of which provides statistics on the position at the end of March 1995 and was released on 12 January 1996, are in the Library of the House.

Other arrears relate primarily to uncollected community charges and council taxes, but may also result from a range of other sources such as outstanding insurance claims, trading activities, mortgage arrears and so on. Information on uncollected community charge and council tax for each local authority is not available centrally. However, the Chartered Institute of Public Finance and Accountancy regularly publishes estimates for individual authorities: figures for 31 March 1995 are available in its "Revenue Collection Statistics 1994–95" publication, a copy of which is in the Library of the House. No information is available centrally on any other forms of arrears.

The Government expect local authorities to pursue all arrears of rent, community charge and council tax and so on that are collectable. It is in the interests of authorities to do so to restrict their level of borrowing and council tax bills overall. Authorities have a range of powers enabling them to enforce recovery of rent arrears, community charge and council tax arrears. They use these powers at their discretion and my Department has provided general guidance through practice notes and other advice. For example, in October 1994, a research report, "Rent Arrears in Local Authorities and Housing Associations" was issued by the Government to all local authorities; this contains good practice advice on preventing and managing rent arrears.

The Government have introduced a range of measures to encourage authorities to maximise revenue collection, for example the ring-fencing of housing revenue accounts, penalising poor performers in the distribution of housing investment programme allocations and requiring publication of rent arrears information under the citizen's charter performance indicator regime set up by the Audit Commission.

Energy Efficiency Voucher Scheme

Mr. Matthew Taylor: To ask the Secretary of State for the Environment if the assessment of his Department's energy efficiency voucher scheme has been completed; when he intends to publish the results of the assessment; and if he will make a statement. [6543]

Mr. Robert B. Jones: Evaluation of my Department's Wasting Energy Costs the Earth domestic energy efficiency campaign, of which the energy efficiency voucher scheme formed a part, is expected to be complete by mid-December.

The energy efficiency voucher scheme and associated promotions have formed an integral part of a wider drive to increase the level of energy efficiency awareness among domestic consumers and to encourage the purchase of energy efficiency goods. We are continuing this work through the Energy Saving Trust, and have recently announced an extra £21.5 million in its allocation over the next three years to enable it to pursue it.

Show Houses

Sir Michael Grylls: To ask the Secretary of State for the Environment what assessment he has made of the extent to which growth in the housebuilding sector is inhibited by the practice that show homes can be assessed for the uniform business rate; and if he will make a statement. [6683]

Sir Paul Beresford: No such assessments have been made.

Sir Michael Grylls: To ask the Secretary of State for the Environment what estimate he has made of the total annual additional costs to purchasers of new houses as a result of the practice of subjecting show houses to the uniform business rate. [6684]

Sir Paul Beresford: The House-Builders Federation estimates that the total yearly rates bill of show houses in England and Wales is about £8 million. If show houses were subject to the council tax and not rates, the federation estimates that the year's bill would be £3.4 million. The rates are generally paid by housebuilders because they occupy show houses. It is for the builder to decide the extent to which non-domestic rates, and other costs, are passed on to house purchasers.

Sir Michael Grylls: To ask the Secretary of State for the Environment if he will list those local authorities which currently levy the uniform business rate on show houses. [6685]

Sir Paul Beresford: All local authorities in England and Wales are obliged to charge non-domestic rates on show houses.

Sir Michael Grylls: To ask the Secretary of State for the Environment when he last met housebuilders to discuss the impact of the case of Ideal Homes *v.* Ian Walker at the rating tribunal in 1995; and what response he has made to the representations made to him on this matter. [6686]

Sir Paul Beresford: We regularly meet the house building industry. I have recently received representations from the House-Builders Federation requesting that show houses be subject to the council tax and not non-domestic rates. I am currently considering my response.

Mrs. Peacock: To ask the Secretary of State for the Environment (1) what recent representations he has received concerning the levying of business rates and council tax on show homes; and if he will make a statement; [6904]

(2) if he will make it his policy that show homes are treated as stock rather than business or unoccupied residential premises for the purposes of local government taxation. [6906]

Sir Paul Beresford: I have recently received representations from the House-Builders Federation requesting that show houses be subject to the council tax and not non-domestic rates. I am currently considering my response.

Mrs. Peacock: To ask the Secretary of State for the Environment what was the total amount paid in the latest year for which figures are available in respect of *(a)* uniform business rates and *(b)* council taxes levied on show homes. [6905]

Sir Paul Beresford: The House-Builders Federation estimates that the total yearly rates bill on show houses in England and Wales is about £8 million. Show houses are not subject to the council tax.

DUCHY OF LANCASTER

Stationery Office, Cardiff

Mr. Morgan: To ask the Chancellor of the Duchy of Lancaster if he will list the 20 largest printing contracts currently being carried out by The Stationery Office, Cardiff; and if he will specify which of them are bilingual printing jobs. [7147]

Mr. Freeman: The Stationery Office is a privately owned company carrying out work for a variety of customers. Its contracts are its own commercially confidential business.

Details of printing contracts let by Government Departments are not collated or held centrally. At the point of sale of The Stationery Office, on 30 September 1996, no contracts or arrangements between Government Departments and HMSO Wales Print Services were transferred to The Stationery Office. One customer contract and one customer arrangement previously held by HMSO Wales Print Services were transferred. The contract was with the Metropolitan police for the provision of printed matter and the arrangement was with Health Promotion Wales for a warehousing and distribution service.

Mr. Morgan: To ask the Chancellor of the Duchy of Lancaster what representations he has had with respect to the closure of the HMSO printing plant at Llanishen, Cardiff. [7149]

Mr. Freeman: The business of HMSO, including the property at Llanishen, Cardiff was transferred to The Stationery Office and sold on 30 September 1996. I have had no representations relating to Llanishen.

TRADE AND INDUSTRY

Human Genetics Advisory Commission

Lady Olga Maitland: To ask the President of the Board of Trade when there will be an announcement on the membership of the new Human Genetics Advisory Commission; and if he will make a statement. [7383]

Mr. Ian Taylor: I am delighted to announce that the following have agreed to serve on this important new group.

Sir Colin Campbell (Chairman)	Vice Chancellor, University of Nottingham
Professor Cairns Aitken	Chairman, Royal Infirmary of Edinburgh NHS Trust
Dr. Micheala Aldred	Director, Retinoblastoma Society
Professor Martin Bobrow	Professor of Medical Genetics, Cambridge University
Mrs. Doris Littlejohn	President, Central Office of Industrial Tribunals, Scotland
Dr. Onora O'Neill	Chairman, Nuffield Council on Bioethics
Reverend Dr. John Polkinhorne	Chairman, Advisory Committee on Genetic Testing
Dr. George Posts	Chairman, Research and Development, SmithKline Beecham
Ms Moria Stuart	Newsreader, British Broadcasting Corporation

The chairman of the Gene Therapy Advisory Committee will also be a member. The current acting chairman is Professor Norman Nevin of the Department of Medical Genetics, Belfast City health and social service trust.

The advisory commission will be considering the broad social, ethical and/or economic consequences of developments in human genetics, for example, in relation to public health, insurance, patents and employment. They will also advise on ways to build public confidence in the new science. The group has been asked to give early consideration to how it can make itself open to wider public views.

Human genetics is developing rapidly. It offers major opportunities for improving the quality of life and for wealth creation, but also raises sensitive and complex issues which need to be addressed. The advisory commission will be able to approach these matters from a broad perspective, reporting direct to Industry and Health Ministers and supported by a secretariat based in the Office of Science and Technology. The first meeting will be held as soon as possible in the new year.

Bills (Payment)

Ms Armstrong: To ask the President of the Board of Trade if he will list for each Department in 1995–96 the percentage of bills paid within 30 days or in accordance with agreed terms. [6719]

Mr. Lang: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Mid-Staffordshire (Mr. Fabricant) on 18 July, *Official Report*, column *613–14* on this matter.

The hon. Member will also wish to be aware that my hon. Friend the Economic Secretary to the Treasury will be publishing soon the first league table of Government Departments and their agencies based on the revised monitoring arrangements.

Information Technology Projects

Ms Church: To ask the President of the Board of Trade, pursuant to his answer of 7 November, *Official Report*, column *701*, what were the proposed annual savings for the information technology projects in the bands above and including £1 million to £2 million, undertaken since 1992; and what have been the realised annual savings. [6697]

Mr. John M. Taylor *[holding answer 28 November 1996]:* Within my Department, project appraisals consider both qualitative and quantitative benefits. Individual projects will reflect both the business priorities of the time and the Department's strategic framework for IT. Some requirements are for pilots, to trial facilities on a small scale, and there are proposals which are a matter of operational necessity—for example, remedial work for the century date change—or provide for cost avoidance, for example, in the replacement of existing IT systems where the option of a return to a manual system is impracticable.

In my answer of 7 November, *Official Report*, column *701*, I listed 13 relevant projects. For three of these, assessment of savings is inappropriate, being either enabling projects or concerned with pilots and the sourcing official of goods and services. For the remainder, the total cumulative quantifiable savings were estimated to be £80.9 million over the years to 1999–2000 as follows:

Financial year

1993–94: £4.2 million

1994–95: £7.1 million

1995–96: £9.4 million

1996–97: £13.8 million

1997–98: £14.8 million

1998–99: £15.3 million

1999–00: £16.3 million.

The realisation of such savings is one of a number of factors considered within my Department's resource bidding and allocation processes. Many of the projects are still being implemented and for most of the remainder there is no ready source of information on annual savings attributable to investment in IT systems in isolation rather than in conjunction with other measures to improve efficiency.

Actual savings recorded centrally have been:

Financial year

1993–94: £1.4 million

1994—95: £1.7 million

1995–96: £5.7 million.

These are lower than previously estimated, primarily because the implementation of one major project—the Department's office system infrastructure—was delayed by one year pending availability of funds.

Ms Church: To ask the President of the Board of Trade, pursuant to his answer of 7 November, *Official Report*, column *701*, what are the proposed annual savings for the planned information technology projects in the bands above and including £1 million to £2 million. [6696]

Mr. John M. Taylor *[holding answer 28 November 1996]:* In my answer of 7 November, *Official Report,* column *701,* I identified three planned projects costing £1 million or above. Of these, the business case for one is still under development, another concerns remedial work arising from the century date change, and the third is a major enhancement to an existing system. This enhancement provides new quantifiable savings which will accrue primarily to the private sector, due to the deregulatory nature of the project, and at the same time maintains the benefits of the existing system over an extended period giving savings totalling £27 million over eight years, with the average annual saving for the remaining life of the system being estimated at £4.2 million.

Industrial Tribunals (Disability Discrimination)

Mr. Tom Clarke: To ask the President of the Board of Trade if *(a)* his Department and *(b)* the industrial tribunals have completed their consideration of the employment provisions contained in the Disability Discrimination Act 1995 with regard to the composition of industrial tribunals hearing cases under that Act; and if he will make administrative arrangements in a manner similar to those pertaining under race relations legislation, so that wherever possible a member who has special knowledge or experience of disability issues in the employment field will sit on tribunals hearing cases raised under disability legislation. [6949]

Mr. John M. Taylor: We are considering the matter with the president of the industrial tribunals and I will write to the hon. Member as soon as possible.

Industrial Attachments

Mr. Ingram: To ask the President of the Board of Trade if he will list the industrial attachments to his Department, by departmental section, specifying *(a)* the commencement and finishing date, *(b)* the names of the individuals and their company or organisation and *(c)* the nature of the work undertaken. [6118]

Mr. John M. Taylor *[holding answer 26 November 1996]:* I list in table 1 the names, parent companies, start and finish dates and the directorates within the Department for those individuals who are on temporary secondment as part of our continuing programme of interchange of staff with the private sector. At table 2, I list the name, parent companies and start and finish dates for those individuals currently on temporary secondment to the Department as part of the export promoter initiative.

Table 1: Current secondees under the continuing Interchange Programme

	Start date	*Finish date*	*Parent Company*
Mr. Arthur McQuillan, Engineering Automotive and Metals	1.10.95	30.11.96	Amec Process and Energy Ltd.
Mr. Adrian John Luckins, Oil and Gas	30.9.96	29.12.96	ARCO British Limited
Mr. John Fitzgerald, Government Office South West	7.10.96	6.10.97	Avon Rubber plc
Mr. Rupert Harris, Investigations	6.3.97	5.3.97	Baker Tilly
Mr. Sean Higgins, Business Link	26.2.96	25.12.96	Baker Tilly
Dr. Jenny Benson, Nuclear Industries	24.11.96	24.11.97	BNFL
Ms Clare Wallace, Nuclear Industries	2.12.96	1.12.97	BNFL
Mr. Brian Gane, Oil and Gas	1.10.96	31.12.96	BN Exploration Ltd.
Mr. Stephen Austin, Offshore Supplies Office	15.4.96	14.12.96	British Gas plc
Mrs. Peta Walmisley, Office Science and Technology	3.6.96	2.5.97	British Computer Society
Mrs. Kerry Somerset, European Commission	15.4.96	14.4.98	BSI
Mr. Keith Inglis, Post Office, Retailing and Textiles	29.4.96	28.4.97	Burton Group
Mr. Geoffrey Cook, Estates and Facilities Management	13.2.96	1.4.97	Chesterton International plc
Mr. Anwar Ahmed, Investigations	1.4.96	31.3.98	Coopers and Lybrand
Mr. Simon Robinson, Insurance	9.9.96	8.9.98	Coopers and Lybrand
Miss Jean Quinney, Insolvency	14.11.94	31.3.97	Ernst and Young Services Ltd.
Ms Anna Blackburn, Insolvency	12.9.94	31.3.97	Ernst and Young Services Ltd.
Mr. Brendan Barnes, Chemicals and Biotechnology	10.4.95	31.12.96	Glaxo plc
Mrs. Phyllis Harvey, Insolvency	1.8.94	31.3.97	Grant Thornton
Mr. Andrew Smith, Insolvency	5.9.96	13.12.96	Grant Thornton
Mr. Stuart Parfitt, Small and Medium Enterprises Policy	1.2.96	28.3.97	Grant Thornton
Ms Suzanne Deery, Insurance	1.10.96	30.9.97	Guardian Royal Exchange Assurance plc
Mr. David Gavaghan, Regional Assistance	2.9.96	1.9.98	Hambros Bank Limited
Mr. Les Owen, Engineering Automotive and Metals	22.1.96	21.6.97	Honda
Mr. Robert Simpson, Nuclear Industries	2.1.96	31.12.98	Huntings Engineering Ltd.
Mr. Charles Hughes, Communications and Information Industries	18.4.95	17.4.97	ICL
Mr. Stan Melrose, Engineering, Automotive and Metals	1.12.95	30.11.96	IMI Refiners Ltd.
Mr. Stewart Wright, Insolvency	4.9.95	29.3.97	Kidsons Impey
Mr. Trevor Lacey, Engineering, Automotive and Metals	5.2.96	4.2.97	Lockstair Ltd.
Mr. John Bilton, Engineering, Automotive and Metals	1.7.96	30.6.97	Mechandyne Limited
Dr. Nick Veck, British National Space Centre	2.10.95	1.10.97	National Remote Sensing Centre Ltd.
Mr. Mike Whysall, Business Links	18.11.96	17.5.98	Natwest
Ms Joanne Wilkinson, Communications and Information Industries	1.7.96	31.12.96	Nel
Ms Tracey Holbein, Communications and Information Industries	17.7.96	31.12.96	Nel
Mr. Arthur David, Engineering, Automotive and Information Industries	3.7.95	31.12.96	Nissan
Ms Beth Rees, Insurance	3.7.95	2.7.97	Price Waterhouse
Miss Elaine Lydon, Regional Assistance	16.1.95	15.1.97	Robson Rhodes
Mr. Tom Girn, Investigations	29.2.96	28.2.98	Robson Rhodes
Mr. Andrew Hooper, Nuclear Industries	6.11.95	5.11.97	Rolls-Royce and Associates

Table 1: Current secondees under the continuing Interchange Programme

	Start date	Finish date	Parent Company
Mr. Keith Jordan, Engineering Automotive and Metals	14.8.95	13.2.97	Rover Group Ltd.
Mr. Mike Wellden, Regional Assistance	02.01.97	01.01.98	Royal Bank Leasing Limited
Ms Frances Barr, Consumer Affairs/Competition Policy	14.11.94	13.05.97	Slaughter and May
Mr. David Blackbrough, Engineering Automotive and Metals	9.10.95	8.10.97	Toyota
Mr. Andrew R. Slessor, Offshore Supplies Office	2.10.95	1.10.97	Trafalgar John Brown Oil and Gas
Dr. Peter Poulton, Nuclear Industries	1.4.96	31.3.97	UKAEA
Mr. Richard Bartholomew, Chemicals & Biotechnology	5.2.96	4.2.98	Unilever
Mr. Stephen Duncan, Offshore Supplies Office	9.10.95	8.10.97	Wood Group Engineering Contractors

Table 2: Current export promoters in DTI as of 26 November 1996

	Start Date	Finish date	Parent Company
Mr. Andrew Turley	4.11.96	3.10.98	Alan Paine Knitwear Ltd.
Mr. Nigel Crowe	16.5.94	15.5.97	All Set Up Ltd.
Mr. Godfrey Linnett	9.1.95	30.3.97	Allied Domecq plc
Mr. Derek Watson	1.7.96	30.6.98	Amec Process and Energy Ltd.
Ms Danusia Bizon	4.3.96	3.3.98	AMW Associates
Mr. Eric Clark	1.12.93	30.11.96	Barclays Bank plc
Mr. Richard Bristow	18.11.96	17.11.98	Barclays Bank plc
Dr. Robin Turrell	1.3.94	28.2.97	Biwater Ltd.
Mr. Jonathan Webber	6.5.96	5.5.98	Boxhome Limited
Mr. Stewart Thompson	1.7.94	30.6.97	British Marine Equipment Council
Mr. Julian Manning	28.2.95	27.2.97	British American Tobacco Co. Ltd.
Mr. Gavin Trechman	1.4.95	31.3.97	British Petroleum Company plc
Mr. Peter Cameron	1.11.95	31.12.96	British Gas plc
Mr. Duncan Robson	1.1.96	31.12.98	British Steel plc
Mr. Patrick Edworthy	1.2.96	31.1.97	British Aerospace
Mr. E. John Rogers	4.3.96	3.3.98	British Aerospace
Dr. Peter Bailes	1.5.95	31.3.98	BT plc
Mr. Anthony Lunch	18.9.95	17.9.97	Business Link
Mr. Kieran Hughes	1.8.94	31.1.97	Claridge Mills Ltd.
Mr. L. G. Jones	5.8.96	4.8.98	Continental Tyre Group Ltd.
Mr. Martin Banfield	6.5.96	5.5.98	Crosrol Ltd.
Mr. John Sowels	10.1.94	31.12.96	CSO Valuations AG
Mr. Peter Warren	26.6.95	25.6.97	Drinks Marketing Consortium
Mr. Grant Shannon	20.6.94	19.6.97	Easibind International Ltd.
Mr. Ivan Sloboda	24.1.94	24.1.97	East European Trade Council
Mr. Geoffrey Lincoln	25.3.94	25.3.97	East European Trade Council
Mr. Graham Hughes	23.6.95	22.6.97	Elliott Pearce Limited
Mr. Tim Gorin	1.6.95	31.5.97	Ferryfast Produce Ltd.
Mr. John Frame	28.10.96	27.10.98	Food Process Engineering (Scotland) Ltd.
Mr. Timothy Wilson	1.4.96	31.3.98	GEC Marconi Communications Ltd.
Mr. Robin Sleight	9.4.96	8.4.97	GEC Marconi Avionics Ltd.
Mr. Ahmed Suleiman	3.7.95	2.7.97	General Traffic Ltd.
Mr. Richard Blythe	1.10.96	30.9.98	Glaxo Wellcome
Mr. Robin Walden	1.5.95	30.4.97	Glengarnock Garments Ltd.
Mr. Ian Hendrie	7.3.94	29.2.97	HSBC Holdings Plc
Mr. Alan Twist	5.2.96	4.5.97	ICI plc
Mr. Andrew Bacon	18.3.6	30.9.97	IMI plc
Mr. Greg Evans	22.7.96	21.4.97	IMI plc
Mr. Michael Jump	1.11.94	31.10.97	International Distributor Centre
Mr. Saleem d'Aronville	12.8.96	11.8.98	International Knitwear
Mr. Wyndham Carver	1.3.95	28.2.97	International Distillers and Vintners Ltd.
Mr. Peter Nightingale	12.2.96	11.2.98	John Swires and Sons Ltd.
Mr. John Blackwood	7.5.96	6.5.98	John Laing International Ltd.
Mr. Oster Bayne	10.6.96	9.6.98	John Laing International Ltd.
Mr. Richard Rathwell	20.5.96	19.5.98	Lancashire Enterprises Plc
Mr. Elfan Jones	3.5.95	2.5.97	Lanimre Knitwear Ltd.
Mr. Brian Cohen	6.5.96	5.6.98	Marks and Spencer plc
Mr. John Mather	16.5.96	15.5.98	Meggitt plc
Mr. David Markham	4.9.95	3.9.97	Midland Bank plc
Mr. Ian MacIntyre	20.6.94	31.12.96	Morlands (Glastonbury) Ltd.
Mr. Malcolm Pearson	1.8.96	31.7.97	Morris Singer Ltd.
Mr. Robert Smith	1.9.95	31.7.97	Nat West Markets
Mr. Robert Smeaton	2.9.96	1.9.98	Nat West Markets
Mr. David Chambers	15.4.94	14.4.97	Ocean Group plc
Mr. Nick Khosla	1.6.94	31.5.97	Ove Arup and Partners
Mr. David Walker	13.6.94	12.12.96	P and L Suswin Ltd.
Mr. David Burton	1.5.96	30.4.97	Refensa Limited
Mr. Peter Smith	1.10.94	30.9.97	Reuters Ltd.

Table 2: Current export promoters in DTI as of 26 November 1996

	Start Date	Finish date	Parent Company
Mr. B W Cookson	2.9.96	1.9.98	River Don Castings Ltd.
Ms Briony Fitzgerald	3.6.96	2.6.98	Russo-British Chamber of Commerce
Mr. Bruce Tremayne	1.5.96	30.11.96	SA3 Ltd.
Mr. David Flaxman	1.10.96	30.9.97	Siemans ATM
Mr. Tom Curry	1.4.96	31.3.98	SIMS PORTEX LTD.
Mr. Paul Ridley	1.1.96	31.12.97	SmithKline Beecham
Mr. Peter Wood	2.10.95	30.9.97	Society of Motor Manufacturers and Traders
Mr. David Cadwallader	7.3.94	6.3.97	The Boots Company plc
Mr. Anthony Burckhardt	1.8.94	31.7.97	The West India Committee
Ms Elsie Fairbanks	1.10.96	30.9.98	The Export Association
Mr. Craig Chislett	1.10.96	30.9.98	Thomas Chislett
Dr. Amar Sabberwal	2.1.97	01.01.99	Turner and Newall
Mr. John Fordyce	1.7.94	30.12.96	UBAF Bank Ltd.
Mr. Michael Blandford	1.2.96	31.8.97	Unilever International
Mr. Christopher Brooks	25.4.94	24.4.97	Vickers plc
Mr. Russ Taylor	18.4.94	31.12.96	Vickers plc
Mr. Christopher Kemp	1.6.95	1.6.97	Vickers plc
Mr. John Woodcock	9.10.95	8.10.97	Weybourne Financial Services Ltd.
Mr. John Phipps	26.2.96	25.2.98	York Synthetics Ltd.

Newspaper Distribution

Dr. Lynne Jones: To ask the President of the Board of Trade if he will request the Director General of Fair Trading to refer the newspaper distribution system to the Monopolies and Mergers Commission. [6402]

Mr. John M. Taylor: It is the long-standing and consistent policy of successive Secretaries of State that the making of monopoly references to the Monopolies and Mergers Commission is normally a matter for the Director General of Fair Trading in areas of economic activity within his jurisdiction. He has said that he is not persuaded that this is the best way forward for the industry, but that he is continuing to monitor the newspaper distribution industry and is open to further representations.

Multiple Newsagents Association

Dr. Lynne Jones: To ask the President of the Board of Trade when he last met representatives from the Multiple Newsagents Association; what was discussed; and if he will make a statement. [6405]

Mr. John M. Taylor: I last met representatives of the Multiple Newsagents Association on 31 January 1996 to hear about the progress of industry talks concerning newspaper distribution.

National Publishers Association

Dr. Lynne Jones: To ask the President of the Board of Trade when he last met representatives from the Newspaper Publishers Association; what was discussed; and if he will make a statement. [6404]

Mr. John M. Taylor: Neither my right hon. Friend the President of the Board of Trade nor I have met representatives of the Newspaper Publishers Association. The then Minister for Consumer Affairs, my hon. Friend the Member for Tatton (Mr. Hamilton), met the NPA on 28 June 1994 to discuss the provisions of the industry code of practice for newspaper supplies.

Working Time

Dr. Lynne Jones: To ask the President of the Board of Trade if he will now publish the research he has commissioned from Professor J. M. Harrington on the issue of working time and its impact on health. [6799]

Mr. John M. Taylor: As indicated in the reply by my right hon. Friend the President of the Board of Trade to the right hon. Member for Derby, South (Mrs. Beckett) on 20 November 1996, *Official Report*, columns *573–74*, a copy of the report has been placed in the Library of the House.

World Trade Organisation

Mr. MacShane: To ask the President of the Board of Trade what representations have been made to the Government of Singapore in respect of participation by UK-based non-governmental organisations at the World Trade Organisation interministerial conference in Singapore. [7009]

Mr. Nelson: Representations to participate in the conference are made to the World Trade Organisation secretariat in Geneva. Twelve UK-based non-governmental organisations have requested registration forms from the secretariat to participate in the conference.

Mr. MacShane: To ask the President of the Board of Trade if he will list the *(a)* Ministers, *(b)* officials and *(c)* accompanying persons whose attendance at the World Trade Organisation interministerial conference in Singapore in December 1996 will be paid for by public funds. [7136]

Mr. Nelson: My right hon. Friend the President of the Board of Trade plans to lead the UK delegation and will be accompanied by 12 officials.

Tax Compliance Costs

Mr. Geoffrey Robinson: To ask the President of the Board of Trade what representations he has received on

the tax compliance costs to unincorporated business in the last year; and if he will make a statement. [6913]

Mr. Page: I am aware of the concerns expressed by unincorporated businesses and by small businesses generally regarding tax compliance costs. These concerns were raised, for example, in the course of the "Your Business Matters" conferences and the resulting report which was published earlier this year.

The Government have taken a number of steps to reduce the burdens imposed on small businesses. These include the joint working programme, which has made the PAYE and NIC systems easier to operate, and the VAT annual accounting scheme which reduces the number of returns to be made from one per quarter to one per year. Self-assessment, which is now being introduced, is a simpler, more streamlined system for unincorporated businesses and is expected in time to lead to reduced compliance costs.

Small Businesses

Mrs. Roche: To ask the President of the Board of Trade, pursuant to his answer of 14 November, *Official Report*, column *315*, what information his Department collates regarding *(a)* the percentage of UK small and medium firms which export, *(b)* the figures in each EU country and *(c)* the EU average. [6555]

Mr. Page *[holding answer 28 November 1996]:* My Department has collated estimates from two independent sources on the percentage of small and medium enterprises which export; these estimates are set out in the table. The European Commission defines a small or medium enterprise as one that employs fewer than 250 employees. The table does not give the percentage of small and medium enterprises that export according to this definition, nor can it be derived from the published information.

There is also no information on the sample sizes or the general quality of the data.

Percentage of small and medium sized enterprises who export

Enterprise size (no. of employees)	*United Kingdom 1990*	*Italy 1991*	*Holland 1993*	*Portugal 1992*	*Spain 1991*
0–9	28	No data	7	5	18
10–19	39	39	25	25	18
20–49	39	57	38	25	35
50–99	39	75	44	25	49
100–249	No data	75	55	63	69
250–499	No data	77	55	73	84
500+	No data	64	55	86	89

Sources:
For the UK: The state of British Enterprise, University of Cambridge 1992.
For other EU countries: European Observatory for SMEs, 1994 annual report.

Newsagents

Mrs. Clwyd: To ask the President of the Board of Trade if he will list the number of professional newsagents *(a)* currently operating and *(b)* operating five years ago. [7369]

Mr. Page: This information is not available from official sources.

Mr. Pickthall: To ask the President of the Board of Trade what measures he is taking to ensure the newsagents have choice in where to buy their newspapers. [6836]

Mr. John M. Taylor: None. The Monopolies and Mergers Commission in its 1993 report on the supply of national newspapers did not find that the publishers' practice of granting exclusive rights to wholesalers to distribute over specified areas was against the public interest.

Mr. Pickthall: To ask the President of the Board of Trade how many small independent newsagents have gone out of business in the past 12 months. [6837]

Mr. Page: This information is not available from official sources.

Mr. Pickthall: To ask the President of the Board of Trade what measures he is taking to monitor the transfer of newspaper deliveries between newspaper wholesalers. [6835]

Mr. Taylor: The Director General of Fair Trading has a responsibility for monitoring developments in the industry. Several agreements between newspaper publishers to rationalise newspaper delivery have been furnished to the Office of Fair Trading under the provisions of the Restrictive Trade Practices Act 1976 and have been placed on the public register of restrictive agreements. The Director General of Fair Trading is considering whether any of the agreements contain significant restrictions which warrant scrutiny by the restrictive practices court.

PRIME MINISTER

European Council (Scrutiny Reserve)

Mr. Allen: To ask the Prime Minister if he will list each *(a)* occasion when and *(b)* matter upon which Her Majesty's Government have entered a scrutiny reserve at European Council meetings in the current parliament. [6556]

The Prime Minister *[holding answer 28 November 1996]:* The outcomes of European Council meetings are issued as conclusions of the presidency alone. The question of scrutiny reserves does not therefore arise.

In cases where the European Council reaches political agreement on draft legislative texts, it would be open to any Head of State Government to alert colleagues if these

had not yet cleared parliamentary scrutiny. There is no central register, however, of the occasion on which this may have occurred.

Different arrangements apply for Council of Ministers' meetings.

FOREIGN AND COMMONWEALTH AFFAIRS

Dalit Reservations

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what action Her Majesty's Government are taking to encourage the Government of India to amend regulations extending the Christian Dalit reservations. [5723]

Dr. Liam Fox: The Government frequently restate their view that discrimination on religious grounds is unacceptable. The issue of reservations is an internal matter for the Government of India. We understand consideration is already being given to the extension of reservations to Dalit Christians.

ATTORNEY-GENERAL

Fraud Prosecutions (Personal Investment Authority)

37. **Mr. MacShane:** To ask the Attorney-General what assessment he has made of the *(a)* rate of progress and *(b)* efficiency of prosecutions arising from fraud cases covered by the Personal Investment Authority; and if he will make a statement. [5207]

The Solicitor-General: Cases covered by the Personal Investment Authority are not separately identified in statistics relating to the prosecution of fraud. I have no reason to believe that such cases are prosecuted any differently from other fraud cases.

Lenient Sentences

Mr. William O'Brien: To ask the Attorney-General what plans he has to change the procedure for referring unduly lenient sentences to the Court of Appeal; and if he will make a statement. [5204]

The Solicitor-General: The procedure for referring unduly lenient sentences to the Court of Appeal is prescribed by sections 35 to 36 of the Criminal Justice Act 1988. There are no plans to change this procedure.

HOUSE OF COMMONS

Review of Training for Staff

Mr. Allen: To ask the right hon. Member for Berwick-upon-Tweed, representing the House of Commons Commission, when the planned House-wide review of training for staff will take place. [6618]

Mr. Beith: The House-wide review of training is planned for 1997. A more specific date will be decided by the Board of Management after the competing claims for staff resources have been considered early in the new year.

Members of the European Parliament

Mr. Jacques Arnold: To ask the Lord President of the Council how many British Members of the European Parliament have opted to accept a lower salary than that for which they are currently eligible. [7112]

Mr. Newton: I am informed by Her Majesty's Treasury that the answer is none.

SOCIAL SECURITY

National Bus Superannuation Scheme

Ms Walley: To ask the Secretary of State for Social Security if he will place in the Library a copy of the determination by the pensions ombudsman in the case brought by Mr. Wheeler against the trustees of the National Bus employees superannuation trust scheme. [5677]

Mr. Heald: A copy of the determination, provided by the pensions ombudsman, was placed in the Library on 22 November.

Women

Ms Janet Anderson: To ask the Secretary of State for Social Security what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5486]

Mr. Andrew Mitchell: In July this year, the model guidance on policy appraisal for equal treatment, a copy of which is in the Library, was revised and circulated at Cabinet level for Departments to adapt to their own circumstances. Senior officials in this Department have been issued with the guidance which requires officials to identify policy issues which might impact differentially on women and men, and other groups, to assess whether this is justified in policy terms, and to adjust the policy if it is not.

The recent Government report "One Year On" outlines action taken by Government to benefit women since the World Conference on Women, and also includes baseline statistics against which future progress can be measured.

Absent Parents

Mr. William O'Brien: To ask the Secretary of State for Social Security what assessment he has made of the report of the Society of Practitioners of Insolvency, a copy of which has been sent to him, on the impact of family breakdown in finances of Britain's absent parents. [6238]

Mr. Andrew Mitchell: The report on personal insolvency issued by the Society of Practitioners of Insolvency in May was the first in that series to identify maintenance commitments as a separate cause of insolvency. The majority of the cases sampled—over 66 per cent.—specified business reasons as the cause of their insolvency while only around 3.5 per cent. cited divorce or maintenance commitments but the figures do not differentiate between spousal maintenance and child maintenance.

Responsibility for their children's maintenance applies as much to those who live apart from their children as to those who live with them. By implication, the figures in

the report suggest that some people living with their families have also found it difficult to balance family expenditure and other bills. Under the child support schemes, absent parents retain at least 70 per cent. of their net income as assessed under the formula after paying current maintenance, to give them sufficient flexibility to manage their remaining expenditure. In addition, child support debts are not provable in bankruptcy proceedings, which means that other debts actually caused the insolvency in cases which named maintenance debt as a reason. The report offered no analysis of these cases.

War Widows' Pensions

Mr. Ainger: To ask the Secretary of State for Social Security, pursuant to his answer of 30 October, *Official Report*, column *162*, how many war widows' pensions have been awarded in respect of smoking-related conditions in each of the past 10 years. [6608]

Mr. Heald: The information requested could be obtained only at disproportionate cost.

Benefits Agency, Wales

Mr. Llwyd: To ask the Secretary of State for Social Security what representations he has received in respect of current plans relating to the number of Benefits Agency offices required in Wales; and if he will make a statement. [5226]

Mr. Roger Evans: Eleven representations have been received, all of which were from hon. Members.

Child Benefit

Mr. Frank Field: To ask the Secretary of State for Social Security, pursuant to his answer to the hon. Member for Colchester, North (Mr. Jenkin) of 12 November, *Official Report*, column *194*, how many *(a)* new claims and *(b)* recipients there were in each of the last 15 years for (i) child benefit and (ii) one parent benefit; how many claims for each of those benefits were turned down in each of the last 15 years; if he will provide a breakdown of the reasons for the refusal of claims for each of those benefits in each of the last 15 years; and how many claims for child benefit in each of those years were based on foreign documentation. [6267]

Mr. Andrew Mitchell: The information is not available in the format requested. Such information as is available is in the table.

Figures are not available for the number of claims for child benefit in each of those years which were based on foreign documentation, but are estimated to have been 16,000 a year in each of the last three years.

New claims and total recipients of Child Benefit 1980–1995

Thousands

	New Claims	*Recipients*
1980	789	7,174
1981	764	7,136
1982	762	7,014
1983	652	6,924
1984	n/a	n/a
1985	770	6,819
1986	789	6,762
1987	701	6,712
1988	864	6,706
1989	807	6,695
1990	816	6,732
1991	819	6,805
1992	815	6,857
1993	795	6,913
1994	873	6,995
1995	881	6,996

Data is not available on the number of new awards for Child Benefit for 1984 due to industrial action in that year.

New claims and recipients of One Parent Benefit 1980–1995

Thousands

	New Claims	*Recipients*
1980	123	438
1981	118	469
1982	140	513
1983	127	541
1984	n/a	n/a
1985	151	582
1986	145	607
1987	170	681
1988	176	708
1989	176	722
1990	190	773
1991	180	818
1992	188	855
1993	196	898
1994	177	941
1995	198	994

Data is not available on the number of new awards for One Parent Benefit for 1984 due to industrial action in that year.

Income Support

Mr. Frank Field: To ask the Secretary of State for Social Security by how much the winter supplementary estimate for class XII, vote 1 proposes to increase provision for 1996–97 in respect of cyclical income support; how much of this increase corresponds to the reduction in income-based jobseeker's allowance; and how much results from the larger than expected increases in the numbers of *(a)* sick and disabled people and *(b)* unemployed people claiming income support. [6413]

Mr. Roger Evans: The transfer of expenditure from jobseeker's allowance, income based to income support, cyclical, arising from how these benefits are included in the main estimate, has had no impact on the increase in provision for 1996–97, in respect of cyclical social security.

It is estimated that of the £350 million increase in provision for cyclical social security:

£300 million relates to sick and disabled people;

£50 million relates to a higher proportion of the unemployed getting (income related) benefit.

Private Finance Initiative

Mr. Darling: To ask the Secretary of State for Social Security if the figures for planned spending by his Department in 1997–98, 1998–99 and 1999–2000 published in table 5A.4 of the "Financial Statement and

Budget Report 1997–98" include the effects of any agreement concerning the Department's estate under the private finance initiative. [7196]

Mr. Lilley: Yes. The successful bidder for the DSS estate services contract will be required to provide a payment of £250 million to realise underlying value from the assets. This sum will be payable on completion of the contract, expected in 1997–98. The figures for 1997–98 in table 5A.4 of the latest "Financial Statement and Budget Report" take account of this receipt. The Department also expects further on-going running costs savings from efficiencies in estate management. The extent of these will of course be subject to the outcome of the competition process.

I also refer the hon. Member to the reply I gave my hon. Friend Member for Swindon (Mr. Coombs) on 12 November, *Official Report*, columns *201–02*.

Bilingual Medical Certificates

Mr. Morgan: To ask the Secretary of State for Social Security what arrangements he has made for the printing of bilingual medical certificates at alternative printing premises after the closure at the HMSO Llanishen operation. [7145]

Mr. Roger Evans: The Benefits Agency provides bilingual versions of forms SC1 and SSP1, which are self-certificates. Medical certificates are produced in English only.

The requirements to provide bilingual versions of SC1 and SSP1 have not been changed by the closure of HMSO Llanishen.

NORTHERN IRELAND

Alcohol-related Crime (Minors)

Mr. Flynn: To ask the Secretary of State for Northern Ireland how many *(a)* people and *(b)* children under the age of 18 years have been prosecuted for alcohol-related crime in Northern Ireland in each of the last five years; and if he will make a statement. [4408]

Sir John Wheeler: Information is not available in the form requested. Statistics are kept on offences directly related to alcohol consumption but not on crimes where the offender is under the influence of alcohol. The table gives figures for primary offences involving alcohol, some of which also cover drugs. The majority are motoring offences such as driving while unfit through drink or drugs or driving with excess alcohol in breath. The "other" category includes, for example, simple drunk, and drunk in charge of a loaded firearm.

	PPA	*Guilty*	*PPA*	*Guilty*	*PPA*	*Guilty*	*PPA*	*Guilty*	*PPA*	*Guilty*
Motoring offences	2,758	2,681	3,407	3,321	3,266	3,176	3,228	3,031	3,031	2,944
Other	158	155	123	120	129	121	119	101	114	103
Total	2,916	2,836	3,530	3,441	3,395	3,297	3,347	3,132	3,147	3,047
Minors all (Offences)	10	10	14	14	16	15	11	10	15	14

Alcohol Sales (Minors)

Mr. Flynn: To ask the Secretary of State for Northern Ireland how many prosecutions for selling *(a)* alcohol and *(b)* alcopops to under-age children have taken place in Northern Ireland in each of the last five years; what proportion of prosecutions have involved sales from (i) public houses, (ii) off licences, (iii) supermarkets and (iv) other outlets; and if he will make a statement. [4402]

Sir John Wheeler: Such information as is available is given in the table. It is not possible to give separate figures for alcohol and alcopops, or to distinguish, without incurring disproportionate cost, the proportion of prosecutions by the nature of the outlet.

	Persons proceeded against	*Found guilty*
1991	17	8
1992	6	5
1993	11	7
1994	7	4
1995	12	5

Decommissioning Bill

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland if he will consult the Home Department with a view to extending the provisions of the proposed decommissioning Bill to England and Wales; and if he will make a statement. [5118]

Sir John Wheeler: I have done so, and the Bill so extends.

Punishment Beatings

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is his estimate of the total cost to public funds of the assaults known as punishment beatings in Northern Ireland; and if he will break down the costs in terms of *(a)* police costs, *(b)* medical costs and *(c)* cost of compensation paid to the victims in the last two financial years and the current year to date. [5852]

Sir John Wheeler: It is not possible to estimate precisely the total cost to public funds of so-called punishment beatings. However, for illustrative purposes, a victim of a punishment attack who suffered a broken leg and spent 10 days in hospital could cost the public purse £9,000 in potential medical and policing costs and subsequent compensation awards. There are believed to have been 563 of these assaults between 1 January 1994 and 25 November 1996. This figure does not include shooting attacks.

Mr. Ross: To ask the Secretary of State for Northern Ireland how many punishment beatings have taken place in Northern Ireland in each of the last five years and the current year to date. [5855]

Sir John Wheeler: The number of punishment assaults for the period 1991 to 25 November 1996 is set out in the table:

Year	*By loyalist groups*	*By republican groups*	*Total*
1991	22	40	62
1992	38	38	76
1993	35	6	41
1994	38	32	70
1995	76	141	217
1996[1]	118	158	276

[1] To 25 November 1996. This does not include punishment shootings, which are recorded separately.

Driver and Vehicle Licensing

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many persons are presently employed at the Driver and Vehicle Licensing, Coleraine, what have been the figures for each of the last three years; how many grades of employees there are and how many employees there are in each grade; how many *(a)* have retired *(b)* left their employment and *(c)* been dismissed in those years; how many have been hired in the same period and grades; and what are the pay scales for each grade. [5847]

Mr. Moss: Responsibility for the subject in question has been delegated to Driver and Vehicle Licensing Northern Ireland under its chief executive, Mr. Brendan Magee. I have asked him to arrange for a reply to be given.

Letter from Brendan Magee to Mr. William Ross, dated 26 November 1996:

The Secretary of State for Northern Ireland has asked me to reply to your recent question about staffing in DVLNI, Coleraine.

The information requested is set out in the tables. The figures exclude short term period appointments (Casuals). Throughout the three year period DVLNI employed on average 29 Casual AAs.

Permanent staff in DVLNI—Coleraine

Grade	*[1]Staff*	*Retired*	*Resigned*	*Dismissed*	*Hired*
1994					
2 year fixed term AA	6	—	—	—	6
SGB2	3	—	—	—	—
SGB1	1	—	—	—	—
AA	35	—	—	—	—
AO	86	3	—	—	—
EO2	14	—	—	—	—
EO1	6	1	—	—	—
SO	8	1	—	—	—
DP	1	1	—	—	—
Gd 7	1	—	—	—	—
Chief Executive	1	—	—	—	—
1995					
2 year fixed term AA	4	—	2	—	—
SGB2	—	—	—	—	—
SGB1	1	—	—	—	—
AA	40	1	2	—	—
AO	89	2	—	—	—
EO2	15	—	—	—	—
EO1	5	—	—	—	—
SO	7	2	—	—	—
DP	1	—	—	—	—
Gd 7	1	—	—	—	—
Chief Executive	1	—	—	—	—
1996					
2 year fixed term AA	4	—	1	—	—
AA	42	1	—	—	6
AO	100	—	1	—	3
EO2	13	—	—	—	—
EO1	6	—	—	—	—
SO	6	—	—	—	—
DP	3	—	—	—	—
Gd 7	1	—	—	—	—
Chief Executive	1	—	—	—	—

[1] Staff in post figure as at 1 September each year.

Grade	*Pay ranges at 1 August 1996*
AA	7,166–10,632
AO	9,080–12,592
EO2	11,323–15,678
EOI	13,324–18,450
SO	15,839–21,274
DP	19,611–30,084
Gd 7	26,154–40,504
Chief Executive	[1]37,849

[1] Plus a non-pensionable bonus of up to 10 per cent.

Residential Homes

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many residential homes for the elderly there are in Northern Ireland in the private sector. [6109]

Mr. Moss: At 31 March 1996, the latest date for which figures are available, there were 131 private residential care homes for elderly people in Northern Ireland.

Mr. Taylor: To ask the Secretary of State for Northern Ireland what measures he is taking to support the private residential home sector in Northern Ireland. [6113]

Mr. Moss: Government remain firmly committed to the people first community care objective that there should be a strong independent sector alongside good quality public services. In the area of residential and nursing home care, the independent sector continues to be the main provider of care. At 30 September 1996, 86 per cent. of residential care and nursing home placements made by Health and Social Services trusts were in private and voluntary sector homes.

Elderly People

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many elderly persons have been recipients of care in the community in each of the last three years. [6110]

Mr. Moss: The table shows the total number of elderly people with complex care needs who were in receipt of a package of care in the community in Northern Ireland at 31 March in each of the past three years:

At 31 March	*Total*
1994	3,654
1995	6,849
1996	9,146

Mr. Taylor: To ask the Secretary of State for Northern Ireland how many elderly persons receiving state assistance with care costs have been cared for in *(a)* residential homes and *(b)* their own homes, in each of the last five years in Northern Ireland. [6115]

Mr. Moss: Precise data for all the years requested are not available. However, the following table shows the breakdown of the number of packages of care being provided in the community by health and social services trusts at 31 March in each of the last three years for elderly people with complex care needs:

At 31 March	*Residential care*	*Nursing home care*	*Domiciliary care*
1994	618	1,292	1,744
1995	1,294	2,291	3,264
1996	1,858	3,153	4,135

Mr. Taylor: To ask the Secretary of State for Northern Ireland what is the annual cost of caring for the elderly in the community in Northern Ireland. [6111]

Mr. Moss: The information is not available in the exact form requested.

The table discloses the 1994–95 figure for expenditure on elderly care in the community.

This information has been extracted from supplementary financial returns produced by HSS trusts and HPSS boards to provide further analysis of the expenditure disclosed in their annual accounts.

There is additional expenditure on elderly care in the community in personal social services expenditure on elderly care, particularly expenditure on residential accommodation and aids and adaptations. However, this element has not been included in the total reported as it could be identified only at disproportionate cost.

Expenditure on elderly care in the community 1994–95

Board area	*Expenditure £*
Northern board area	12,867,369
Southern board area	13,126,878
Eastern board area	30,722,946
Western board area	12,246,083
Northern Ireland total	68,963,276

This information has been extracted from the analysis of expenditure under programme of care 4, elderly care, reported in the FR22 financial returns of each HSS trust and directly managed unit for 1994–95.

Driving Licences

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what plans he has to make driving licences issued in Northern Ireland valid for the purposes of paying fixed penalty motoring fines in England and Wales. [6112]

Mr. Moss: The Road Traffic Offenders Act 1988 provides that any driver committing a fixed penalty offence may be given a fixed penalty notice unless the offence involves obligatory endorsement—the award of penalty points. In such a case, a driver must produce a driving licence. In Great Britain, a driving licence is defined as a document issued using the powers granted under part III of the Road Traffic Act 1988. A Northern Ireland driving licence is not a licence under that enactment. Accordingly, Northern Ireland driving licence holders can receive fixed penalties in Great Britain but only for non-endorsable offences. Northern Ireland legislation has similar provisions. When the provisions of the Road Traffic Offender (NI) Order 1996 relating to the introduction of a penalty point scheme comes into operation, probably late in 1997, the Department of the Environment (NI) proposes to seek changes to legislation, both in Northern Ireland and in Great Britain, to permit the mutual recognition of endorsements.

HIV-AIDS

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many cases of HIV infection have been reported in Northern Ireland in each of the last five years; how many persons have died of AIDS; and by what means they contracted the infection. [6114]

Mr. Moss: The number of cases of HIV infection and the number of persons who died from AIDS in each of the last five years are shown in the table. Information about the means by which the infection was contracted is

also shown for the period 1991–95 inclusive. However, this information cannot be released in disaggregated form as it might undermine the commitment to preserve the anonymity of those who come forward for examination or treatment and discourage contributors to the voluntary reporting system.

Cases of HIV infection by year in Northern Ireland 1991–1995

Year	*Number of cases*
1991	18
1992	14
1993	12
1994	10
1995	11
Total	65

AIDS deaths by year in Northern Ireland 1991–1995

Year	*Number of deaths*
1991	5
1992	4
1993	3
1994	[1]6
1995	5
Total	23

[1] One death occurred in 1994 reported in 1996.

Means by which HIV infection contracted
Cases of HIV infection 1991 to 1995 by exposure category

Exposure category	*Number of cases*
Sexual intercourse:	
between men	46
between men and women	14
Blood/blood factor	3
Other/undermined	2
Total	65

AIDS deaths 1991–1995 by exposure category

Exposure category	*Number of deaths*
Sexual intercourse:	
between men	12
between men and women	4
Blood/Blood factor	6
Injecting drug use	1
Total	23

EU Peace and Reconciliation Fund

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many grants have been paid by the European Union peace and reconciliation fund towards economic development in Northern Ireland. [6116]

Mr. Ancram: Five of the seven sub-programmes under the European Union special support programme for peace and reconciliation directly promote economic development in Northern Ireland. To date, a total of 544 grants have been awarded under these sub-programmes. In addition, there are other measures within the sub-programmes which indirectly promote economic development in Northern Ireland.

Police Officers (Secretive Organisations)

Mr. McNamara: To ask the Secretary of State for Northern Ireland if he will make a statement on national guidance issued by the Associated of Chief Police Officers about the membership of secretive organisations; and what representations he has received from the Police Authority about its implications and implementation in Northern Ireland. [5321]

Sir John Wheeler: The RUC is aware of the guidance issued by the Association of Chief Police Officers, and the implications of the proposals are being considered within the context of Northern Ireland. The Secretary of State has not received any representations from the Police Authority about the implications and implementation of the guidance in Northern Ireland.

Police Authority for Northern Ireland

Mr. McNamara: To ask the Secretary of State for Northern Ireland (1) what representations the Police Authority for Northern Ireland has made to him following publication of its community consultation report about reviewing the list of days and occasions when the Union flag is flown over police stations; [5323]

(2) what representations the Police Authority for Northern Ireland has made to him since publication of its community consultation report about ensuring a neutral working environment in all RUC and authority establishments in line with established fair employment obligations and legislation; [5322]

(3) what follow-up activity the Police Authority is undertaking to implement the range of recommendations, ideas and suggestions contained in the report of its 1995 community consultation; [5313]

(4) what representations he has received from the Police Authority with regard to implementing ideas and suggestions in its report of the 1995 community consultation. [5314]

Sir John Wheeler: Following the publication of its report, the authority identified a number of priority issues to take forward. It has, for example, established two working parties on "Young People and Minorities and the Police" and "Authority Policy on Openness and Accountability". It also raised a number of points with the police, including on drugs misuse and crime prevention as well as on recruitment, equal opportunities and fair employment issues. Authority members have also held meetings with a number of organisations and further meetings have been arranged.

In addition, I have corresponded with and met the authority chairman on issues that include the flying of the Union flag over RUC stations. Indeed, I met him and his deputy as recently as 27 November, when we discussed several issues arising from the report. Furthermore, I shall meet members on 16 December to continue the dialogue.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if he will make a statement on the suspension of a senior official of the Police Authority for Northern Ireland; how many other officials are suspended

or under investigation and when he expects the investigation into alleged irregularities to be concluded. [5325]

Sir John Wheeler: Two officials, one of them senior in rank, have been suspended as a precautionary measure while an investigation is conducted. It would not be appropriate to comment further until the investigation is complete. I expect the investigation to be concluded in the next few months.

Mr. McNamara: To ask the Secretary of State for Northern Ireland (1) what steps he will take to ensure that the Police Authority for Northern Ireland holds annually a series of open meetings throughout Northern Ireland; [5329]

(2) when the Police Authority for Northern Ireland will publish an annual report for the year to June 1996; [5328]

(3) what steps the Police Authority for Northern Ireland is taking to provide more public information about the way it operates; [5306]

(4) what steps the Police Authority for Northern Ireland is taking to prepare and plan for its meetings to be held in public. [5307]

Sir John Wheeler: The Police Authority for Northern Ireland is currently taking forward work in this area. The authority established a working group on openness and accountability in the early summer of 1996 and will publish a report in the new year. Ultimately, codes of practice on openness and accountability will also be published. The working party is considering a number of aspects of improving public awareness of its work, and the report will recommend the way in which the authority and members will conduct authority business in public in the future. The authority has also appointed a full-time information officer to assist in improving communication of its work to the public, and will publish an annual report covering its work for the year up to June 1996 in January 1997.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many meetings the Minister of State has had with the Police Authority for Northern Ireland in the last five years; and on what dates. [5319]

Sir John Wheeler: In the last five years, I have met the full authority on four occasions: 9 February 1994, 14 June 1994, 9 May 1995 and 12 October 1995.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what alleged financial and other irregularities have been uncovered in the operations of the Police Authority for Northern Ireland; what investigations are taking place by *(a)* authority staff, *(b)* auditors and *(c)* the police. [5324]

Sir John Wheeler: Following an audit of the authority's procurement function, certain irregularities were uncovered which required further investigation. Authority staff are investigating whether procedures were adhered to. The Northern Ireland Audit Office has been informed, and I understand that it is looking into the matter. The RUC is investigating whether the criminal law has been breached.

Mr. McNamara: To ask the Secretary of State for Northern Ireland when he proposes to advertise seeking applications and nominations to serve on the Police Authority for Northern Ireland from July 1997; and how many appointments he expects to make. [5326]

Sir John Wheeler: The advertisement seeking applications and nominations for appointment to the Police Authority for Northern Ireland will appear in the local press on Wednesday 4 December 1996.

The Police Act (Northern Ireland) 1970 provides for the appointment of a maximum of 22 persons, including the chairman and vice-chairman. The present authority numbers 21, and I expect to make no fewer appointments than that to serve on the authority from 29 June 1997.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if he will introduce legislation to ensure that the Police Authority for Northern Ireland holds annually a series of open meetings throughout Northern Ireland. [5330]

Sir John Wheeler: No. The police authority is already empowered to make appropriate arrangements for ascertaining the views of the community, under article 82 of the Police and Criminal Evidence (Northern Ireland) Order 1989.

Mr. McNamara: To ask the Secretary of State for Northern Ireland (1) when he hopes to bring forward draft legislation to reflect the contents of the "Foundations for Policing" White Paper; [5304]

(2) what is the timetable for the transfer for responsibility for financial management and the provision of supplies and services for the RUC from the Police Authority for Northern Ireland to the Chief Constable. [5305]

Sir John Wheeler: Work is continuing on draft legislation based on the White Paper proposals. No timetable has yet been set for the introduction of such legislation to Parliament.

The timetable for the transfer of responsibilities to the Chief Constable is dependent upon the legislation being passed.

Mr. McNamara: To ask the Secretary of State for Northern Ireland (1) how many times the Police Authority for Northern Ireland's working group on the relationship between young people, minorities and the police has met; when its work will be complete; and if its findings will be published; [5308]

(2) if he will list the organisations and individuals who have been consulted for views and opinions by the Police Authority for Northern Ireland's working group on the relationship between young people, minorities and the police. [5309]

Sir John Wheeler: There have been three meetings of the Police Authority's joint working party on young people and minorities to date. At its first meeting, it was agreed that two sub-groups should be formed, one to deal with minorities, the other to deal with young people. The sub-group on minorities has met on four occasions and the sub-group on young people has met on three occasions. Meetings have been held with representatives of the youth and ethnic minority organisations including the Youth Forum and the Multi-Cultural Resource Centre. Further

meetings have been arranged with other organisations and members have attended a number of youth-related conferences. The joint working party will complete its task shortly and the authority will publish a report in the new year.

Mr. McNamara: To ask the Secretary of State for Northern Ireland (1) how many times the Police Authority for Northern Ireland's working group to consider what actions would be necessary to increase our public accountability, explain the work of the authority better to the community and bring policing issues to the attention of the public, has met; when its work will be complete; and whether its findings will be published; [5310]

(2) if he will list the organisations and individuals who have been consulted for views and opinions by the Police Authority for Northern Ireland's working group to consider what actions would be necessary to increase our public accountability, explain the work of the authority better to the community and bring policing issues to the attention of the public. [5311]

Sir John Wheeler: The Police Authority working party on openness and accountability has held four formal meetings. In addition, members of the authority have met police authorities in Greater Manchester, Northumbria and Humberside. Further meetings are planned with other authorities to examine how they open business to the public. The working party will complete its work shortly and the authority will publish a report in the new year.

Mr. McNamara: To ask the Secretary of State for Northern Irleand what has been the attendance record of every member of the Police Authority for Northern Ireland from July 1994 at *(a)* regular monthly authority meetings, *(b)* special authority meetings, *(c)* meetings of each sub-committee and *(d)* visits to authority and RUC establishments. [5315]

Sir John Wheeler: The information is as follows:

Attendance at PANI meetings—July 1994 to October 1996

	(a) Regular monthly	*(b) Special meetings*	*(c) Committee meetings*	*(d) Visits*
Mr. P. J. Armstrong	25	24	34	26
Ms S Chamberlain	15	10	48	5
Mrs. S. Davidson	18	14	24	0
Councillor R. Empey	22	12	64	6
Mr. B. R. Johnston	20	16	59	5
Mr. T. A. Kerrigan	19	23	49	25
Alderman S. J. McCammick	23	17	59	13
Mrs. R. A. McCormick	22	21	82	7
Mr. J. O. McDonald	22	16	71	7
Mr. W. R. Martin	21	20	75	2
Alderman J. L. Neeson	22	12	58	8
Mrs. E. A. Rea	20	19	37	4
Mr. F. P. Rocks	22	20	61	9
Mr. R. A. J. Spence	25	19	69	3
Professor H. Wallace	22	20	46	8
Mr. T. J. Wilson	20	12	23	5
Member[1]	22	20	75	13
Member[1]	20	13	46	1
Ms S. R. Cherry[2]	2	0	0	0
Mrs. K. F. Hargan[2]	0	1	0	0
Mrs. R. I. Peters-Gallagher[2]	2	1	0	0
Mr. D. S. Cooke[3]	15	14	17	0
Mr. C. Ryder	17	17	49	10

(c) Committee meetings are meetings of the authority's policy co-ordinating committee; community relations committee; finance and personnel committee; general purposes committee; support services committee and audit committee.
[1] Two members of the authority have declined to make public their identity due to reasons of personal security.
[2] Newly appointed member.
[3] During the period July 1994 to March 1996.

Mr. McNamara: To ask the Secretary of State for Northern Ireland (1) what is his policy on the recommendation in the community consultation report of the Police Authority for Northern Ireland in respect of the form of oath of office for police officers of the RUC; [5316]

(2) what representations he has received from the Police Authority with regard to amending or changing the oath of police sworn by members of the RUC; and what plans he has to change it. [5317]

Sir John Wheeler: With regard to representations the Secretary of State has received from the police authority, I refer the hon. Member to the reply I gave him earlier today on that subject.

The authority raised two points about the RUC oath, whether the oath should be affirmed in the form of a declaration and, secondly, on revision of the wording of the oath. On the former point, my officials have written to the Chief Constable raising the question of whether the oath should, in law, be affirmed as a declaration. Changes of substance to the oath would require primary legislation. The Government's position is that any such changes should be on the basis of widespread support. I do not believe we could achieve such support at present.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many meetings he has held with the Police Authority for Northern Ireland since July 1994; and on what dates. [5318]

Sir John Wheeler: Since July 1994, my right hon. and learned Friend has met the full authority on one occasion; 9 May 1995.

Royal Ulster Constabulary (Complaints)

Mr. McNamara: To ask the Secretary of State for Northern Ireland when he hopes to *(a)* receive and *(b)* publish the Hayes review of the arrangements for handling and investigating complaints against the RUC. [5327]

Sir John Wheeler: I expect to receive the report into the police complaints system by Maurice Hayes next month. It will be published shortly thereafter.

Claimant Count Figures

Mr. Worthington: To ask the Secretary of State for Northern Ireland how many people left the claimant count figures in the year to September 1996; and by how many the number of people in work changed in that time. [6392]

Mr. Ancram: Over the year to September 1996, 101,014 claimants left the unemployment count. Figures showing how the people in work changed over the same time period are not yet available.

Young Offenders

Ms Mowlam: To ask the Secretary of State for Northern Ireland what percentage of 18-year-old offenders was unemployed on the date of sentence in each of the last five years. [6926]

Sir John Wheeler *[holding answer 29 November 1996]:* Information on the employment status of offenders is not routinely collected and could be obtained only at disproportionate cost.

TREASURY

Shares (Taxation)

Mr. Pearson: To ask the Chancellor of the Exchequer (1) what estimate his Department has made of the cost to the Exchequer in *(a)* the 1995–96 financial year and *(b)* from 6 April to 8 October 1996 from the tax abuse of share buybacks and special dividends; and if he will make a copy of the calculations available in the Library; [3098]

(2) if he will place in the Library the basis for, and calculations behind, the statement in the Inland Revenue press release of 8 October that the changes in respect of share buybacks and special dividends will produce an estimated yield of £80 million in 1996–97, £200 million in 1997–98 and £400 million for 1998–99 onwards. [3099]

Mr. Jack: Estimates of the revenue effects of restricting the payment of tax credits in respect of share buybacks and certain special dividends, as announced by the Chancellor of the Exchequer on 8 October, were prepared on the following basis and assumptions:

(a) That with no change in tax treatment, the level of relevant distributions would have been £4 billion annually, with associated tax credits of £1 billion; of these credits, £700 million would have been paid to exempt institutions.

(b) With the change in tax treatment, relevant distributions would fall by £1 billion (with this money retrained by companies or distributed without attracting tax credits). The remaining £3 billion would be paid as dividends not falling within the restrictions announced on 8 October 1996, with tax credits of £750 million, of which £300 million would be paid to exempt institutions.

(c) The impact of the changes on tax revenues would be:

(i) receipts of advanced corporation tax (ACT) would fall by £20 million in 1996–97 and £250 million a year starting 1997–98, because of the drop in relevant distributions;

(ii) payments of tax credits to exempt institutions and non-taxpayers would fall by £100 million in 1996–97 and £400 million a year starting in 1997–98;

(iii) Payments of mainstream corporation tax would rise by approximately £50 million in 1997–98 and £250 million a year starting in 1998–99; and;

(iv) the liability of higher rate income tax payers would increase by a small amount.

(d) The net revenue effects are, therefore, likely yields of £80 million in 1996–97, £200 million in 1997–98 and £400 million in subsequent years.

(e) The actual revenue effects will depend on the level of relevant distributions that would have been made and the tax liabilities borne when companies make similar or alternative distributions in the future.

The same comparative method of calculation applied to the level of share buybacks and relevant dividends in the financial year 1995–96 and in the period 1 April to 8 October 1996 produces estimates of the total cost to the Exchequer of £400 million respectively, borne over the period 1995–96 to 1997–98 and £450 million.

Building Societies

Ms Lynne: To ask the Chancellor of the Exchequer (1) what plans he has to issue guidance to building societies that are converting to banks as to the manner in which they should issue bonus shares to their members in cases where disabled people have lost the capacity to operate their own accounts and have appointed another person to handle their financial affairs; [2298]

(2) what plans he has to ensure that disabled people who have lost the capacity to operate their own building society accounts and have appointed another person to handle their financial affairs are not excluded from receiving bonus shares when the building society converts to a bank. [2297]

Mrs. Angela Knight: The existing law allows building societies to take account of the interests of disabled people in the position described. The final structure of any distribution is a matter for the society concerned, and it is for its members to decide whether they agree that distribution or not. I understand that the Building Societies Association has issued guidance to its members on future account opening and handling practice in advance of the Disability Discrimination Act coming into force on 2 December.

Unemployment

Mr. Byers: To ask the Chancellor of the Exchequer how many men aged *(a)* 18 to 25, *(b)* 25 to 40, *(c)* 40 to 50 and *(d)* 50 to 65 years with no educational qualifications are without a job in (i) the United Kingdom, (ii) Scotland, (iii) Wales and (iv) each English region; and what percentage this represents of the relevant population. [6330]

Mrs. Angela Knight: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Stephen Byers, dated 2 December 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on the breakdown of men without a job who have no educational qualifications by age and region and what percentage of all men with no educational qualifications they represent.

The available information for the United Kingdom is shown in the attached table.

Men with no qualifications who are not in employment by age and region[1]

	Number (thousands)				As percentage of total with no educational qualifications			
	18–24	*25–39*	*40–49*	*50–64*	*18–24*	*25–39*	*40–49*	*50–64*
United Kingdom	124	308	200	578	48.1	38.7	30.1	47.3
Great Britain	118	289	191	555	47.9	38.3	29.9	47.3
England	106	242	158	455	49.3	37.5	28.7	45.1
South East	32	80	45	124	48.2	37.8	23.5	37.7
Greater London	18	49	23	60	62.7	46.7	31.1	43.3
Rest of South East	14	31	21	64	37.0	29.1	18.5	33.6
East Anglia	[2]—	[2]—	[2]—	15	[2]—	[2]—	[2]—	34.8
South West	[2]—	18	11	34	[2]—	34.5	25.6	40.6
West Midlands	15	29	24	65	50.0	31.7	33.7	47.1
East Midlands	[2]—	18	13	40	[2]—	31.1	25.6	40.6
Yorks and Humberside	10	28	19	56	46.2	38.8	30.0	52.1
North West	20	44	29	80	55.9	43.3	41.1	60.4
North	[2]—	18	13	43	[2]—	49.8	40.3	64.7
Wales	[2]—	18	14	47	[2]—	41.4	36.0	63.0
Scotland	[2]—	29	19	53	[2]—	44.2	38.1	59.3
Northern Ireland	[2]—	19	[2]—	23	[2]—	45.4	[2]—	46.7

Source:
Labour Force Survey (winter 95/6), Office for National Statistics.
Notes:
[1] Not in employment are those ILO unemployed and inactive.
[2] Sample size too small for reliable estimate.

Public Service Pensions

Mr. Matthew Banks: To ask the Chancellor of the Exchequer what plans he has to increase public service pensions from April 1997. [7454]

Mr. Waldegrave: Under the legislation governing public service pensions they are increased annually by the same percentage as state earnings-related pensions—additional pensions. My right hon. Friend the Secretary of State for Social Security announced on 26 November, *Official Report,* columns *207–20,* that additional pensions will be increased by 2.1 per cent., in line with the annual increase in the retail prices index up to September. Public service pensions will therefore be increased by 2.1 per cent. from 7 April 1997. Pensions which have been in payment for less than a year will receive a *pro rata* increase.

Tax Database

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer what assessment he has made of the extent to which the pressure of work on EDS Ltd. and the Inland Revenue has contributed to the revision of security and handling arrangements in the case of tax records held by the United Kingdom Inland Revenue. [1634]

Mr. Jack *[holding answer 11 November 1996]:* The technical support arrangements for the self-assessment computer system are not related to pressures of work at the Inland Revenue or Electronic Data Services Ltd. They are designed to provide quick and effective support for the Inland Revenue in running the self-assessment system.

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer if he will place in the Library the memorandum dealing with access by EDS or Oracle overseas to the Inland Revenue's database. [1640]

Mr. Jack *[holding answer 12 November 1996]:* My reply on 16 October 1996 to my hon. Friend the Member for Southport (Mr. Banks), *Official Report,* columns *912-13,* made public the arrangements which Oracle would be putting in place to provide 24-hour support, using its worldwide service network, for the self-assessment computer system. But it would not be appropriate to make public the advice given, in confidence, by officials to Government Ministers.

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer to what extent the revised security strategy in the case of the Inland Revenue database represents a change of Government policy. [1641]

Mr. Jack *[holding answer 12 November 1996]:* The Inland Revenue's security policy has been revised only to reflect the requirement to provide 24-hour technical support for business critical computer systems. This does not represent a change of Government policy.

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer if he will provide for information governing the personal tax affairs of hon. Members to be held on the Oracle data equipment on the same basis and in the same way as all other United Kingdom taxpayers. [1644]

Mr. Jack *[holding answer 12 November 1996]:* The tax affairs of all taxpayers are treated as confidential, but for some years, additional safeguards have applied in certain cases, including Members of Parliament, and such safeguards will also apply under self-assessment.

Employment Contracts

Mr. Hain: To ask the Chancellor of the Exchequer how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5415]

Mrs. Angela Knight *[holding answer 25 November 1996]:* Apart from information on fixed-term appointments, the information requested is available from "Civil Service Staff In Post Summary Tables" for 1 April for each year in question, copies of which are available in the House Library.

Departmental records do not distinguish between fixed-term appointments which are renewable or unrenewable, or identify appointments which are temporary as a separate category from casual and fixed-term appointments. Details of fixed-term appointments in the Treasury agencies are given in the table.

Fixed term appointments

	1992		1993		1994		1995		1996	
	Full time	*Part time*	*Full time*	*Part time*	*Full time*	*Part time*	*Full time*	*Part time*	*Full time*	*Part time*
Treasury	1	—	3	—	1	—	—	—	1	—
ONS[1]	—	—	29	—	44	—	43	1	182	19
Customs and Excise[2]	—	—	—	—	—	—	—	—	—	—
Government Actuary	—	—	—	—	—	—	4	—	5	—
Inland Revenue[3]	—	—	—	—	—	—	412	79	1,129	117
Valuation Office	16	14	15	6	30	2	544	42	526	51
National Savings	—	—	—	—	3	—	10	—	68	1
NILO	—	—	—	—	—	—	—	—	—	—
RFS	2	—	2	—	3	—	4	—	3	—
Royal Mint	—	—	—	—	—	—	—	—	—	—
Paymaster	5	—	6	—	8	—	16	—	15	—

[1] The CSO and OPCS merged in April 1996 (to form the ONS). Figures were collected in different formats within each department prior to that date. Within the OPCS staff on fixed term appointments were calculated within the number of permanent staff, and not all figures are available for the CSO.

[2] Numbers of fixed term appointments are not available prior to 1995. Figures for 1995 and 1996 do not show full time and part time staff separately, and have been calculated on the basis of one part timer equals 0.5. The figures are:
1995 = 546.5
1996 = 718.5

[3] Prior to April 1995 figures for fixed term appointments were included in the count of casual employees.

Women

Mrs. Roche: To ask the Chancellor of the Exchequer what proportion of those employed by his Department in 1992–93 were women. [6471]

Mrs. Angela Knight *[holding answer 28 November 1996]:* On 1 April 1992, 42.4 per cent. of Treasury staff were female. The figure for 1 April 1993 was 42.9 per cent.

Mr. Foulkes: To ask the Chancellor of the Exchequer what measures are being taken to determine if there was involvement of British companies in the brokering of arms to combatants in the African Great Lakes region conflict; and if he will make a statement. [5367]

Arms Exports

Mr. Oppenheim *[holding answer 21 November 1996]:* Customs is aware of current allegations and will take appropriate action in the light of their assessment of information obtained.

It is not, however, Customs' general practice to comment publicly about the existence or nature of an investigation of individuals or companies not yet accused of criminal offences since to do so could risk prejudicing any on-going inquiries or future criminal proceedings.

AGRICULTURE, FISHERIES AND FOOD

Food Poisoning

Mr. Salmond: To ask the Minister of Agriculture, Fisheries and Food how much his Department has spent on research into *(a)* E.coli 0157 and *(b)* campylobacter in each year since 1990 and from 1 January to date. [7213]

Mrs. Browning: The expenditure by my Department on research into E. coli 0157 and campylobacter over the past four years is set out in the table.

	1993–94 £	*1994–95* £	*1995–96* £	*1996–97* £
E. coli 0157	113,917	334,292	506,522	851,211
Campylobacter	770,047	984,271	1,095,499	675,245

The information for earlier years can be obtained only at disproportionate cost.

Mr. Salmond: To ask the Minister of Agriculture, Fisheries and Food if he will list the research applications his Department has *(a)* granted and *(b)* rejected to study (i) E.coli 0157 and (ii) campylobacter in each year since 1990 and from 1 January to date. [7212]

Mrs. Browning: The lists of research applications commissioned in these two areas over the past four years, and the lists of the research applications formally received but not commissioned over the same period, have been placed in the Library of the House. The information for previous years can be obtained only at disproportionate cost.

Employment Contracts

Mr. Hain: To ask the Minister of Agriculture, Fisheries and Food how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5428]

Mr. Boswell *[holding answer 25 November 1996]:* I will answer for the Department and the Pesticides Safety Directorate. Chief executives of the Department's other agencies will be replying direct to the hon. Gentleman.

Departments and agencies are now responsible for their own budgets and resources so fixed complements no longer exist. Staff numbers are, therefore, the most accurate guide to the number of jobs in a Department.

Information on the numbers of full-time, part-time and casual staff employed in my Department and the Pesticides Safety Directorate as at 1 April each year since 1992 can be found in the civil service staff in post summary tables, copies of which can be found in the Library of the House. Temporary staff are identified as casuals. In addition to that information there were, at 1 April 1996, 54 full-time and nine part-time staff on fixed-term appointments in the Department and PSD. It is not possible to distinguish between renewable and non-renewable appointments. Figures for fixed-term appointments in previous years are not available.

Letter from Dr. J. M. Rutter, to Mr. Peter Hain, dated 2 December 1996:

The Minister has asked me to reply to your question about staff numbers as this is an operational matter for which I am responsible. [5428]

Information on the numbers of full-time (FT), part-time (PT) and casual staff employed in the Veterinary Medicines Directorate as at 1 April since 1992 is given in the tables below. Information in casual jobs before April 1994, on temporary jobs and on those with renewable and non-renewable fixed-term contracts cannot be separately identified.

	Permanent and casual		
	FT	*PT*	*Total*
April 1992	76	14	90
April 1993	85	9	94

	Permanent			*Casual*			*Combined*
	FT	*PT*	*Total*	*FT*	*PT*	*Total*	*total*
April 1994	82	14	96	3	0	3	99
April 1995	77	12	89	8	0	8	97
April 1996	95	14	109	6	2	8	117

Letter from Phillip Needham to Mr. Peter Hain, dated 2 December 1996:

The Minister of Agriculture, Fisheries and Food, has asked me to reply direct to your Parliamentary Question in which you ask how many (a) full-time jobs, (b) part-time jobs, (c) full-time jobs which are on (i) renewable and (ii) unrenewable fixed term-contracts, (d) part-time jobs which are on (i) renewable and (ii) unrenewable fixed term-contracts, (e) temporary jobs and (f) jobs classified as casual that have been in (1) his Department and (2) Executive Agencies of his Department for each year since 1992. [5428]

The information relating to ADAS is as follows:

Year 1 April	*Permanent full-time*	*Permanent[1] part-time*	*Casual full-time*	*Casual[1] part-time*
July 1992	2,410	73	167	—
1993	2,287	190	179	—
1994	2,099	221	153	23
1995	1,773	165	150	16
1996	1,551	107	132	11

[1] Part-timers are counted as whole posts. We cannot extract the information concerning renewable and unrenewable fixed term-contracts without disproportionate cost to the agency.

Letter from George Trevelyan to Mr. Peter Hain, dated 2 December 1996:

The Minister of Agriculture, Fisheries and Food has asked me to reply to your question about how many (a) full-time jobs, (b) part-time jobs, (c) full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, (d) part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, (e) temporary jobs and (f) jobs classified as casual there have been in the Intervention Board for each year since 1992, as this matter is within my operational responsibility. [5428]

The numbers of permanent and casual full-time and part-time staff employed by this Agency as at 1 April each year since 1992 are published in the Civil Service staff-in post summary tables, and also the Departmental Reports for the Ministry of Agriculture, Fisheries and Food and the Intervention Board, copies of which may be found in the Library of the House. Temporary staff are identified as casuals. In addition to that information, I can also confirm that over the period since 1992 no full-time or part-time staff have been employed by the Intervention Board on either renewable, or unrenewable fixed-term appointments.

Letter from T. W. A. Little to Mr. Peter Hain 2 December 1996:

The Minister has asked me to reply to your question about the number of full-time, part time and casual posts within the Agency and the various terms of employment terms relating to those posts. [5428]

We do not keep records which readily relate to the precise terms of your Question but the following table provides much of the information:

	VLA	*CVL*				
	1996		*1995*	*1994*	*1993*	*1992*
Permanent						
Full-time	921	620	586	608	598	581
Part-time	98	60	61	61	61	60
Fixed-term						
Full-time	4	4	4	—	—	—
Part-time	—	—	—	—	—	—
Casual						
Full-time	60	29	46	36	27	23
Part-time	14	2	—	5	7	—
Total	1,097	711	697	710	693	664

A word or two of explanation is also necessary. The table refers to staff in post at 1 January of each year. A detailed breakdown relating to jobs rather than staff is not readily available.

The figures for 1992–96 refer to the Central Veterinary Laboratory (CVL). The figures for the Veterinary Laboratories Agency (VLA) for 1996 reflect the increase in Agency staffing following the merger of CVL with the Veterinary Investigation Service in October 1995 to form the new Agency, the VLA.

There is no differentiation between fixed-term contracts which are renewable or unrenewable. All contracts are reviewed before expiry to consider whether they should be terminated, extended or become permanent.

Letter from Professor P. I. Stanley to Mr. Peter Hain, dated 2 December 1996:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Central Science Laboratory (CSL), to your question concerning the numbers of full-time, part-time and casual staff employed since 1992.

The following table illustrates the information that is available. Staff numbers for 1992 are not separately identifiable from MAFF and, for 1993, separate details of full-time and part-time casual staff are not available The figures for 1995 reflect the merger of CSL with the MAFF Food Science Laboratories in April 1994. [5428]

	Permanent		*Casual*	
	Full-time	*Part-time*	*Full-time*	*Part-time*
1993	364	49	55.5	-
1994	401	41	20	1
1995	576	53	64	7
1996	591	62	42	9

Letter from Johnston McNeill to Mr. Peter Hain, dated 2 December 1996:

As Chief Executive of the Meat Hygiene Service your Parliamentary Question to the Minister of Agriculture, Fisheries and Food concerning the number of *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed term-contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual in Executive Agencies of his Department for each year since 1992 has been passed to me for reply with respect to this Agency. [5428]

The Meat Hygiene Service (MHS) was established as an Executive Agency of the Ministry of Agriculture, Fisheries and Food (MAFF) on 1 April 1995. It took over from local authorities responsibility for enforcing meat hygiene, inspection and animal welfare at slaughter legislation in licensed fresh meat premises in Great Britain.

The information requested relating to the MHS is listed in the annex attached to this letter. As you will note, 35 full time staff were employed by the MHS in 1994 before its official launch in April 1995.

Meat Hygiene Service

Staff in Post Figures by Category	Number
1994	
Full-time jobs	35
Part-time jobs	Nil
Full-time jobs on renewable fixed term contracts	Nil
Full-time jobs on unrenewable fixed term contracts	Nil
Part-time jobs on renewable fixed term contracts	Nil
Part-time jobs on unrenewable fixed term contracts	Nil
Temporary jobs	Nil
Casual jobs	Nil
Total	35
1995	
Full-time jobs	784
Part-time jobs	4
Full-time jobs on renewable fixed term contracts	107
Full-time jobs on unrenewable fixed term contracts	Nil
Part-time jobs on renewable fixed term contracts	2
Part-time jobs on unrenewable fixed term contracts	Nil
Temporary jobs	AS
Casual jobs	198
Total	1,095
1996	
Full-time jobs	803
Part-time jobs	4
Full-time jobs on renewable fixed term contracts	277
Full-time jobs on unrenewable fixed term contracts	Nil
Part-time jobs on renewable fixed term contracts	2
Part-time jobs on unrenewable fixed term contracts	Nil
Temporary jobs	AS
Casual jobs	286
Total	1,372

BSE

Mr. Hinchcliffe: Mr. Hinchcliffe:To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 6 November, *Official Report*, column *581*, if he will list the ages of confirmed BSE cases in (i) 1996 and (ii) 1995, in the categories, *(a)* under two years, *(b)* two to three years of cows at slaughter aged typically six to seven years, *(c)* three to four years, *(d)* four to five years, *(e)* five to six years, *(f)* six to seven years, *(g)* seven to eight years, *(h)* over eight years and *(i)* age unknown. [5599]

Mrs. Browning *[holding reply given on 26 November 1996]:* The following table details the number of confirmed BSE cases reported in Great Britain in 1995 and 1996 by age. It includes estimated ages.

Age	*1995*	*1996*[1]
Under 2	0	0
2–3	10	7
3–4	483	217
4–5	1,784	1,144
5–6	3,521	1,247
6–7	3,265	1,280
7–8	3,174	912
8 and over	1,548	1,146
Unknown	513	236
Total	14,298	6,189

[1] This data is incomplete because of the time lapse between report and confirmation.

It has not been possible to provide the data requested in the second part of *(b)* as it is unclear precisely what is required.

Sheep Dips

Sir Cranley Onslow: To ask the Minister of Agriculture, for Fisheries and Food if he will ensure that farmers and land owners in England and Wales are aware of the danger to the environment involved in the use of sheep dips based on synthetic pyrethroids. [6256]

Mrs. Browning: No veterinary medicine is authorised for use unless it meets stringent statutory criteria of safety, quality and efficacy. Safety includes risk to the environment. The Government are advised on this by the independent scientific veterinary products committee. Warnings on the labels for synthetic pyrethroid dips include:

"*Disposal*: the product is dangerous to fish. It is unlawful to permit any poisonous, noxious or polluting matter to enter any river, stream or watercourse. Guidelines giving advice on safe disposal of pesticides and their containers are available from the Agricultural Departments."

Copies of current guidelines have been placed in the Library of the House.

Information Technology Projects

Ms Church: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 7 November, *Official Report*, column *660*, what were the proposed annual savings for the information technology projects in the phases which fall into *(a)* the £1 million to £10 million and *(b)* more than £10 million categories undertaken since 1992; and what have been the realised annual savings. [6699]

Mr. Boswell *[holding answer 28 November 1996]:* The proposed and realised annual savings for the Ministry of Agriculture, Fisheries and Food's information technology projects for the cost bands of *(a)* up to £1 million, and *(b)* greater than £1 million, are as follows:

£ million

Project costs	*1992–93*	*1993–94*	*1994–95*	*1995–96*	*Total*
Proposed savings					
Up to 10	3.23	5.07	4.80	13.36	
More than 10	1.77	6.73	3.50	17.84	
Total	5.0	11.8	8.3	31.2	56.3
Realised savings					
Up to 10	4.10	2.90	7.90	17.60	
More than 10	0.42	7.20	13.43	24.70	
Total	4.5	10.1	21.3	42.3	78.2

Currently only proposed savings figures are available for 1996–97 — "Up to £10 million" £22.02 million and "More than £10 million" £31.77 million.

Mr. Hinchcliffe: To ask the Minister of Agriculture, Fisheries and Food what proposals he has to restrict the availability for human consumption of dried, canned or frozen beef from cattle aged over 30 months of age and slaughtered before 29 March. [827]

Mrs. Browning *[holding answer 6 November 1996]:* Regulation 3 of the Fresh Meat (Beef Control) Regulations 1996 prohibits, subject to limited exceptions, the sale for human consumption of meat from cattle over 30 months old slaughtered on or after 29 March 1996. There is no restriction on the sale of meat or meat products derived from animals slaughtered before this date. The Government's independent adviser on spongiform encephalopathies, the Spongiform Encephalopathy Advisory Committee, did not consider this necessary. We therefore have no proposals to restrict the availability for human consumption of these products.

DEFENCE

Fishing Boats (Medical Evacuations)

Mr. Harris: To ask the Secretary of State for Defence if he will list the cost of medical evacuations from foreign-owned fishing boats off the United Kingdom in the last 12 months; and if he will list the names and the national ownership of the fishing boats involved. [6428]

Mr. Soames: Emergency medical rescue of civilians at sea is the responsibility of the Coastguard which may call on military search and rescue assets if required. During the last 12 months, our military SAR aircraft have carried out 17 medical rescues from foreign-owned fishing vessels off the United Kingdom, as follows:

Vessel	*National ownership*
Scarlet Bucaneer	Irish
Ocean Monarch	Irish
Lui 2	French
Hakin	Spanish
Rafael Nemina	Spanish
Mar 4	Spanish
Deo Juvianti	Dutch
Opcn	Belgian
Madre Querido	Spanish
Jesus de Belem	Spanish
Albatross	French
Not known	Danish
Not known	Danish
Jose Castro	Spanish
Manuel DaCosta	Spanish
St Carolus	Belgian
Helen Mary	German

Details of rescues carried out by the Coastguard may be obtained from my right hon. Friend the Secretary of State for Transport. The cost of medical rescues is not separately identified as these operations form part of the normal duties of SAR assets. The only extra cost incurred by MOD is in supporting the Coastguard in some out-of-hours operations.

Free Cigarettes

Mr. Ainger: To ask the Secretary of State for Defence on what date cigarettes ceased to be issued free to the armed forces. [6591]

Mr. Soames: We have been unable to ascertain from departmental records still in existence as to whether there was ever a universal free issue of cigarettes to service personnel, but we believe that this did occur under some circumstances during the second world war, particularly for those serving overseas. To the best of our knowledge, no evidence exists to indicate that members of the Royal Navy or the RAF received free cigarettes after the end of world war 2. Records do indicate, however, that some Army personnel were issued with free cigarettes up to the late 1950s, but we believe that this practice ceased in the early 1960s. Should any additional evidence come to light on this matter, I will inform the hon. Member.

Miss Nicola Goode

Mr. Steen: To ask the Secretary of State for Defence if he will set a date for the Medical Review Board to examine the case of the injury to Miss Nicola Goode of 2 Victoria heights, Dartmouth; and if he will make a statement on the reason for the present delay. [6798]

Mr. Soames: My noble Friend has written to my hon. Friend about his constituent.

Nuclear Safeguards Project

Mr. Llew Smith: To ask the Secretary of State for Defence what *(a)* funding and *(b)* personnel his Department has contributed to the International Atomic Energy Agency's 93+2 project concerning nuclear safeguards. [6780]

Mr. Soames: My Department makes no direct financial contribution to the 93+2 programme. As part of their normal duties, officials from my department participate in the Government's routine consideration of the subject. This activity is not separately identified, and details could be provided only at disproportionate cost.

HMS Vigilant

Mr. Llew Smith: To ask the Secretary for Defence at what time the Trident nuclear submarine HMS Vigilant

was (a) scheduled to arrive and (b) arrived in Faslane on 24 November; what action was taken against protesters demonstrating against HMS Vigilant's departure from Barrow docks on 22 November; and what is the projected annual operational cost of HMS Vigilant. [6788]

Mr. Soames: Under the code of access to government information, it is not our policy to give details of submarine movements on the grounds that it would harm national security or defence. My Department took no action against demonstrators at Barrow docks on 22 November: this was a matter for the local police. It is too early in the programme accurately to assess the annual operational cost of HMS Vigilant, but our expectation is that the cost of the total Trident fleet will average around £200 million per annum over the lifetime of the system.

Northern Ireland Battalions

Mr. Home Robertson: To ask the Secretary of State for Defence what is the average shortfall in manning of resident battalions in Northern Ireland; what is the average percentage of nights out of bed for soldiers in those battalions; and what is their average weekly working time. [6998]

Mr. Soames: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Defence Exports Levy

Mr. Colvin: To ask the Secretary of State for Defence how much was raised in the last financial year from the Treasury levy on the export sales of defence equipment whose development was funded by the Government; and if he will list the 10 items of equipment whose export sales raised the most money under the levy in the past year with, in each case, the rate of the levy and the sum raised. [5170]

Mr. Arbuthnot: Commercial exploitation levy receipts in 1995–96 from export sales of defence equipment whose development was funded in whole or in part by my Department totalled £21.9 million. Levy arrangements are negotiated case by case, either on the basis of fixed percentage rates according to the nature of the equipment or through profit-sharing schemes. Details of levy arrangements for individual equipments are commercially confidential, as are the amounts raised in support of specific sales.

Frigates (Refit and Sale)

Mr. Flynn: To ask the Secretary of State for Defence what was the cost of the refit of the frigate Battleaxe; how long before its sale the refit was completed; and what was the price paid by Brazil. [6833]

Mr. Arbuthnot: The last refit of HMS Battleaxe was completed in July 1994 at a total cost of some £13 million. On 18 November 1994, the Brazilian Navy signed a contract purchasing all four batch I type 22 frigates which includes HMS Battleaxe. The ship will be handed over on completion of her royal naval service at the end of April 1997. In order to protect customer confidentiality, we do not reveal price details of defence sales.

Mr. Flynn: To ask the Secretary of State for Defence what was the cost of the refit of the frigate Andromeda; how long before its sale the refit was completed; and what was the price paid by India. [6834]

Mr. Arbuthnot: The last refit of HMS Andromeda was completed in December 1991 at a total cost of some £27 million. HMS Andromeda was sold to India in March 1995. In order to protect customer confidentiality, we do not reveal price details of defence sales.

Aviation Repairs

Mr. Morgan: To ask the Secretary of State for Defence when the Defence aviation repair agency implementation team was established; on what dates it visited RAF St. Albans, RAF Sealand and their RN equivalents; and if he will make a statement. [7150]

Mr. Arbuthnot: The defence aviation repair agency implementation team was formed on 22 July 1996. Members of the team have visited the following establishments on the following dates:

RAF St. Athan from 5 to 6 September and on 2 October;

RAF Sealand on 20 August and 10 to 11 September;

RNAY Fleetlands from 19 to 20 September;

RNAW Almondbank on 22 August and 26 September

Mr. Morgan: To ask the Secretary of State for Defence what representations he has received from aviation repair companies and consortiums in respect of the competing for quality programme on deep repair aviation maintenance submissions; what further representations he has received from private sub-contractors to the competing for quality bidding MOD units on the same subject; and if he will make a statement. [7189]

Mr. Arbuthnot: CFQ programmes for deep aviation repair are in hand at RAF Sealand and RAF St. Athan. For RAF Sealand, two bids have been received in addition to an in-house bid. These are currently being evaluated.

For the work put out to tender at RAF St. Athan, a number of consortiums are expected to respond shortly to an invitation to tender, again alongside an in-house bid.

Catering Support Services

Mr. Jamieson: To ask the Secretary of State for Defence if he will make a statement on the period of time it took to announce the successful bidder for the catering support services at Royal Citadel, Plymouth. [7110]

Mr. Soames: The market testing exercise began with the issue of an invitation to tender on 10 September 1993 and ended with the announcement of the contract award to Gardner Merchant plc on 24 July 1996.

Mr. Jamieson: To ask the Secretary of State for Defence what was the cost to his Department of the market test for catering support services at the Royal Citadel, Plymouth. [7113]

Mr. Soames: The identifiable cost for the Citadel market testing exercise was for independent consultancy support to the in-house bid team, which cost some £30,400.

Armed Forces (Germany)

Mr. Steen: To ask the Secretary of State for Defence what estimate he has made of the total cost in each of the last three years of the presence of the British armed forces in Germany. [7114]

Mr. Soames: The operating costs of maintaining British forces in Germany have been:

Year	*Final outturn £ million*
1993–94	1,582
1994–95	1,466
1995–96	1,353

Service Widows' Pensions

Mr. Steen: To ask the Secretary of State for Defence what estimate he has made of the annual cost of raising pre-1973 service widows' pension to half that of their deceased husbands. [7115]

Mr. Soames: We estimate that the cost of the armed forces pension scheme of raising pre-1973 service widows' pensions to half that of their deceased husbands would be in the order of £29 million per year.

Main Building, Whitehall

Mr. Yeo: To ask the Secretary of State for Defence if he will make a statement about his Department's plans to redevelop the MOD main building in Whitehall. [7272]

Mr. Arbuthnot: As indicated in an answer that I gave on 28 October, *Official Report*, column 27, it is my Department's intention to examine private finance options for the redevelopment and subsequent operation of main building. The objectives are to replace building services now at the end of their economic life, and to provide a modern working environment and maximum utilisation of space and flexibility for the future.

As the first stage in the procurement process, advertisements inviting expressions of interest from the private sector will be placed in the 11 December edition of the MOD bulletin "Works Services Opportunities" and in the national press. Further progress will depend on the response from the private sector, the refinement of proposals during 1997 and identification of options for achieving best value for money. My Department will ensure that any private finance initiative deal that is negotiated will not prejudice the security of its principal headquarters in any respect.

Army Personnel Centre

Mr. Robathan: To ask the Secretary of State for Defence if he will make a statement about the integrated Army Personnel Centre. [7404]

Mr. Soames: The integrated Army Personnel Centre will open in Kentigern house, Glasgow, as a defence agency of the Ministry of Defence, on 2 December 1996. The aim of the APC is to provide an effective, integrated personnel management and administration service to the Army, in order to maximise its operational capability throughout the spectrum of conflict, from peace through to general war. The APC will have a staff of about 1,100 of whom about 1,000 will be civilians. Some 500 new civilian jobs are being created in Glasgow. Functions will be progressively transferred to the APC from the current dispersed organisation of 19 separate offices, with all the work being performed in Glasgow by 31 March 1998.

The Adjutant General will be the owner of the APC on behalf of the Secretary of State for Defence. His mission is to man the Army effectively and efficiently, with well-motivated men and women, individually trained to meet the requirements of the Army, within allocated resources.

The APC chief executive, a major general, will be required to manage the Army's manpower assets in the most cost-effective manner, to manage officers' and soldiers' careers in a manner that ensures the best return for the Army's investment in individuals, to provide an efficient and effective Army personnel, pay and pension administration service and to meet legitimate demands for information in a cost-effective and timely manner. The chief executive has been set the following key targets to be achieved by March 1998, when the APC is fully operational.

1. To increase the proportion of Army posts, other than private soldiers or subaltern officers, which are manned to 90 per cent.

2. To increase the proportion of Army personnel meeting appointment/job specifications posted in-year to 90 per cent.

3. To increase the in-year percentage of Army personnel given six months' notification of posting—not those posted on short notice operational requirements or following initial training or long career courses—to 50 per cent.

4. To increase the percentage of change requests authorised and/or accurately processed within five working days of receipt to 90 per cent.

5. To increase the percentage of due terminal benefits paid by the fifth working day after discharge/retirement or following receipt of the correct authorisation, whichever is the later, to 95 per cent.

6. To implement and maintain a comprehensive feedback mechanism for the continual measurement of customer satisfaction.

7. To achieve 23 per cent. reduction in running costs by 31 March 1998.

8. To identify comparable large organisations in the public and private sectors with a view to benchmarking specific APC activities and performance levels.

I have arranged for copies of the agency's framework document and corporate plan to be place in the Library of the House.

Radiation Testing

Mr. Rendel: To ask the Secretary of State for Defence (1) who has responsibility for the organisation and implementation of radiation testing procedures and information gathering; [6570]

(2) who has authorised the testing of civilians in relation to radiation experiments. [6574]

Mr. Soames *[holding answer 28 November]:* As regards studies which were conducted by my Department, such responsibilities rested ultimately with the director or head of the establishment concerned. It would be normal practice for the appropriate ethics committee to consider and approve scientists' submissions for particular studies to be carried out; submissions would include a copy of the lay statement which is to be given to the volunteers.

The results of many of the studies carried out in the past have been published in open source scientific and technical journals.

Mr. Rendel: To ask the Secretary of State for Defence what have the results of the radiation testing been used for; and where that data are currently held. [6561]

Mr. Soames *[holding answer 28 November 1996]:* The purpose of the studies carried out by my Department at Aldermaston was to calibrate whole body monitors to account for differences in body size and chest wall thickness; these were to improve the effectiveness of measurement techniques used by hospitals. Those at Porton were to investigate the amount of radioactive fall-out which might be expected to adhere to the fabric of the clothing worn by volunteers when crossing contaminated ground and how best that contamination might be removed, and to establish the mechanism of penetration of chemical compounds through the skin. Those at Farnborough served to provide a measure of changes in body fluid volumes through application of the dilution principle. Details of some of the studies carried out at Porton can be obtained from the Public Record Office; other records are no longer available due to the passage of many years.

Mr. Rendel: To ask the Secretary of State for Defence what estimate he has made of the cost to the NHS of caring for those exposed to radiation through voluntary testing. [6581]

Mr. Soames *[holding answer 28 November 1996]:* Given the extremely low doses involved in the studies, it is highly unlikely that the health of any of the volunteers has suffered as a direct result of taking part in these studies. No such estimates have therefore been made.

Mr. Rendel: To ask the Secretary of State for Defence how many doctors and researchers have worked for the radiation-testing programme since 1966. [6565]

Mr. Soames *[holding answer 28 November 1996]:* I regret to say that this information is not held centrally, and that, given the passage of many years, it is not available at the establishments concerned. [6568]

Mr. Rendel: To ask the Secretary of State for Defence how many British volunteers have been the subject of radiation experiments since 1966; of these how many were employees at Aldermaston; and to what levels at radiation they were exposed.

Mr. Soames *[holding answer 28 November 1996]:* Detailed records are no longer available, but is estimated that about 200 individual members of my Department were involved, of whom 12 were Aldermaston employees. The level of radiation to which these volunteers were exposed was negligible and significantly less than the average natural background exposure. Put into proper perspective, it would have been equivalent to that received from a single dental X-ray.

Mr. Rendel: To ask the Secretary of State for Defence what information was provided to volunteers on the short and long-term dangers of exposure to radioactive materials. [6559]

Mr. Soames *[holding answer 28 November 1996]:* All volunteers would have received a detailed explanation in lay terms prior to giving their consent to participating in such studies. The individuals would also have the right to withdraw from the studies at any time without having to explain their reasons for withdrawal. At no time was there a question of either short or long-term danger to any participants since only negligible amounts of radiation doses were applied. The studies were at all times subject to the appropriate medical ethics safeguards.

Mr. Rendel: To ask the Secretary of State for Defence if he will list the radiation experiments currently being conducted. [6566]

Mr. Soames *[holding answer 28 November 1996]:* No radiation experiments are currently being conducted by my Department.

Mr. Rendel: To ask the Secretary of State for Defence if he will list the locations at which radiation testing has been performed; and what protection was promised to people who were not involved in the programme from the effects of exposure to radioactive materials. [6571]

Mr. Soames *[holding answer 28 November 1996]:* My Department has conducted studies involving the use of radioactive material at Aldermaston, Porton Down, and Farnborough. Some of the Aldermaston studies involved the use of facilities at Harwell and were supported and funded by the International Atomic Energy Agency and approved by the Medical Research Council. Harwell is not, of course, an MOD establishment. Those not involved in the programme would have been afforded precisely the same health and safety considerations as the volunteers.

Mr. Rendel: To ask the Secretary of State for Defence what estimate he has made of the number of subjects who have died due to complications caused by exposure to radiation during testing programmes. [6562]

Mr. Soames *[holding answer 28 November 1996]:* None of the studies conducted by my Department has involved significant radiological doses. All have been conducted with due regard for the health and safety of those concerned. It is therefore highly unlikely that these would have led to any deaths or adverse health conditions. Consequently, my Department has made no such estimates.

Mr. Rendel: To ask the Secretary of State for Defence what assessment he has made of the effects on the families of those tested of the exposure of a family member to radioactive materials. [6573]

Mr. Soames *[holding answer 28 November 1996]:* None. All these studies involved minute doses of radiation; no such assessments were therefore necessary.

Mr. Rendel: To ask the Secretary of State for Defence what sums radiation experiment volunteers were paid for their services. [6564]

Mr. Soames *[holding answer 28 November 1996]:* Due to the passage of time and absence of detailed records, it is impossible to detail precisely the amounts concerned. Some, but not all, volunteers from my Department would, however, have received recompense of approximately 20 shillings per week for taking part in the studies together with the appropriate rates for travel and subsistence.

Mr. Rendel: To ask the Secretary of State for Defence what follow-up tests have been performed on the long-term effects of radiation exposure. [6569]

Mr. Soames *[holding answer 28 November 1996]:* As far as my Department is concerned, only those volunteers for the Aldermaston studies were monitored for a period of six months thereafter; further monitoring was unnecessary. It has long been known that significant additional doses of radiation can cause an enhanced risk of cancer. No follow-up assessments have been considered necessary in respect of those other studies, involving individual volunteers exposed to negligible doses of radiation which are far smaller than those received from natural background radiation. However, the National Radiological Protection Board carried out two independent studies in 1988 and 1993 into the incidence of mortality and cancer among people who participated in the UK's nuclear weapon-testing programmed in the 1950s and early 1960s. The NRPB studies showed no overall excess of cancer or mortality among over 20,000 veterans. Copies of the NRPB studies are in the Library of the House.

Mr. Rendel: To ask the Secretary of State for Defence how many and what different types of radiation testing have been used since 1966. [6572]

Mr. Soames *[holding answer 28 November 1996]:* I refer the hon. Member to the answer given to the hon. Member for Blaenau Gwent (Mr. Smith) on 3 July 1996, *Official Report,* column *467.*

Bosnia and Croatia

Dr. David Clark: To ask the Secretary of State for Defence, pursuant to his answer of 14 November, *Official Report,* column *290,* on British bases as part of the implementation force operation, if he will list to whom the payments are being made for the renting of United Kingdom bases in Bosnia and Croatia; and if he will make a statement. [6625]

Mr. Soames *[holding answer 28 November 1996]:* The UK does not make payments for facilities owned by the Governments of Bosnia and Croatia. Payments are, however, made for privately owned facilities; while these premises are occupied for military purposes, they are unable to be used for other commercial purposes. It is right, therefore, that private owners should not be financially disadvantaged. Contracts covering all the bases listed in my previous answer, *Official Report,* column *290,* are currently held with the following companies:

In Croatia:

Koncar Elektrincni Uredaja
Dalma Holding
Mepling SPO
Trast dd
Jadrantrans
TTTS do
Vinko Brkan
Kovoinoinstalaci

In Bosnia:

"Bosna" Shoe Factory
DIP Kupres
JLG Mihnygevic Sumarita
IGO Kupres
SIP Kljuc
Energoinvest
Zvonimorova bb
Municipality Glamoc
DDDI "Sana"
JIP "Ostrelj"
"Unis"
Aluminka Factory
Agropromet
1 Maj Metalska
1 Maj Zavrsni
"Gradja"
1 Maj Drvodjelska
"Prijedorcanka"
"Kooperacija" Kupres
Coal Mine "Gracanica"
Zracna Luka Split
Tvarnica Cable
Tvornica Za Obradu Metala
HNK Tomislav
DD Sarajevski

In addition, we have a number of contracts with private individuals. Publishing names of individual owners, however, may endanger their physical safety.

Market Testing

Mr. Morgan: To ask the Secretary of State for Defence what proposals he has to amend the proposed competing for quality bids and submissions programmes for market testing RAF and Royal Navy aeronautical repair facilities. [6902]

Mr. Arbuthnot *[holding answer 29 November 1996]:* None.

WALES

Working Hours

13. **Mrs. Clwyd:** To ask the Secretary of State for Wales what percentage of men employed full-time in Wales work 48 hours or over per week. [5220]

Mr. Jonathan Evans: Based on the spring 1996 labour force survey, an estimated 32 per cent. of male full-time employees in Wales say they usually work 48 hours or more per week.

14. **Mr. Alan W. Williams:** To ask the Secretary of State for Wales what percentage of the work force in Wales works over 48 hours a week. [5221]

Mr. Jonathan Evans: Based on the spring 1996 labour force survey, an estimated 20 per cent. of the employed work force in Wales say they usually work more than 48 hours per week.

Unemployment

15. **Mr. Jacques Arnold:** To ask the Secretary of State for Wales if he will make a statement on levels of unemployment in Wales. [5222]

Mr. Gwilym Jones: In October 1996, the seasonally adjusted number of persons on the claimant unemployment count in Wales fell below 100,000 for the first time since January 1991. Unemployment in Wales has fallen by 26 per cent. since December 1992.

Manufacturing Industry

16. **Mr. Bernard Jenkin:** To ask the Secretary of State for Wales if he will make a statement about the competitiveness of manufacturing industry in Wales. [5223]

Mr. Hague: I refer my hon. Friend to the report "Meeting the Challenge", published last June and available in the Library of the House.

Inward Investment

17. **Dr. Spink:** To ask the Secretary of State for Wales how many jobs he estimates were *(a)* safeguarded and *(b)* created by inward investment in Wales in the year to 31 October. [5224]

Mr. Hague: In the period 1 January 1996 to 31 October 1996, 128 inward investment projects have been recorded promising 13,602 new jobs, 2,564 safeguarded jobs and capital investment of £2.36 billion.

Devolved Government

18. **Mr. Deva:** To ask the Secretary of State for Wales how many representations he has received on devolved government in Wales in the last year; and if he will make a statement. [5225]

Mr. Gwilym Jones: Nine, with the majority being against the imposition of a Welsh Assembly.

Roads

19. **Mr. Harry Greenway:** To ask the Secretary of State for Wales how much was spent per capita on road building and maintenance in the last year; and what was the figure in 1978–79 at current prices. [5227]

Mr. Gwilym Jones: Expenditure per capita on road building and maintenance in Wales, at 1995–96 prices, was £149 in 1978–79 and £164 in 1994–95, the last year for which complete information is available.

Single Currency

20. **Mr. Llew Smith:** To ask the Secretary of State for Wales if he will commission research on the effect of the single currency on democracy and the public services in Wales. [5228]

Mr. Hague: No. We would agree to take part in a single currency only if we judged it to be in the interest of the United Kingdom as a whole to do so.

Second Severn Crossing

21. **Mr. Simon Coombs:** To ask the Secretary of State for Wales what assessment he has made of the impact of the opening of the second Severn crossing on the economy of Wales. [5229]

Mr. Gwilym Jones: The new crossing is a substantial expansion of the essential transport infrastructure, thereby significantly improving economic mobility and further enlarging our attractiveness for inward investment, and it represents a major opportunity that Welsh businesses are increasingly taking.

Welsh Assembly

22. **Mr. Robathan:** To ask the Secretary of State for Wales what representations he has received on the desirability of holding a referendum for a Welsh Assembly; and if he will make a statement. [5230]

Mr. Hague: Three since the beginning of January this year.

Drug and Alcohol Abuse

23. **Mr. Jessel:** To ask the Secretary of State for Wales what action he has taken to combat drug and alcohol abuse in Wales. [5231]

Mr. Gwilym Jones: My right hon. Friend launched the Welsh drug and alcohol strategy, "Forward Together" on 14 May 1996: we have established a Welsh advisory committee and set up a Welsh drug and alcohol unit; and at local level the strategy will be implemented by drug and alcohol action teams.

Health Authority Funding

24. **Mr. Ainger:** To ask the Secretary of State for Wales how much non-recurring funding has been made available to health authorities in Wales in the present financial year to date. [5232]

Mr. Gwilym Jones: Up to the end of October, Welsh health authorities have received a total of £20.588 million in additional non-recurring funds.

BSE

25. **Mr. Ieuan Wyn Jones:** To ask the Secretary of State for Wales what representations he has received about the impact of the BSE crisis on the rural economy of Wales. [5233]

Mr. Jonathan Evans: My right hon. Friend and I have received numerous representations on this subject; the Government have introduced measures to support the essential element of the structure of the beef industry.

Community Hospital, Porthmadog

26. **Mr. Wigley:** To ask the Secretary of State for Wales what representations he has received in respect of the construction of the new community hospital at Porthmadog; and if he will make a statement. [5234]

Mr. Gwilym Jones: Two letters have been received from the hon. Member. Gwynedd Community Trust is considering propositions under the private finance initiative. A successful outcome will also depend on the support of the North Wales health authority, which is currently reviewing community hospital facilities within its area.

Male Unemployment

27. **Mr. Roy Hughes:** To ask the Secretary of State for Wales what is the figure for male unemployment in *(a)* Newport and *(b)* Wales for the latest available date; and what is this figure expressed in percentage terms. [5235]

Mr. Jonathan Evans: In October 1996, the unadjusted number of males on the claimant unemployment count in the Newport travel-to-work-area was 5,087, 9.4 per cent. of the male work force. The corresponding figures for Wales were 74,279 and 10.5 per cent.

Rate Support Grant

28. **Mr. Hanson:** To ask the Secretary of State for Wales when he next expects to meet local authority leaders to discuss the 1997–98 rate support grant settlement. [5236]

Mr. Hague: At a meeting of the Welsh consultative council on local government finance on 16 December.

Public Service Employment

29. **Mr. Rowlands:** To ask the Secretary of State for Wales what is his latest estimate of the number of people employed in the public service in Wales; and what percentage this is of the total number employed. [5237]

Mr. Jonathan Evans: Based on the spring 1996 labour force survey, in which employees are asked to classify themselves, an estimated 325,000 employees say they work in the public sector in Wales. This represents 32 per cent. of all employees in Wales.

Low Incomes

Mr. Llew Smith: To ask the Secretary of State for Wales what data sets his Department *(a)* holds and *(b)* updates on low-income families in Wales. [6057]

Mr. Gwilym Jones: Information on the distribution of household income in Wales is available from a number of official sources including the Office for National Statistics' annual family expenditure survey and the Department of Social Security's annual family resources survey. The Welsh Office does not routinely collect any additional statistics on household income.

Households (Baths)

Mr. Llew Smith: To ask the Secretary of State for Wales how many householders in Wales *(a)* do not have their own bath and *(b)* do not have access to a shared bath. [6055]

Mr. Jonathan Evans: The available information from the 1991 census of population is given in the following table:

	Number of residents
Households in Wales with:	
Exclusive use of bath/shower	2,776,410
Shared use of bath/shower	7,257
No bath/shower	13,507

Unemployment and Health

Mr. Llew Smith: To ask the Secretary of State for Wales what assessment he has made of the relationship between the levels of unemployment and ill health of men aged 15 to 44 years in Wales. [6063]

Mr. Gwilym Jones: While it is not possible to conclude from the 1995 Welsh health survey data whether there is a causal relationship between unemployment and ill-health, analyses indicated that for unemployed men aged 18 to 45 the mental health summary scores were generally lower—that is, worse—than those of employed men of the same age. However, there was little difference between the physical health scores for unemployed men aged 18 to 45 when compared with those of employed men of the same age. Both scores tended to be lower for men who had been unemployed for more than 12 months.

The results show that unemployed men aged 18 to 45 were more likely to be classified as being at risk of developing clinical depression than employed men of the same age and were generally more likely to have had treatment for back pain and respiratory disease.

The main results from the survey, and the definition of the summary scores, are published in Welsh health survey 1995, a copy of which is in the Library.

Health Survey Data

Mr. Llew Smith: To ask the Secretary of State for Wales what reliability tests were applied to the data collected in the Welsh health survey questionnaires conducted in 1995. [6067]

Mr. Gwilym Jones: The Welsh health survey questionnaire was for the most part made up of well-tested questions of proven reliability. A pilot survey was carried out in December 1994 using a random sample of 1,000 adults living in Wales to test all the questions and survey methods used.

A random sample of the completed questionnaires was validated by hand, comparing the respondents' answers with the corresponding keyed-in data.

Details of other steps taken are given in appendices 1, 2 and 3 of the survey report—Welsh health survey 1995. A copy is in the Library of the House.

Infant Mortality

Mr. Llew Smith: To ask the Secretary of State for Wales what assessment he has made of the reasons for the change in infant mortality in the first year of life in Wales in 1994. [6062]

Mr. Gwilym Jones: There was a small increase in the infant mortality rate for Wales in 1994. Much of the increase was concentrated in East Dyfed. A very detailed inquiry has been made of all still births and infant deaths in East Dyfed between 1993 to 1994 but no common factor was found.

Nursery Education

Mr. Llew Smith: To ask the Secretary of State for Wales what assessment he has made of the effect the reduction of day nursery places in Wales has had on the ability of single mothers to secure *(a)* full-time and *(b)* part-time employment since 1979. [6071]

Mr. Jonathan Evans: Local authority day nursery and full day care places in Wales have increased since 1979. The figures in the following table are taken from appendix I to the activities of social services departments statistical series.

Year ending	Full day care places offered by registered providers	Places in local authority day nurseries
31 March 1979	901	99
31 March 1980	817	109
31 March 1981	746	158
31 March 1982	743	191
31 March 1983	834	191
31 March 1984	1,006	220
31 March 1985	1,013	230
31 March 1986	1,049	237
31 March 1987	1,233	238
31 March 1988	1,313	243
31 March 1989	1,912	264
31 March 1990	2,693	241
31 March 1991	3,519	203
31 March 1992	4,599	194
31 March 1993	5,213	235
31 March 1994	5,274	235

To help maximise parental participation in the work force, between 1993 and March 1996 the out-of-school child care initiative supported the development of over 3,500 new child care places for school age children. A further 300 places will be created in 1996–97.

The Department's child care demonstration projects for the under-fives in Wales will support the development of 600 new child care places for pre-school age children between 1995 and 1998.

Households (Beds)

Mr. Llew Smith: To ask the Secretary of State for Wales how many families have insufficient individual beds to meet the normal needs of their household. [6056]

Mr. Jonathan Evans: The bedroom standard—defined in the following table—is recognised as a measure of overcrowding. The results from the Welsh social survey 1992 indicated that 2,100 households had two or more bedrooms fewer than the standard requires and that 18,300 households had one bedroom less.

Bedroom standard definition

(extract taken from 1993 Welsh House Condition Survey, Chapter (11)

The standard number of bedrooms is:

(a) one for each cohabiting couple

(b) one for each other man or woman aged 21 or over

(c) one for each two persons of the same sex aged 10–20

(d) one for any person aged 10–20 and a child under 10 of the same sex

(e) one for any person aged 10–20 not paired as in (c) or (d)

(f) one for each two of any remaining children under 10

(g) one for any child remaining

Child Care (Single Parents)

Mr. Llew Smith: To ask the Secretary of State for Wales what assessment he has made of the effects of insufficient child care provision on the health of single parents in Wales. [5916]

Mr. Gwilym Jones: Health authorities are responsible for assessing and setting priorities for the health care needs of the population of their areas, within the resources available to them. The maternal and early child health protocol published by the Welsh Office in 1991 encourages health authorities, working with others, to provide a fully co-ordinated approach to support the health of mothers and children in the early years.

Frail Elderly (Hospital Beds)

Mr. Barry Jones: To ask the Secretary of State for Wales what estimate he has made of the number of frail elderly people who will need a hospital bed in 2000; and if he will make a statement. [6288]

Mr. Gwilym Jones: Data on frail and elderly people are not collected centrally. Numbers of hospital beds needed in the future for the frail and elderly is planned for locally.

Maternity Care

Mr. Barry Jones: To ask the Secretary of State for Wales what is his policy on maternity care. [6284]

Mr. Gwilym Jones: Policy in Wales for maternity care is set out in "Investment in Health Gain: Maternal and Early Child Health" which was published in 1991. A copy is available in the Library of the House.

Nursery Vouchers

Mr. Barry Jones: To ask the Secretary of State for Wales how much cash has so far been expended on the nursery voucher scheme in Wales; what is his estimate of the amount of moneys he will release to the scheme for the first full year of operation; and if he will make a statement. [6290]

Mr. Jonathan Evans: I refer the hon. Member to the reply I gave him on 16 October, column *984*. The Welsh Office has to date spent some £78,000 in respect of the implementation of the scheme in Wales.

Mr. Barry Jones: To ask the Secretary of State for Wales what is the estimated number of nursery vouchers for the first year of its operation; and if he will make a statement. [6291]

Mr. Jonathan Evans: I refer the hon. Member to the answers I gave him on 16 October, column *984* and 4 November, column *349*. The nursery voucher scheme contractor has sent a preliminary letter to parents of eligible children identified from the child benefit database. Application forms for vouchers will be sent to parents in January.

GCSE Candidates

Mr. Win Griffiths: To ask the Secretary of State for Wales (1) if he will list the percentage of 15-year-old pupils of the maintained sector of each local education authority entered for GCSE in *(a)* English language, *(b)* mathematics, *(c)* science, *(d)* English language and mathematics together and *(e)* English language and mathematics and science, in total and by gender in (i) 1992 and (ii) 1995; and what were the percentage point changes between 1992 and 1995; [6303]

(2) if he will list for *(a)* 1992 and *(b)* 1995 the percentage of 15-year-old pupils in total and by gender of the maintained sector of each local education authority (1) entered for GCSE in (i) science and (ii) English language and mathematics and science together, and

(2) achieving *(A)* at least grade G in each and *(B)* at least grade C in each, indicating in each case their average points score; [6302]

(3) if he will list for 1996 the percentage of 15-year-old pupils in total and by gender of the maintained sector of each local education authority (1) entered for GCSE in *(a)* English language, *(b)* mathematics, *(c)* science, *(d)* English language and mathematics together and *(e)* English language and mathematics and science together and (2) achieving (i) at least grade G in each and (ii) at least grade C in each, indicating in each case their average points score. [6304]

Mr. Jonathan Evans: The available information has been placed in the Library of the House.

Some of the information requested on combinations of subjects could be obtained only at disproportionate costs.

Mixed-sex Wards

Mr. Barry Jones: To ask the Secretary of State for Wales how many representations he has received concerning mixed-sex wards; and from what sources. [6642]

Mr. Gwilym Jones: Information relating to the number of representations received concerning mixed-sex wards is not held centrally.

Mr. Jones: To ask the Secretary of State for Wales how many mixed-sex wards there are in Wales; and what is his estimate of the number of beds concerned. [6641]

Mr. Jones: Data on mixed sex wards are not collected centrally. Numbers of beds in mixed-sex wards are determined locally.

Grammar Schools

Mr. Barry Jones: To ask the Secretary of State for Wales how many grammar schools there are in Wales. [6643]

Mr. Jonathan Evans: None.

Immediate Care Beds

Mr. Barry Jones: To ask the Secretary of State for Wales how many immediate care beds are available *(a)* in the North Wales health authority and *(b)* in each of the district hospital trusts. [6597]

Mr. Gwilym Jones: Information concerning the number of beds by speciality is collected on the basis of specialities recognised by the royal colleges. Immediate care is not one of these recognised specialties.

Unemployment

Mr. Barry Jones: To ask the Secretary of State for Wales how many *(a)* men and *(b)* women are unemployed in (i) Wales and (ii) Flintshire. [5303]

Mr. Gwilym Jones: There were 74,279 men and 22,345 women on the claimant unemployment count in Wales in October 1996. The corresponding figures for Flintshire were 2,710 and 934 respectively.

Computer Programme

Mr. Morgan: To ask the Secretary of State for Wales if he will make a statement on progress with the OSIRIS office automation project. [7142]

Mr. Hague: The OSIRIS service has been delivered to the pilot work group and tested. Implementation of the service in my Department's housing division is now under way.

Private Finance Initiative

Mr. Morgan: To ask the Secretary of State for Wales if he will list the principal components of the £70 million estimated capital cost of PFI contracts sponsored by his Department given in the Red Book; and what is (i) the length of each contract, (ii) the break clause timings where applicable and (iii) the end of contract ownership arrangements agreed for the principal schemes. [7144]

Mr. Hague: The figures in table 5.5 of the "Financial Statement and Budget Report" show estimated capital spending by the private sector under the PFI. The £70 million estimated for 1997–98 includes one contract that has already been signed, for the OSIRIS IT project. This seven-year contract was signed in June 1996. Further information, including break clause and end-of-contract arrangements, is provided in a case study of the project published by the central IT unit and the Central Computer and Telecommunications Agency. I have arranged for a copy to be placed in the Library of the House.

The remainder of the £70 million is made up of projects for which contracts have not yet been signed.

National Museum of Wales

Mr. Morgan: To ask the Secretary of State for Wales what representations he has received concerning the use of heritage furniture donated to the National Museum of Wales in the house of the director; if he has authorised its use; what guidelines exist concerning the use of heritage furniture in private residences of senior museum employees; and if he will make a statement. [7148]

Mr. Hague: I have seen press reports on this matter. I understand that the national museum provides the director with furnished accommodation at the museum of Welsh life, for which he pays a commercially assessed rent. In addition to living there, the director uses the accommodation for office purposes, and for entertaining in association with his work.

Selection of individual items of furniture to be placed in the accommodation is a matter for the museum, in accordance with the terms of its agreement with the director. The Welsh dressers to which the press reports refer were purchased by the museum, rather than donated; I am advised that, if they had not been placed in the director's accommodation, they would have been held in store.

I am satisfied that these arrangements are entirely proper.

Millennium Exhibition

Mr. Morgan: To ask the Secretary of State for Wales what plans he has to attend further official luncheons for

the purpose of encouraging Welsh business to fund and participate in a Welsh pavilion at the millennium exhibition at Greenwich. [7143]

Mr. Hague: I have no immediate plans to do so, but will consider this as necessary in the next few months.

Bilingual Documents

Mr. Morgan: To ask the Secretary of State for Wales what arrangements he has made for the printing by The Stationery Office of his Department's requirements for bilingual public documents, forms and leaflets. [7146]

Mr. Hague: My Department has made no arrangements with The Stationery Office for the printing of bilingual public documents, forms and leaflets. All printing work is subject to normal public procurement procedures.

HEALTH

Community Health Services

Mr. Timms: To ask the Secretary of State for Health when he plans to introduce needs weighting for community health services in the NHS capitation formula; and if he will make a statement. [5069]

Mr. Horam: I refer the hon. Member to the reply my right hon. Friend the Secretary of State gave my hon. Friend the Member for Aylesbury (Mr. Lidington) on 28 November 1996, cols *368–70*.

Correspondence

Mr. Chris Smith: To ask the Secretary of State for Health who paid for *(a)* the envelopes and *(b)* the postage for his letter of 6 November to all Labour hon. Members. [5434]

Mr. Dorrell: *(a)* Conservative Central Office and *(b)* Conservative Central Office.

Malathion

Mr. Redmond: To ask the Secretary of State for Health if he will list the currently marketed *(a)* medicines and *(b)* other products that contain malathion. [5144]

Mr. Malone: The following medicinal products for human use have a current marketing authorisation but it is not known if they are currently marketed:

Product name	*Marketing authorisation number*
Clinimal (Malathion 0.35 per cent. w/w)	PL 00083/0035
Malathion Lotion containing malathion 0.5 per cent. w/v)	PL 00199/5002R
Derbac-M Liquid Prioderm Liquid	PL 11314/0046
Prioderm Cream Shampoo	PL 11314/0051
Prioderm Lotion	PL 11314/0052
Sulco-M Lotion	PL 11314/0055
Quellada-M Lotion	PL 14236/0004
Quellada-M Shampoo	PL 14236/0005

The only other products containing malathion of which the Department of Health is aware are the following pesticides which are approved for use. It is not known if they are currently marketed:

Product name	*Ministry of Agriculture Fisheries and Food number*	*Professional/ amateur use*
Duramitex	(02512)	Amateur
Malathion Greenfly Killer	(01247)	Amateur
Malathion 60	(08018)	Professional
Bio Crop Saver	(03969)	Amateur
Murphy Malathion Dust	(07880)	Amateur
Murphy Liquid Malathion	(07881)	Amateur
MTM Malathion 60	(05714)	Professional
Murphy Liquid Malathion	(03971)	Amateur
Murphy Malathion Dust	(03792)	Amateur
Ban Mite	(06039)	Professional
MTM Malathion 60	(07931)	Professional

Elective Surgery

Ms Jowell: To ask the Secretary of State for Health what assessment he has made of the extent to which waiting times for elective general surgery in the coming financial year in the Merton, Sutton and Wandsworth health authority accord with the patients charter. [5380]

Mr. Malone: Merton, Sutton and Wandsworth health authority has not yet finalised its purchasing plan for 1997–98 nor agreed any contracts with provides of surgical services. In common with every other health authority in the country, Merton, Sutton and Wandsworth will work with its providers to ensure that all patients are treated within the time limit set by the patient's charter.

Women

Ms Janet Anderson: To ask the Secretary of State for Health what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5483]

Mr. Horam: In July this year, the model guidance on policy appraisal for equal treatment was revised and circulated at Cabinet level for Departments to adapt to their own circumstances. Copies have been placed in the Library. This guidance requires officials to identify policy issues which might impact differentially on women and men, and other groups, to assess whether this is justified in policy terms, and to adjust the policy if it is not. Women are major users of health services and play an increasing role as managers and employees in the health and social services professions. Health policy and services need to be responsive to and reflect women's needs. Headline achievements in the Department of Health and the national health service have included:

- Making women's health a key health ministerial responsibility since 1986.
- Regular ministerial meetings with representatives of women's groups; a wide range of women's health organisations receive funding.
- Extensive gender-disaggregated statistics on health status and health-related behaviour are published by, or on behalf of, the Department of Health.
- Many of "The Health of the Nation" targets are relevant to women and several are set specifically for them.

The recent Government report "One Year On" outlines action taken by Government to benefit women since the World Conference on Women and also includes baseline statistics against which future progress may be measured.

Residential Care (Malpractice)

Mr. Callaghan: To ask the Secretary of State for Health if he will make a statement on the legal sanctions applicable in the event of cases of malpractice among residential carers [5850]

Mr. Burns: It is the responsibility of the employer, in the first instance, to take disciplinary or dismissal action as appropriate.

The general criminal law may be applied, for example in the case of assault against a person or theft of a person's property.

Under the Children and Young Persons Act 1933 it is an offence for any person caring for a child under the age of 16 wilfully to assault, ill-treat, neglect, abandon or expose the child in a manner likely to cause unnecessary suffering or injury to health. Similarly, it is an offence under the Mental Health Act 1983 to ill-treat or wilfully neglect a patient in a mental nursing home or a person who is under a guardianship order in residential accommodation.

Registration authorities responsible for regulating independent residential care homes, nursing homes and children's homes under the Registered Homes Act 1984 and the Children's Act 1989 have the power to cancel a home's registration, thereby revoking its licence to trade, if the authority considers malpractice by any of the staff to be sufficiently serious.

Fluoridation

Mr. Etherington: To ask the Secretary of State for Health (1) if he will list those water companies which add fluoride to the public water supply indicating for each the percentage of artificially fluoridated water they provide; [6201]

(2) when *(a)* he and *(b)* members of his Department last met with representatives of the (i) National Pure Water Association and (ii) British Fluoridation Society and what matters were discussed; [6205]

(3) if he will list the research *(a)* wholly and *(b)* partly funded by his Department since 1986 into the prevalence of dental decay between areas of non-artificial fluoridated water and artificially fluoridated public water supplies and its association with socio-economic, health and dietary factors; [6199]

(4) if he will list the total number of representations his Department has received in the last five years *(a)* opposing and *(b)* supporting the fluoridation of public water supplies. [6202]

(5) if he will list the research projects *(a)* wholly and *(b)* partly funded currently by his Department since 1986 into the safety and efficacy of artificially fluoridated public water supplies; [6204]

(5) if he will list the European Union countries which currently have artificially fluoridated public water supplies, indicating the percentage of the population covered. [6200]

Mr. Malone: United Kingdom water companies supplying artificially fluoridated water supplies to various localities within their catchment include:

Anglian Water
Northumbrian Water
North West Water
Severn Trent Water
South Staffordshire Water
Thames Water

Data on the percentage of fluoridated water supplied are not collected centrally.

On 20 November 1996, the Minister of Health met representatives of the North West Councils Against Fluoridation, whose delegation included members of the National Pure Water Association. The meeting concerned the Government's water fluoridation policy. A similar meeting with Department of Health officials was held last June. Department of Health officials meet the British Fluoridation Society two or three times a year to discuss water fluoridation. The last meeting was in March this year.

The Department has not funded research either wholly or partly into water fluoridation. Water fluoridation at 1 mg per litre is considered, on the scientific evidence currently available, to be safe for humans, and is an effective way of improving oral health. The Department of Health will continue to monitor information relevant to the safety and efficacy of fluoridation of drinking water.

Information on representation for and against fluoridation made to the Government is not available.

The European Union countries currently artificially fluoridating the public water supplies are the United Kingdom covering 10 per cent. of the population, the Republic of Ireland covering 73 per cent. of the population and Spain 10 per cent. of the population.

Sugar

Mr. Gailbraith: To ask the Secretary of State for Health what plans he has to restrict the levels of sugar in soft drinks and sweets. [6394]

Mr. Horam: None.

Assisted Conception Treatment

Mr. Thurnham: To ask the Secretary of State for Health what are his Department's targets for waiting lists for couples awaiting assisted conception treatment. [6427]

Mr. Horam: There are no specific national waiting time targets for assisted conception.

Pharmaceuticals

Mr. Chidgey: To ask the Secretary of State for Health when his Department concluded the negotiations on the 1993 annual financial returns; what excess profits have been repaid by rebate or price reduction; and by how many pharmaceutical companies in respect of their 1993 sales. [6419]

Mr. Malone: I refer the hon. Member to the reply I gave him on 14 October, column *763*.

GP Fundholders

Mr. Kevin Hughes: To ask the Secretary of State for Health what estimate he has made of the amount spent on purchasing health care from the private sector by general practitioner fundholders in each year since 1991–92. [6601]

Mr. Malone: The information is shown in the table. The proportion of funds spent by fundholding general practitioners on private health care has been broadly comparable to the proportion spent by health authorities.

Year	*Expenditure on private healthcare (£ million)*	*Percentage of GP fundholder budgets (HCHS)*
1991–92	3.7	0.9
1992–93	13.1	1.6
1993–94	29.9	1.6
1994–95	52.5	1.9

East Norfolk Health Authority

Sir Ralph Howell: To ask the Secretary of State for Health what factors underlay the savings required of £1.4 million by the East Norfolk health authority in respect of Norwich community health council. [6762]

Mr. Horam: The East Norfolk health authority has recently published its draft investment plan which includes information on the assumptions underlying its proposed strategy. The hon. Member may wish to contact Mr. John Alston CBE DL, chairman of the East Norfolk health authority for further details.

Community Hospitals

Sir Ralph Howell: To ask the Secretary of State for Health if he will make a statement on his policy in respect of the need for community hospitals; and if he will make a statement on the future of Kelling hospital, north Norfolk. [6739]

Mr. Horam: Community and other small hospitals continue to have an important role in today's modern national health service. However, there is no national blueprint setting out the way in which services should be provided. Each health authority must decide the best configuration of services based on their own individual circumstances.

Disability Discrimination Act 1995

Mr. Simon Coombs: To ask the Secretary of State for Health what plans he has to assist the NHS as a service provider in implementing the provisions of the Disability Discrimination Act 1995 which come into force on 2 December. [7399]

Mr. Burns: Many national health service hospitals and community trusts already meet some if not most of the provisions of the Act. We issued an executive letter—EL(96)70, copies of which have been placed in the Library—alerting the NHS to the implications of the Act. The NHS executive will be holding two conferences early in 1997 for chief executives of trusts and their staff responsible for nursing and quality to identify the special needs that disabled people in hospital may have, to discuss how these may more effectively be met, and to develop strategies for raising awareness and facilitating a more understanding and positive attitude to disability. These conferences are being organised in consultation with disabled people and their organisations and will be opened by my hon. Friend the Minister for Social Security and Disabled People. The conferences will be followed up with the issue of good practice guidance.

Cystic Fibrosis

Mr. Tony Lloyd: To ask the Secretary of State for Health what assessment he has made of the benefits of early diagnosis of cystic fibrosis; and if he will make a statement. [6083]

Mr. Horam: Cystic fibrosis is one of many conditions which will be examined by the national screening committee to determine whether a national screening programme is appropriate and, if so, what level of priority that should have.

Mr. Lloyd: To ask the Secretary of State for Health (1) if he will make it policy for all new-born babies to be tested for cystic fibrosis; [6084]

(2) if he will estimate the additional cost to the NHS of introducing routine testing for cystic fibrosis in all new-born babies. [6085]

Mr. Horam: Cystic fibrosis is one of several inherited diseases which have been identified as potential extensions to the existing antenatal and neonatal screening programmes. The national health service executive research and development health technology assessment programme has already commissioned a systematic review of cystic fibrosis screening. The review will examine both genetic screening, which can identify couples at risk of an affected birth, and new-born screening, which aims to advance the clinical diagnosis in order to improve prognosis. The screening effectiveness, cost and acceptability to parents will be considered as part of the review.

The review is due to be completed during 1997, after which a report will be presented to the national screening committee, which is chaired by the chief medical officer. Evidence from these reports, and evidence from any other robust research, will be considered by the committee before making any recommendations to the NHS executive board and Ministers about changes to the existing antenatal and neonatal screening programmes.

Creutzfeldt-Jakob Disease

Mr. Flynn: To ask the Secretary of State for Health what is his most recent estimate of the number of deaths that are likely to occur over the next 20 years as a result of CJD. [6832]

Mr. Horam: The annual incidence of deaths from Creutzfeldt-Jakob disease in the United Kingdom continues to be in line with the worldwide average of about one case per million of the population.

NHS Trusts (Disabled Staff)

Mr. Jon Owen Jones: To ask the Secretary of State for Health if he will publish the most recent figures for the total number of registered disabled employees in the

NHS trusts system, as a percentage of the total number of NHS trust employees; and if he will list the figures for *(a)* 1992, *(b)* 1993, *(c)* 1994 and *(d)* 1995. [7000]

Mr. Malone: The figures showing the percentage of registered disabled persons employed by each trust in England and Wales are published annually in the "Employment Gazette/Labour Market Trends." Copies are available in the Library.

Food Poisoning

Mr. Salmond: To ask the Secretary of State for Health what was the incidence of *(a)* E. coli 0157 and *(b)* campylobacter in England in each year since 1990 and from 1 January to date. [7208]

Mr. Horam: The information requested is provided in the following table and is for England and Wales.

E. coli 0157 and Campylobacter laboratory confirmed isolations from Humans

Year	E. coli 0157	Campylobacter
1990	250	34,552
1991	361	32,636
1992	470	38,552
1993	385	39,422
1994	411	[1]44,414
1995	[2]792	[1]43,902
1996	[1]530	[1]36,730

Source:
PHLS.
Notes:
[1] Provisional.
[2] Before 1995 laboratories examined bloody diarrhoeal stools for E. coli 0157, since 1995 they have examined all diarrhoeal stools.
[3] Up to end of October 1996 (comparable figures for 1995: 688 for E. coli 0157 and 37,975 for Campylobacter.

SCOTLAND

Road Building

Mr. Donohoe: to ask the Secretary of State for Scotland if he will list the projects currently on the Scottish Office's road building programme, the estimated cost of each of the projects and the estimated time scales for starting and completing these projects. [6357]

Lord James Douglas-Hamilton: My right hon. Friend will make an announcement on these matters in the near future.

Mr. Donohoe: To ask the Secretary of State for Scotland if he will list the amount his Department has spent on road building in each of the last five financial years, the projects which were undertaken and the cost of each project; and say what is the planned expenditure by his Department on road building in each of the next five financial years. [6358]

Lord James Douglas-Hamilton: The Secretary of State's total expenditure incurred on road building covers expenditure on motorways and trunk roads and expenditure on local roads. Table 1 shows the amount spent on roads from 1991–92 to 1995–96.

Table 1: Amount spent on road building 1991–92 to 1995–96

£ million

Year	Motorways and trunk roads	Local roads	Total roads
1991–92	143	142	285
1992–93	162	154	316
1993–94	176	162	338
1994–95	172	148	320
1995–96	146	[1]149	[1]295

[1] Estimated outturn.

The motorways and trunk roads projects that were completed by the Scottish Office national roads directorate from 1991–92 to 1995–96 are shown in table 2.

Table 2: Motorways and trunk roads completed 1991–92 to 1995–96

Scheme completed	Cost £ million
1991–92	
A87 Dornie Bypass (B)	8.76
A9 Dornoch Firth Bridge	15.26
A77 Bennane Hill Bypass (B)	3.40
A82 Luss Bypass (B)	12.74
A75 Carrutherstown-Hetland (B)	4.63
M74 Millbank-Nether Abington	42.09
A7 Dalkeith Bypass (B)	12.07
A76 Cumnock/Auchinleck Bypass (B)	12.09
M74 Maryville (Advance Works)	10.04
Total	121.08
1992–93	
M80 Stepps Bypass	21.54
M74 Gretna-Kirkpatrick Fleming	43.51
A1 Tower-Dunglass	12.89
A96 Nairn Railway Bridge	1.95
M74 Elvanfoot-Paddy's Rickle Bridge	24.94
A9 Greenloaning—Blackford	10.20
Total	115.03
1993–94	
M8 St. James Interchange	16.77
A92 Bankhead Interchange	4.67
A929 Tarbrax—Forfar	12.61
M74 Nether Abington—Elvanfoot	39.68
A96 Bucksburn Diversion	7.00
A1 (T) Marshall Meadows Improvement Extension	2.49
A9 Broomhill—Logie Easter	6.74
A94 Brechin Bypass (Dualling)	11.64
Total	101.60
1994–95	
M74 Maryville—West of Fullarton Rd	37.19
M74 Muirhouse—Water of Milk	33.17
M74 Dinwoodie Green—Muirhouse	18.17
M74 Water of Milk—Ecclefechan	24.29
M74 Eaglesfield—Kirkpatrick Fleming	31.96
A830 Morar Bypass	8.47
M74 Cleuchbrae—Dinwoodie Green	23.65
M74 Ecclefechan—Eaglesfield Ph 1	14.46
Total	191.36
1995–96	
M8 Newbridge—Edinburgh	56.88
A87 Skye Bridge Approach Roads	14.87
A96 Lhanbryde Bypass	4.51
M74 Eaglesfield—Ecclefechan Ph 2	16.25
Total	92.51

With regard to planned expenditure for the next five years, my right hon. Friend will make an announcement on the roads programme for the next three years after he has set out his new expenditure plans for the Scottish Office. The latter announcement is expected in December.

Dental Services

Mr. Donohoe: To ask the Secretary of State for Scotland if he will list for each year quarter since October 1990 *(a)* the number of people deregistered with dentists as NHS patients and the number of dentists involved in these deregistrations for each health board in Scotland and *(b)* the total number of people deregistered as NHS patients with dentists. [6422]

Lord James Douglas-Hamilton: Quarterly information is not available. Information supplied by health boards on deregistrations for financial years is contained in the table. Deregistered patients may subsequently register with another dentist.

The total number of patients registered in 1995–96 was 52 per cent. higher than in 1990–91.

	October 1990–March 1991		*April 1991–March 1992*		*April 1992–March 1993*	
Health board	*Number of patients de-registered*	*Number of dentists[1] involved*	*Number of patients de-registered*	*Number of dentists[1] involved*	*Number of patients de-registered*	*Number of dentists[1] involved*
Argyll and Clyde	3	1	25	2	2,241	14
Ayrshire and Arran	—	—	14	10	1,309	11
Borders	1	1	11	4	1,432	4
Dumfries and Galloway	—	—	11	2	4,518	10
Fife	1	1	—	—	295	32
Forth Valley	—	—	42	12	201	23
Grampian	—	—	9	5	257	21
Greater Glasgow	7	5	41	36	579	45
Highland	4	3	19	12	210	24
Lanarkshire	4	4	70	10	252	29
Lothian	18	2	101	21	483	23
Orkney	—	—	—	—	—	—
Shetland	—	—	—	—	—	—
Tayside	n/a	n/a	n/a	n/a	206[3]	29[3]
Western Isles	—	—	—	—	37	4
Scotland	38	—	343	—	12,020	—

	April 1993–March 1994		*April 1994–March 1995*		*April 1995–March 1996*	
Health board	*Number of patients de-registered*	*Number of dentists[1] involved*	*Number of patients de-registered*	*Number of dentists[2] involved*	*Number of patients de-registered*	*Number of dentists[2] involved*
Argyll and Clyde	42	7	—	5	109	6
Ayrshire and Arran	400	13	91	13	18	13
Borders	683	4	41	4	—	4
Dumfries and Galloway	1,388	10	901	12	231	18
Fife	417	21	510	26	335	26
Forth Valley	63	18	210	n/a	105	4
Grampian	179	18	361	9	2,594	9
Greater Glasgow	339	49	1,070	87	249	89
Highland	73	24	78	33	1,113	37
Lanarkshire	145	25	83	72	445	86
Lothian	1,625	17	1,319	20	954	20
Orkney	—	—	—	—	—	—
Shetland	—	—	—	—	—	—
Tayside	57	11	641	49	803	67
Western Isles	16	4	—	4	—	4
Scotland	5,427	—	5,305	—	6,956	—

n/a—not available.
[1] Number of dentists involved in de-registration in that year.
[2] For 1994–95 and 1995–96 the figures show the running total of dentists involved in de-registration from July 1992 to March 1996.
[3] From July 1992.
[4] Revised Health Board figures.

Mr. Donohoe: To ask the Secretary of State for Scotland on what basis dentists can deregister an NHS patient; and what recourse is open to patients. [6420]

Lord James Douglas-Hamilton: General dental practitioners are independent contractors who are free to choose whether to provide NHS treatment to individual patients. Dentists may decide to deregister patients for a variety of reasons including debts owed by the patient, where the dentist leaves the practice or when a dentist chooses to stop offering NHS treatment. Regulations lay down that a dentist who wishes to end a patient's registration prematurely without his/her agreement must give three months' written notice and complete any outstanding treatment before the patient may be deregistered. A dentist may end a registration at less than three months' notice only with the agreement of the health board. Health boards will help patients who have been deregistered to find an alternative dentist willing to accept them under NHS arrangements.

Mr. Donohoe: To ask the Secretary of State for Scotland what representations his Department has received about the impact of the revised NHS scale of payments of dentists on NHS dentistry; and what evaluation he has made of the impact of the new payments scales on the scale of private sector dentistry. [6421]

Lord James Douglas-Hamilton: None. The package of reforms to the general dental services remuneration

system reflected in the change to the NHS scale of payments introduced from 1 September 1996 is designed to improve patient services, provide stability and security for the dental profession and create a firm foundation for future work.

Mr. Donohoe: To ask the Secretary of State for Scotland if he will list for each health board area in Scotland for each of the last six financial years *(a)* how much revenue has been raised in NHS charges for dental treatment, *(b)* the average charge for dental treatment levied on NHS patients and *(c)* how many people were registered with dentists as NHS patients. [6423]

Lord James Douglas-Hamilton: The information requested is contained in the tables.

Table 1: Revenue from general dental services[1]

Health boards	*1990–91* £	*1991–92* £	*1992–93* £	*1993–94* £	*1994–95* £	*1995–96*[2] £
Argyll and Clyde	2,995,388	3,475,778	3,135,383	3,000,141	3,346,415	3,357,031
Ayrshire and Arran	2,632,018	3,050,538	2,596,019	2,479,686	2,604,574	2,631,284
Borders	778,403	947,922	936,308	970,793	1,074,052	1,098,292
Dumfries and Galloway	1,051,112	1,229,482	1,101,396	1,013,886	1,051,022	995,736
Fife	2,361,178	3,582,029	2,619,789	2,710,613	2,698,084	2,993,009
Forth Valley	1,938,517	2,255,214	2,245,976	2,284,620	2,487,376	2,427,843
Grampian	3,372,338	3,928,074	4,632,843	4,634,247	4,870,395	3,692,675
Greater Glasgow	6,315,947	7,181,189	6,677,092	6,698,371	6,962,943	7,080,520
Highland	1,430,779	2,365,987	1,736,604	1,588,872	1,423,879	1,411,950
Lanarkshire	3,319,722	3,817,127	3,492,722	3,551,118	3,891,645	3,785,757
Lothian	6,269,075	7,180,003	6,654,312	7,200,628	7,315,869	7,622,652
Orkney	80,729	100,493	111,469	115,103	133,607	135,024
Shetland	61,932	101,864	142,621	176,845	173,103	175,619
Tayside	3,313,446	3,718,126	3,637,377	3,904,751	4,068,181	4,060,688
Western Isles	93,695	139,792	134,333	118,060	165,394	172,688
Scotland	36,013,679	43,075,618	39,854,244	40,447,734	42,266,539	42,640,768

[1] Charges paid by patients in contribution towards the cost of general dental services are offset against total Government spending on this service.
[2] The figures for 1995–96 are provisional.

Mr. Donohoe: To ask the Secretary of State for Scotland, how many people were registered with dentists as NHS patients in Scotland for each of the last six financial years; and what assessment his Department has made of trends in the number of patients registered. [6424]

Lord James Douglas-Hamilton: The information requested is contained in the tables.

Patients registered with General Dental Practitioners in Scotland at 31 March

Financial year	*Number*
1990–91	1,710,947
1991–92	2,502,684
1992–93	2,548,095
1993–94	2,514,816
1994–95	2,496,098
1995–96	2,605,233

Table 2: Average amount paid in charges by dental patients—Scotland[1]

Health board	*1990–91*[2] £	*1991–92* £	*1992–93* £	*1993–94* £	*1994–95* £	*1995–96* £
Scotland	23.60	24.34	23.33	23.12	24.21	24.20
Argyll and Clyde	25.00	25.06	24.33	24.11	25.67	25.77
Ayrshire and Arran	23.30	24.04	22.09	22.18	23.79	23.75
Borders	17.30	17.55	18.24	18.25	18.82	18.92
Dumfries and Galloway	21.50	22.49	21.25	21.62	21.87	21.71
Fife	22.30	22.99	22.21	22.02	23.68	23.40
Forth Valley	24.50	24.96	23.75	23.19	24.63	24.23
Grampian	21.50	22.22	21.71	21.19	21.77	21.65
Greater Glasgow	26.90	27.80	26.60	26.50	27.59	27.69
Highland	26.60	26.87	25.04	23.78	25.08	25.04
Lanarkshire	25.50	26.83	25.13	24.48	25.96	26.31
Lothian	23.10	23.68	22.83	22.69	23.48	23.81
Orkney	15.00	16.42	17.42	18.34	20.56	17.66
Shetland	19.10	19.66	22.35	26.89	25.86	23.04
Tayside	22.50	22.98	22.13	22.44	23.53	23.24
Western Isles	21.50	27.51	26.48	24.31	27.35	26.68

[1] Total amount paid by patients divided by the total number of courses of treatment for patients who paid a charge.
[2] The figures for 1990–91 are rounded to nearest 10p.

Table 3: Number of patient registrations

Health board	*1990–91*[1]	*1991–92*	*1992–93*	*1993–94*	*1994–95*	*1995–96*
						Financial year
Scotland	1,710,947	2,502,684	2,548,095	2,514,816	2,496,098	2,605,233
Argyll and Clyde	146,481	213,990	212,219	207,647	205,642	215,682
Ayrshire and Arran	170,743	221,072	200,998	198,376	193,114	200,210
Borders	38,118	52,771	53,897	53,238	55,105	59,928
Dumfries and Galloway	50,535	74,290	71,220	68,292	66,413	67,677
Fife	116,263	167,285	171,475	170,690	170,247	179,698
Forth Valley	84,505	129,146	133,441	131,571	132,150	138,774
Grampian	175,734	246,479	259,362	260,173	256,628	268,019
Greater Glasgow	296,476	458,557	474,592	464,351	460,515	477,183
Highland	69,124	102,894	99,161	92,670	88,370	91,717
Lanarkshire	150,452	233,418	242,743	240,001	241,947	249,745
Lothian	252,816	374,659	389,764	385,702	386,419	403,134
Orkney	3,535	5,525	7,267	7,961	5,547	6,326
Shetland	4,710	7,034	7,004	7,823	7,907	7,913
Tayside	146,881	207,270	216,441	217,565	217,007	228,584
Western Isles	4,574	8,294	8,511	8,756	9,087	10,643

[1] Registration of patients with a dentist was introduced in October 1990.

Legal System (Waiting Times)

Mr. Davidson: To ask the Secretary of State for Scotland what statistics his Department collates on the interval between a report on an accused person being received by the procurator fiscal and the accused person's first appearance in court; and if he will provide the statistics for the year 1993–94, 1994–95 and 1995–96. [6554]

Lord James Douglas-Hamilton: I am informed by my noble and learned Friend the Lord Advocate that the Crown Office records the average time between (1) receipt of a report and service of a complaint and (2) service of a complaint and the pleading diet. These records do not relate to solemn proceedings, custody cases or cases where the accused was released on an undertaking. The figures for 1993 to 1996 are as follows:

	Average number of weeks between receipt of report and service of complaint		*Average number of weeks between service of complaint and pleading diet*	
	Offices	*Number*	*Offices*	*Number*
1993–94	Regional	8	All	4
	Other	4		
1994–95	Regional	6.5	All	4
	Other	5		
1995–96	All	5	All	4

Mr. Davidson: To ask the Secretary of State for Scotland what statistics his Department collates on the interval between the pleading diet and the trial diet in the sheriff court; and if he will provide the statistics for the years 1993–94, 1994–95 and 1995–96. [6553]

Lord James Douglas-Hamilton: The subject of the question relates to matters undertaken by the Scottish Court Service. I have asked its chief executive, Mr. M. Ewart, to arrange for a reply to be given.

Letter from Michael Ewart to Mr. Ian Davidson, dated 2 December 1996:

Lord James Douglas-Hamilton has asked me to reply to your Parliamentary Question about the interval between the pleading diet and the trial diet in the Sheriff Court.

Average figures for the waiting period between pleading and trial diet for summary criminal cases in each of the Sheriff Courts for each of the years 1993–94, 1994–95 and 1995–96 are shown in the attached table below.

The figures for 1995–96 were published in the Scottish Court Service Annual Report and Accounts which was placed in the House of Commons Library earlier this year. I am also enclosing a copy with this letter. We will be including similar statistics in our Annual Report and Accounts in the future.

I hope that this is helpful.

Period between pleading diet and trial diet

	Summary Criminal (weeks)—Average		
	1993–94	*1994–95*	*1995–96*
Aberdeen	14	14	12
Airdrie	15	15	12
Alloa	9	10	11
Arbroath	11	13	13
Ayr	12	11	13
Banff	13	8	9
Campbeltown	9	10	11
Cupar	12	11	11
Dingwall	12	11	10
Dornoch	9	11	10
Dumbarton	10	11	10
Dumfries	11	12	11
Dundee	15	16	12
Dunfermline	13	12	12
Dunoon	9	13	11
Duns	10	9	11
Edinburgh	10	11	13
Elgin	9	10	11
Falkirk	15	12	12
Forfar	10	9	8
Fort William	15	13	16
Glasgow	23	26	28
Greenock	10	14	12
Haddington	14	13	10
Hamilton	14	16	19
Inverness	11	12	12
Jedburgh	11	10	12
Kilmarnock	11	11	11
Kirkcaldy	12	11	10
Kirkcudbright	11	11	10
Kirkwall	8	9	9
Lanark	11	12	13
Lerwick	7	8	8
Linlithgow	18	22	30
Lochmaddy	12	7	10
Oban	12	12	10
Paisley	14	15	13
Peebles	11	11	12
Perth	9	13	14
Peterhead	16	14	14

Period between pleading diet and trial diet

Summary Criminal (weeks)—Average

	1993–94	1994–95	1995–96
Portree	8	9	8
Rothesay	9	10	9
Selkirk	9	11	11
Stirling	12	12	13
Stonehaven	10	11	11
Stornoway	12	11	10
Stranraer	10	11	10
Tain	11	10	11
Wick	11	12	11

Directly Employed Solicitors

Mr. Stewart: To ask the Secretary of State for Scotland (1) what estimate he has made of the non-wage costs of employing extra staff to implement part V of the Crime and Punishment (Scotland) Bill; [6889]

(2) what estimate he has made of the average salary to be paid to the extra members of staff to be recruited if part V of the Crime and Punishment (Scotland) Bill becomes law. [6892]

Lord James Douglas-Hamilton: It is anticipated that the annual non-wage cost of employing directly employed solicitors will be £260,000. The estimated average salary of the additional staff is £17,500, representing six legally qualified and 14 non-qualified staff salaries.

Annual non-wage costs for power of investigation and registration measures are expected to amount to £43,000. It is anticipated that the average salary costs of the extra staff will be £26,500, for eight staff at various grades.

Pesca Projects

Mrs. Ray Michie: To ask the Secretary of State for Scotland (1) if he will list the current Pesca projects in Scotland approved for European funding; by *(a)* region and *(b)* of expenditure; [6838]

(2) if he will list the Pesca projects that have been approved in principle but which have not been allocated any funding by Government; and if he will make a statement; [6839]

(3) what was the total Pesca funding for each local authority in Scotland for each year since 1994. [6840]

Mr. Kynoch: Pesca is delivered in eligible areas in Scotland through local Pesca groups, LPGs. The Scottish Office has approved a business plan for each LPG detailing the budget and criteria for selecting individual projects at local level. Each LPG has began to implement its business plan and approve projects. Detailed lists of projects will be provided in annual reports from the LPGs for collation by the Scottish Office and transmission to the European Commission in June 1997.

The table lists the LPGs, each group's allocation and the lead organisation and telephone number.

PESCA (UK programme) Objective 1 sub-programme

Local PESCA group	*Allocation in MECU (1995–1999)*	*Approximate value in £s*	*Lead organisation and telephone number*
1. Argyll	0.676	528,122	Argyll and the Islands Enterprise—01546 602281
2. Caithness and Sutherland	0.860	671,655	Caithness and Sutherland Enterprise—01847 896115
3. Lochaber	0.189	147,655	Lochaber Ltd.—01397 704326
4. Orkney	0.286	223,436	Orkney Enterprise—01856 874638
5. Wester Ross	0.218	170,312	Ross and Cromarty Enterprise—01349 853666
6. Shetland	0.442	345,311	Shetland Enterprise—01595 693177
7. Skye and Lochalsh	0.297	232,030	Skye and Lochalsh Enterpise—01478 612841
8. Western Isles	0.608	474,998	Western Isles Enterprise—01851 703703
Total	3.576	2,793,736	
Regional projets	0.387	302,342	Highlands and Island Enterprise—01463 234171
Management	0.398	310,936	Highlands and Island Enterprise—01463 234171
Total	4.361	3,407,014	

Non-objective 1 sub-programme

Local PESCA group	*Allocation in MECU (1995–1999)*	*Allocation in sterling (1995–1999)*	*Lead organisation and telephone number*
1. Grampian	8.149	6,366,374	Aberdeenshire Council—01224 682222
2. Tayside/Fife	1.34	1,046,870	Fife Council—01592 414141
3. South-west Scotland	1.34	1,046,870	Dumfries and Galloway Council—01387 260070
4. Borders	1.34	1,046,870	Scottish Borders Council—01835 824000
Total	12.169	9,506,983	

Farm Payments

Mr. Maclennan: To ask the Secretary of State for Scotland which regulations affect the eligibility of farming enterprises currently determining their separate business status to receive payments of sheep annual premium, suckler cow premium, hill livestock compensatory allowances and arable aid payments; and if he will make a statement. [7214]

Mr. Raymond S. Robertson: Separate regulations govern each of the individual aid schemes listed. In addition, over-arching rules on business eligibility are laid down in the Council and Commission Regulations 3508/92 and 3887/92, as amended, respectively establishing an integrated administration and control system for community aid schemes. Elaboration of these rules is contained in the annual IACS booklet provided to potential claimants.

Mr. Maclennan: To ask the Secretary of State for Scotland what steps he is taking to effect payment of 1996 sheep annual premium, suckler cow premium, hill

livestock compensatory allowances and arable aid payments to farming enterprises currently determining their separate business status; and if he will make a statement. [7215]

Mr. Robertson: Payments under the schemes to eligible businesses will be made in the normal way. In cases where the status of the business is in dispute and where the special review arrangements, which we have established, have been invoked, letters are being sent to the farmers concerned inviting them to agree that the related businesses should be treated as one, on a provisional basis, to facilitate payment and to avoid potential hardship.

Ravenspark Hospital

Mr. Donohoe: To ask the Secretary of State for Scotland to which body the capital receipt from the sale of Ravenspark hospital in Irvine will accrue; what is the estimated sale value of the site; and what progress has been made in disposing of the site. [7024]

Lord James Douglas-Hamilton: Health board capital receipts from the sale of land and buildings are normally remitted to the management executive and are used to offset the capital programme for the whole of the NHS in Scotland. Cases can be submitted by health boards to retain capital receipts. Each case is judged on its own merits.

The value of the land at Ravenspark hospital in Irvine is dependent on planning permission. Progress will be made in disposing of the site by Ayrshire and Arran health board once a final decision about planning permission has been reached.

Mr. Donohoe: To ask the Secretary of State for Scotland when he expects to make an announcement in respect of the closure of Ravenspark hospital in Irvine. [7044]

Lord James Douglas-Hamilton: My right hon. Friend has not received an application to approve the closure of Ravenspark hospital from Ayrshire and Arran health board.

Cattle Tracing

Mr. Welsh: To ask the Secretary of State for Scotland on what date his Department was informed of the proposal from Aberdeen and Northern Marts for a computerised tracing system for Scottish cattle; what assessment he has made of this scheme; and if he will make a statement. [7190]

Mr. Raymond S. Robertson: Aberdeen and Northern Marts' feasibility study on a voluntary computerised tracing system for Scottish cattle was received around November 1994. Circumstances have changed dramatically since then and the Government and the farming industry ascribe considerable importance to the early introduction of a mandatory national system. Similar views are held by the European Commission. The Government have commissioned their own feasibility study and industry will be consulted shortly on proposals to introduce such a scheme.

School Boards

Mr. Donohoe: To ask the Secretary of State for Scotland if he will indicate for the former regional and island council areas in Scotland for *(a)* 1992–92, *(b)* 1993–94 and *(c)* 1995–96 the total number of (i) primary and (ii) secondary schools, indicating how many have school boards. [6486]

Mr. Raymond S. Robertson *[holding answer 28 November 1996]:* The information held centrally is given in the table. It is taken from statistical returns by education authorities to the Scottish Office on the results of biennial elections in 1991–92 and 1993–94. Information on numbers of schools with school boards following the 1995–96 round of biennial elections is currently being processed for publication.

Education authority primary and secondary schools

	May 1992				May 1994			
	Primary[1]		Secondary		Primary[1]		Secondary	
	Total[2]	With board	Total[2]	With board	Total[2]	With board	Total[2]	With board
Scotland	2,339	1,789	410	389	2,329	1,723	406	376
Borders	76	52	9	9	72	45	9	9
Central	116	90	19	16	116	86	18	17
Dumfries and Galloway	116	83	16	16	116	86	16	16
Fife	145	95	19	17	145	99	19	16
Grampian	274	183	38	31	274	175	38	33
Highland	197	143	27	25	199	140	26	23
Lothian	240	163	48	47	240	154	46	43
Strathclyde	884	773	171	169	883	741	171	160
Tayside	188	125	32	31	187	119	32	30
Orkney	23	19	6	6	24	17	5	6
Shetland	35	29	9	9	29	28	9	9
Western Isles	45	34	16	13	44	33	16	14
Strathclyde divisions:								
Argyll and Bute	76	66	9	9	74	65	9	9
Ayr	148	133	30	30	150	132	29	26
Dunbarton	117	104	24	23	116	99	24	22
Glasgow	228	186	42	42	228	161	43	38
Lanark	208	183	37	36	208	179	37	36
Renfrew	107	101	29	29	107	105	29	29

[1] Includes primary departments of secondary schools.
[2] Eligible schools.

Adrossan, Saltcoats and Stevenston Bypass

Mr. Donohoe: To ask the Secretary of State for Scotland when he expects work to start on the Ardrossan, Saltcoats and Stevenston bypass. [6408]

Lord James Douglas-Hamilton *[holding answer 29 November 1996]:* Progress on the project will depend on public reaction to the draft statutory orders recently published and a draft compulsory purchase order which is being prepared for publication next year, and thereafter on the relative priority of the scheme against completing demands for available resources.

Cattle Slaughter

Mr. Welsh: To ask the Secretary of State for Scotland what estimate he has made of the number of cattle in Scotland which *(a)* would be targeted for selective slaughter *(b)* would have qualified for selective slaughter and were slaughtered under the 30-month scheme; and if he will make a statement. [7193]

Mr. Raymond S. Robertson: In May this year, the Central Veterinary Laboratory estimated that a selective cull might involve a maximum of some 127,000 cohort animals present on farms in Great Britain, of which some 4,300 might be in Scotland. The CVL has not calculated the overall effect of the over 30-month scheme, but it is reasonable to assume that a significant proportion of the cull animals have already been slaughtered.

Mr. Welsh: To ask the Secretary of State for Scotland how many cattle have been slaughtered in Scotland as part of the Government's culling programme; and if he will make a statement. [7192]

Mr. Robertson: To 29 November 1996 some 144,200 cattle have been processed in Scotland through the over-30-month scheme. The operation of the scheme in Scotland has been greatly assisted by a high level of co-operation across all sectors of the industry.

Legal Services Ombudsman

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland how many reports were issued by the Scottish legal services ombudsman during *(a)* 1994, *(b)* 1995 and *(c)* 1996; how many of these were issued (i) within two months of, (ii) more than two months and less than four months after, (iii) more than four months and less than six months after and (iv) more than six months after his receipt of the relevant file from the Law Society of Scotland. [6493]

Lord James Douglas-Hamilton *[holding answer 29 November 1996]:* The information requested is as follows:

	[1]*1994*	[2]*1995*	[3]*1996*
Number of reports issued	105	116	[4]99

[1] In 1994, 89 reports were issued within two months, 15 in 2–4 months, and one in 4–6 months.
[2] In 1995, 18 reports were issued within two months, 97 in 2–4 months and one in 4–6 months.
[3] In 1996, 14 reports were issued within two months, 36 in 2–4 months, 44 in 4–6 months and 5 in over 6 months.
[4] To 26 November.

Methylated Spirits

Mr. Donohoe: To ask the Secretary of State for Scotland if he will make it his policy not to proceed with the deregulation order in relation to the Methylated Spirits (Sale By Retail) (Scotland) Act 1937. [6363]

Lord James Douglas-Hamilton *[holding answer 28 November 1996]:* The consultation process is still under way. Responses will be assessed carefully before any final decision is taken.

Mr. Donohoe: To ask the Secretary of State for Scotland what representations his Department has received relating to the proposed deregulation order on the Methylated Spirits (Sale By Retail) (Scotland) Act 1937; and when the Department will bring forward its proposals. [6389]

Lord James Douglas-Hamilton *[holding answer 28 November 1996]:* A number of responses have been received to date from those consulted on the proposed Deregulation Order. The vast majority favour some relaxation of the present restrictions. Comments will now be assessed carefully before we announce our final proposals.

Written Answers to Questions

Tuesday 3 December 1996

FOREIGN AND COMMONWEALTH AFFAIRS

Northern Ireland Newspapers

Mr. John D. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs which weekly newspapers from Northern Ireland he *(a)* receives each week and *(b)* has cancelled delivery of this year. [7108]

Dr. Liam Fox: None.

MEPs (Pensions and Allowances)

Mr. Jacques Arnold: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the allowances and the pension arrangements currently available to British Members of the European Parliament. [7111]

Mr. David Davis *[holding answer 2 December 1996]:* Members of the European Parliament may claim expenses that they incur in performance of their parliamentary duties as follows: general office costs; travel within their member state and to official meetings or conferences; subsistence costs while attending official meetings; and costs of employing secretaries or assistants.

Pension arrangements for United Kingdom Members of the European Parliament are analogous to those for Members of the House of Commons. They are financed by the Exchequer and by contributions from individual MEPs at a rate of 6 per cent. of basic salary. MEPs may also subscribe to the European Parliament's additional voluntary pension scheme. Two thirds of payments to the scheme come from the EP budget, one third from participating MEPs.

Venezuela

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs when he next plans to visit Venezuela. [7308]

Sir Nicholas Bonsor: My right hon. and learned Friend the Foreign Secretary has no plans to visit Venezuela in the immediate future.

I visited in May this year and met several Venezuelan Ministers, including the President.

DEFENCE

State Opening of Parliament

Mr. Flynn: To ask the Secretary of State for Defence, pursuant to his answer of 19 November, *Official Report*, column *504*, what were the numbers and ranks of all service personnel who took part in the state opening of Parliament; what is their *(a)* individual daily pay rate and *(b)* total daily pay rates; and how many days each group was involved in preparation and de-briefing for the event. [5854]

Mr. Soames: The numbers and ranks of the military personnel who took part in the state opening of Parliament together with the individual average daily pay rates of the participating ranks and the total daily pay rates, are as follows:

Rank	*Numbers (a)*	*Daily pay rate £(b)*	*Total daily pay rate £ (a x b)*
Major General	1	179.88	179.88
Colonel	3	140.38	421.14
Lieutenant Colonel	3	120.78	362.34
Major	17	89.64	1,523.88
Captain	27	69.48	1,875.96
Lieutenant/2nd Lieutenant	22	53.10	1,168.20
Warrant Officer (1st Class)	7	68.52	479.64
Warrant Officer (2nd Class)	24	64.89	1,557.36
Staff Sergeant	36	60.23	2,168.28
Sergeant	95	52.36	4,974.20
Corporal	166	47.58	7,898.28
Lance Corporal	244	39.43	9,620.92
Private	855	34.59	29,574.45
Total	1,500		61,804.53

These figures represent gross daily rates of pay which are paid to service personnel irrespective of where they are serving or the nature of their duties. They are not additional costs to the MOD in respect of the state opening of Parliament. Participating units spent less than a full day in preparation for this ceremony.

Lease Contracts

Mr. Colvin: To ask the Secretary of State for Defence what consideration was given to leasing rather than purchasing the airportable dozer (future purchase number ELWS1A/20, the aircraft potable water/toilet servicing vehicles (future purchase number SMC41C/3457), self-propelled access platforms (future purchase number SMC31ARAF335), helicopter for empire tests pilots school (future purchase number TEBD333307), the crawler dozer (future purchase number EMD1A/151) as listed in MOD contracts bulletin volume 11 number 6. [5169]

Mr. Arbuthnot *[holding answer 2 December 1996]:* In each of the five cases in question, the entry in the contracts bulletin is in the "Future Purchases" section, which is intended to inform companies of MOD's forthcoming requirements at the earliest opportunity. The actual invitations to tender have not yet been finalised and when they are, or even before, there will be an opportunity for companies to submit innovative proposals such as leasing. Any such proposals which are received will be given full consideration. However, in specific cases, it may not be practical or cost-effective to lease instead of buy, as it may be necessary to modify the equipment to accommodate military service needs. For example, in the case of the helicopter requirement, the civil air register calls for different operating requirements from those which apply with the military register.

TRANSPORT

Railtrack (Stevenage Station)

Mr. Chidgey: To ask the Secretary of State for Transport if he will investigate allegations of payments requested from train operators by Railtrack in respect of trains passing through Stevenage station. [6655]

Mr. Watts: I am not aware of any such allegations.

Aviation Regulation and Safety

Mr. David Marshall: To ask the Secretary of State for Transport what assessment he has made of the standards of aviation regulation and safety within United Kingdom airspace; and if he will make a statement. [6966]

Mr. Bowis: The Civil Aviation Authority is responsible for the regulation of civil aviation in the UK. It sets high safety standards and consequently the UK has a good aviation safety record.

Boeing 737s

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 26 November, *Official Report,* column *154,* what inspections are being undertaken by the Civil Aviation Authority to ensure that Boeing's instructions regarding defective rudders are being implemented. [6967]

Mr. Bowis: No specific inspections by the Civil Aviation Authority are required. The aircraft operator is responsible for ensuring that mandatory inspections, such as those required by US Federal Aviation Administration airworthiness directive 96-23–51, are carried out. UK operators are aware of the importance of complying with airworthiness directives and have always been assiduous in doing so.

An aircraft cannot be released to service by its maintenance organisation until all mandatory action has been carried out and recorded in the maintenance records. CAA control over this process is exercised through regular audits of organisations and their maintenance records.

Air Traffic Control

Mr. David Marshall: To ask the Secretary of State for Transport if he will establish an independent review of United Kingdom air traffic control arrangements, with special reference to separation distances, supervision of air traffic control movements, and the inability of those concerned to meet the targets set for them; and if he will ensure that some of the members of such a review are drawn from experts outside Europe. [6965]

Mr. Bowis: The good safety record of the UK National Air Traffic Services does not justify such a review.

MV Derbyshire

Mr. Dixon: To ask the Secretary of State for Transport, pursuant to his answer of 19 November, *Official Report,* column *479,* what criteria were used to determine that Woods Hole Oceanographic Institute was best qualified to conduct the Phase 2 survey of the MV Derbyshire; what was the role of the European Commission in making the decision; at what stage competitive tendering took place or will take place for the work; which companies have been or will be invited to tender; and if he will make a statement. [7106]

Mr. Bowis: The criterion was the ability to meet the specification for phase 2 of the project drawn up by the three technical assessors, having particular regard to the availability of, and experience of using, the appropriate photographic and sonar technology and the ability to manipulate and present the data recovered. Because of Woods Hole's unique capabilities and experience, which is not matched by any commercial party, it was appointed without a formal tendering exercise. A full assessment of worldwide capabilities in this area was undertaken and the decision to appoint Woods Hole was taken jointly by the Department and the European Commission.

Rainworth Bypass, Nottinghamshire

Mr. Tipping: To ask the Secretary of State for Transport what assessment he has made of the need for the Rainworth bypass, Nottinghamshire; and what plans he has to provide financial assistance for the scheme. [6844]

Mr. Watts: As part of its transport policies and programme submission, Nottinghamshire county council has provided information about Rainworth bypass in line with the guidance issued annually to local authorities by my Department. The case of the bypass will be considered very carefully in the light of competing bids for major new schemes and other areas of spending. My right hon. Friend the Secretary of State will make an announcement shortly.

Departmental Responsibilities

Mr. Mackinlay: To ask the Secretary of State for Transport if he will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of his Department which exclusively relates to each of the above categories. [5964]

Mr. Bowis: This information would be disproportionately costly to compile. Page 1 of the transport report for 1994 summarises the geographical extent of the Secretary of State's main responsibilities, but this is not an exhaustive list. The transport report 1996 contains extensive information about the Secretary of State's responsibilities and expenditure plans. The Scottish, Welsh and Northern Ireland Offices and the Department of the Environment publish their own reports, which include information on regional and local transport matters. Some regionally disaggregated expenditure figures are also given in "Transport Statistics Great Britain" and in the public expenditure analyses published annually by the Treasury.

A40

Mr. Soley: To ask the Secretary of State for Transport by what date he expects the road improvement works on the A40 at Gypsy Corner and Western Circus to be completed. [7048]

Mr. Bowis: The timing of construction will be the responsibility of the successful DBFO company. We intend to issue a pre-qualification document shortly to gauge private sector interest.

Coaches

Sir Peter Fry: To ask the Secretary of State for Transport, if he will make it his policy in the period until the end of the derogation, to allow the UK coach industry to operate up to 18-tonne vehicles which comply with the 10.5 tonne rear axle limit. [6769]

Mr. Watts *[pursuant to his reply 2 December. Official Report,* column *475]:* The Department of Transport will shortly be issuing a consultation document looking into the feasibility of allowing coaches to operate at 18 tonnes with a 10.5 tonne maximum drive axle weight. Pending the results of this consultation no decision will be made on whether or not to permit such an increase.

Information Technology Projects

Ms Church: To ask the Secretary of State for Transport, pursuant to his answer of 7 November, *Official Report,* column *602,* what were the proposed annual savings for the 14 IT projects in the bands above and including £1 million to £2 million, undertaken since 1992; and what have been the realised annual savings. [6700]

Mr. Bowis *[holding answer 28 November 1996]:* A total of £11.9 million excluding three projects for which estimates are not available. Only one project has so far been completed.

ENVIRONMENT

Rents

Mr. Raynsford: To ask the Secretary of State for the Environment if he will list for each of the last six years the average rent registered by rent officers in each region of England for unfurnished lettings by *(a)* private landlords and *(b)* housing associations; and if he will list the average percentage increase on the previous registration in relation to the percentage change in (i) house prices and (ii) general inflation over the same period. [6122]

Mr. Curry: Available information is given in the tables. As rents registered by rent officers are typically re-registered every two years, percentage changes in respect of house prices and the retail prices index have also been quoted over a two-year period.

Average percentage change in rent officer registrations in relation to house prices
Mean rent, and percentage change on previous registration, unfurnished lettings

	Private tenancies		*HA tenancies*		
Region and year	*Mean registered rent (£pa)*	*Two year mean percentage change*[1]	*Mean registered rent (£pa)*	*Two year mean percentage change*[1]	*DoE mix-adjusted UK house price index. Two year mean percentage change*
Northern					
1990–91	1,087	24	1,416	20	45
1991–92	1,196	27	1,540	22	9
1992–93	1,395	23	1,705	21	3
1993–94	1,532	20	1,721	17	9
1994–95	1,590	16	1,945	13	3
1995–96[2]	1,631	17	1,892	12	–2
Yorkshire and Humberside					
1990–91	1,260	25	1,577	22	39
1991–92	1,378	25	1,662	23	9
1992–93	1,539	22	1,878	20	2
1993–94	1,646	17	1,890	16	–2
1994–95	1,745	15	2,108	13	–4
1995–96[2]	1,845	14	2,165	11	–2
East Midlands					
1990–91	1,356	25	1,615	20	17
1991–92	1,491	24	1,691	21	–2
1992–93	1,640	23	1,966	21	–5
1993–94	1,764	20	1,972	17	–6
1994–95	1,914	18	2,243	14	–1
1995–96[2]	1,995	15	2,230	14	0
East Anglia					
1990–91	1,520	20	1,590	19	–5
1991–92	1,631	19	1,710	21	–14
1992–93	1,793	19	1,870	20	–10
1993–94	1,903	18	2,021	18	–8
1994–95	2,036	16	2,129	15	–2
1995–96[2]	2,085	13	2,209	12	3
Greater London					
1990–91	1,834	21	1,716	21	2
1991–92	2,056	23	1,905	23	–7
1992–93	2,266	23	2,111	23	–14
1993–94	2,497	23	2,281	21	–11
1994–95	2,755	21	2,475	19	5
1995–96[2]	2,938	20	2,624	17	4

Average percentage change in rent officer registrations in relation to house prices
Mean rent, and percentage change on previous registration, unfurnished lettings

Region and year	Private tenancies: Mean registered rent (£pa)	Private tenancies: Two year mean percentage change[1]	HA tenancies: Mean registered rent (£pa)	HA tenancies: Two year mean percentage change[1]	DoE mix-adjusted UK house price index: Two year mean percentage change
Rest of the South East					
1990–91	1,736	27	1,848	23	–4
1991–92	1,996	31	2,043	25	–13
1992–93	2,307	32	2,318	27	–13
1993–94	2,535	26	2,397	22	–9
1994–95	2,701	22	2,685	18	2
1995–96[2]	2,896	20	2,800	17	4
South West					
1990–91	1,707	26	1,955	25	–2
1991–92	1,972	28	2,101	27	–12
1992–93	2,158	28	2,407	22	–10
1993–94	2,384	23	2,400	17	–9
1994–95	2,483	16	2,616	14	1
1995–96[2]	2,623	16	2,646	13	5
West Midlands					
1990–91	1,295	20	1,466	20	17
1991–92	1,383	23	1,623	23	1
1992—93	1,571	24	1,780	23	–3
1993–94	1,689	21	1,902	19	–3
1994—95	1,871	18	2,080	16	0
1995–96[2]	1,876	17	2,131	16	–1
North West					
1990–91	995	20	1,313	18	45
1991–92	1,125	20	1,408	19	12
1992–93	1,227	18	1,551	19	1
1993–94	1,295	16	1,604	16	–3
1994–95	1,427	16	1,770	13	–2
1995–96[2]	1,443	16	1,815	14	0
England					
1990–91	1,516	23	1,593	21	9
1991–92	1,717	25	1,740	22	–5
1992–93	1,905	24	1,941	22	–8
1993–94	2,075	21	2,026	19	–7
1994–95	2,246	19	2,238	16	0
1995–96[2]	2,381	18	2,293	15	2

[1] Rents are registered for a minimum of two years and percentage figures, reflecting the change compared with the previously registered rent, are based on this period.
[2] Mean registered rents and percentage changes on previous rent are for April–September 1995.

United Kingdom Retail Price Index
All items (January 1987 = 100)

	Two yearly percentage change
1990–91	18
1991–92	15
1992–93	8
1993–94	5
1994–95	5
1995–96	6

Rough Sleepers

Mr. Pike: To ask the Secretary of State for the Environment what representations he has received regarding rough sleepers in the north-west. [6656]

Mr. Clappison: The consultation paper, "Rough Sleepers Initiative—Future Plans," was sent to all local authorities in England and to a number of voluntary and statutory sector agencies working with homeless people. It sought views on the future of the rough sleepers initiative and invited evidence on the extent of rough sleeping. Eighty-six local authorities responded. In the north-west, these were the borough of Blackburn, Copeland borough council, Hyndburn borough council, Manchester city council, South Ribble borough council and Wigan metropolitan borough council. Only Manchester city council indicated any significant problem of rough sleeping.

Manchester city council was invited to take part in a detailed evaluation of the extent of rough sleeping and services available to people sleeping rough in Manchester. Similar evaluations were conducted in 22 other areas around England where consultation responses suggested the existence of a rough sleeping problem. They were co-ordinated by Shelter, on contract to the Department of the Environment. The single night headcount in Manchester, which formed part of the evaluation there, found 31 people sleeping rough. On the basis of these evaluations, the Government are extending help to tackle rough sleeping to a number of areas around England, including Manchester. These were set out in detail in my

right hon. Friend's answer to my hon. Friend the Member for Beckenham (Mr. Merchant) on 31 October, *Official Report*, column *187*.

Mr. Pike: To ask the Secretary of State for the Environment what plans he has to extend the rough sleepers initiative to the north-west; and if he will make a statement. [6657]

Mr. Clappison: I refer the hon. Member to my right hon. Friend's answer to my hon. Friend the Member for Beckenham (Mr. Merchant) on 31 October 1996, *Official Report*, column *187*.

Home Energy Efficiency Scheme

Mrs. Ray Michie: To ask the Secretary of State for the Environment (i) how many grants have been paid under the home energy efficiency scheme in 1996–97 to date; and how many of these grants have been paid at the lower rate; [6587]

(2) how many grants he expects to be paid under the home energy efficiency scheme during 1996–97; how many of these are expected to be paid at the lower rate; and if he will make a statement. [6588]

Mr. Robert B. Jones: A total of 288,525 grants were paid between 1 April and 31 October, the most recent date for which figures are available; 1,351 were paid at the lower rate. I estimate that 406,000 grants will be paid in 1996–97 under this scheme, which has already helped over 2 million vulnerable households. A total of 2,300 of these grants are expected to be at the lower rate. The 1997–98 output will be boosted by the proposed 3 per cent. increase in the allocation. I intend soon to announce changes to the structure of the scheme to make it more flexible and even better value for money.

Homelessness (North-West)

Mr. Pike: To ask the Secretary of State for the Environment how many people have been housed by each local authority in the north-west during the last five years under housing legislation relating to homelessness. [6658]

Mr. Clappison: There is a table in the Library that shows the numbers of households accepted for re-housing by each local authority under the homelessness legislation, for each year since 1980.

Prisoners (Rents)

Mr. George Howarth: To ask the Secretary of State for the Environment what plans he has to introduce measures to prevent local authorities and housing associations *(a)* charging rent to tenants who are in custody and *(b)* charging rent for four weeks to offenders who relinquish tenancy on arrest. [6654]

Mr. Clappison: None. Rent collection is a matter for local authorities and housing associations. The Government encourage local authorities and housing associations to collect rent due and to pursue rent arrears.

Planning Guidance

Mr. Martyn Jones: To ask the Secretary of State for the Environment if he will review the provision in PPG13 in respect of new dwellings for agricultural and forestry workers to give greater priority to the environmental disadvantages of frequent commuting. [6787]

Sir Paul Beresford: We have no plans to do so.

Housing (Fire Safety)

Mr. Cox: To ask the Secretary of State for the Environment if local authorities which implement a registration scheme for houses in multiple occupation under the Housing Act 1996 will be required to provide the local fire authority with details of all premises registered with them so that the fire service may make such inspections as are necessary under section 1(1)(d) of the Fire Services Act 1947 relating to the siting and layout of the properties. [5714]

Mr. Clappison: Section 1(1)(d) of the Fire Services Act 1947 places a duty on fire authorities to secure efficient arrangements for obtaining information about the character of buildings for fire-fighting purposes. Local housing authorities are required by law to make available for public inspection the information contained in their registers of houses in multiple occupation. Fire authorities will therefore be able to obtain this information if required.

Mr. Cox: To ask the Secretary of State for the Environment if he will make a statement regarding the revised consultation procedures between fire authorities and local authorities under section 75(3) of the Housing Act 1996; and what assessment he has made of whether such procedures will ensure the safety of tenants in such properties, in case of fire. [5715]

Mr. Clappison: The Housing Act 1996 provides for a range of measures to secure improved standards in houses in multiple occupation particularly for fire safety. Local authorities will retain the prime responsibility for enforcing fire safety standards in HMOs but will be required to consult with the fire authorities where enforcement action is required in specified categories of high risk HMOs. I announced on 26 November, *Official Report*, column *147*, the issues of a consultation paper setting out details of the secondary legislation we propose. Copies are available in the Library.

Departmental Properties

Mr. Mackinlay: To ask the Secretary of State for the Environment if he will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of his Department which exclusively relates to each of the above categories. [5960]

Sir Paul Beresford: The Department of the Environment's responsibilities, which are set out in the Department's annual report, generally relate to England only. The main exceptions are:

England and Wales

Drinking Water Inspectorate

Environment Agency

England, Wales and Scotland

Policy responsibility for the Wildlife and Countryside Act 1981

Countryside research and long-term monitoring programme

Sponsorship of the Joint Nature Conservation Committee

CITES licensing

Registration of birds (Schedule 4 of the Wildlife and Countryside Act 1981)

Monitoring and encouraging action to reduce Government Departments' empty residential properties.

Maintenance of qualification list for building contractors and consultants wishing to undertake Government contracts (NB—the list is available for use in Great Britain and to a limited extent in Northern Ireland.)

Health and Safety Commission/Executive

British Waterways

United Kingdom of Great Britain and Northern Ireland
Policy responsibility and UK lead Department for:

EC Birds Directive

EC Habitats Directive

UK Biodiversity Action Plan

International Conservation Conventions (Bern, Bonn, Ramsar)

Sponsorship of HOMES (Housing Organisation and Mobility Exchange Schemes)

Environmental protection, including leading in international fora, in consultation with the relevant Northern Ireland Departments and the relevant Scottish and Welsh Offices

UK Round Table on Sustainable Development

Panel on Sustainable Development

Royal Commission on Environmental Pollution.

Provision of information on the proportion of time and budget relating to each of the categories could be provided only at disproportionate cost.

Show Houses

Mr. Nicholas Winterton: To ask the Secretary of State for the Environment (1) under what statutory provisions local authorities may levy the uniform business rate on show houses; and if he will make a statement; [6772]

(2) if he will make a statement on the steps which he is taking to assist the housebuilding industry with particular regard to reducing the regulatory and local government tax burden. [6773]

Sir Paul Beresford: Show houses are non-domestic under section 66 of the Local Government Finance Act 1988. Local authorities are obliged, under paragraphs 1 to 4 of schedule 9 to the 1988 Act, to levy non-domestic rates on all non-domestic property, apart from those which are exempt.

The rates bill on over 1 million small properties in 1997–98 in England and Wales will be held at this year's level under measures recently announced by the Chancellor of the Exchequer in the Budget. Nearly all show houses are likely to benefit from these measures.

Mr. Winterton: To ask the Secretary of State for the Environment what plans he has to amend the law with respect to the levelling of local government taxes on show houses following the case of Ideal Homes *v* Ian Walker heard by the rating tribunal in 1995; and if he will make a statement. [6774]

Sir Paul Beresford: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Surrey, North-West (Sir M. Grylls) on Monday 2 December 1996, *Official Report*, column *487*.

Pollution Control

Mrs. Helen Jackson: To ask the Secretary of State for the Environment what research his Department has *(a)* commissioned and *(b)* evaluated, into the use of economic measures in the control of pollution (i) in general and (ii) in the water sector. [7156]

Mr. Clappison: In 1993 the Government published "Making Markets Work for the Environment", a statement of both policy and practice, intended to facilitate the introduction of market-based methods for the improved delivery of environmental policy objectives. This was based on extensive evaluation of research conducted within Government, in academic and other research organisations and in international organisations including the OECD. Since then the Government have kept the extensive body research literature under review, and supplemented this evaluation by specific commissions covering all sectors of environment policy.

Water

Mrs. Helen Jackson: To ask the Secretary of State for the Environment what proportion of the environmental technology best practice programme is devoted to *(a)* schemes to reduce effluent discharges and *(b)* schemes to reduce demand for water. [7159]

Mr. Clappison: Committed expenditure under the environmental technology best practice programme on water and effluent projects is currently 41 per cent. Eight per cent. of this expenditure is on projects with a focus on water minimisation; 22 per cent. is on projects with a focus on effluent reduction; and 11 per cent. is on projects that cover both areas.

Environmental Policy

Mrs. Helen Jackson: To ask the Secretary of State for the Environment what research he has *(a)* commissioned and *(b)* evaluated into the use of economic measures in environmental policy. [7155]

Mr. Clappison: Research is routinely used when considering economic measures in environmental policies as, for example, with the landfill tax. Other recent and continuing areas of research include the use of market-based measures to address sulphur emissions, the environmental effects of pesticide use and volatile organic compounds. Further details of the Department's planned research programmes can be found in the publications "DoE Research Market" and research newsletters.

Planning Schemes

Mr. Vaz: To ask the Secretary of State for the Environment in respect of how many planning schemes he has used his call-in powers in 1996; and how many (i) have been determined and (ii) await determination. [7310]

Sir Paul Beresford: Up to 30 November, my right hon. Friend had called in 130 applications for his determination and had decided 85 applications in 1996. Forty applications were awaiting determination at that date.

Planning Appeals

Mr. Vaz: To ask the Secretary of State for the Environment if he will list the number of outstanding planning appeals for each district authority in England. [7314]

Sir Paul Beresford: The provision of information on planning appeals is the responsibility of the Planning Inspectorate. I have asked the inspectorate's chief executive, Mr. Shepley, to write to the hon. Member.

Letter from C. J. Shepley to Mr. Keith Vaz, dated 2 December 1996:

The Secretary of State has asked me to reply to your Question about the number of outstanding planning appeals in England.

The information is enclosed. As the tables are too long to be printed in the Official Report, arrangements will be made for a copy to be deposited in the Library.

Alkali Regulations

Sir David Madel: To ask the Secretary of State for the Environment when he intends to repeal the Alkali Etc. Works Regulations Act 1906. [7702]

Mr. Clappison: The Environmental Protection Act 1990 provided for the repeal of the Alkali Act 1906. The Minister for the Environment and Countryside has today signed a commencement order giving effect to this repeal, coming into force on 16 December.

The repeal of this Act marks the end of a chapter of national industrial air pollution legislation which dates back to the first Alkali Act of 1863. The systems of integrated pollution control and local air pollution control, which are implemented under the Environmental Protection Act 1990, supersede the old legislation.

These two new systems are now fully operational, with well over 10,000 industrial processes in England and Wales subject to their control. The repeal of the Alkali Act is a reflection of that success.

This is a further example of the Government's intention to remove redundant legislation from the statute books. This commencement order will have the effect of repealing not only the 1906 Act, but also three separate sets of regulations, and provisions in two other Acts.

Water Leakages

Mrs. Helen Jackson: To ask the Secretary of State for the Environment (1) if he will list the total water leakage figures *(a)* in litres per day and *(b)* as a percentage of total water distribution input in each year since 1991; [7157]

(2) if he will publish for each water company (i) leakage figures for 1995–96 and (ii) the leakage targets for 1995–96 submitted to the Director General of Water Services in each case *(a)* as a percentage of distribution input and *(b)* in litres per day. [7158]

Mr. Clappison: The data on total leakage since 1991–92 are in the table.

	Total losses Ml/d	*Total leakage (per cent.)*
1991–92	4,439	26.6
1992–93	4,620	28.4
1993–94	4,604	28.5
1994–95	5,061	30.7
1995–96	4,980	29.2

Leakage data for each water company in 1995–96 are shown in the Ofwat annual report "Cost of Water Delivered and Sewage Collected" which was published on 27 November 1996. Water companies have not submitted targets for 1995–96, but are working towards meeting the demanding leakage targets set for 1997–98 which were published in Ofwat's May 1996 report, "Leakage of Water in England and Wales". Copies of both reports are available in the Library.

European Structural Fund

Sir Graham Bright: To ask the Secretary of State for the Environment if his Department has completed its review of European structural fund processes in England; and what conclusions it has reached. [7703]

Mr. Curry: We have completed our review of the European structural fund processes in England. In carrying out the work we have been aware of the criticisms and suggestions by numerous bodies both within and outside Government, including those contained in the report, "Efficiency Scrutiny of Financial Information Flows between Central and Local Government", which we published on 14 November.

We intend to revise radically the present administrative arrangements and to delegate to local partnerships considerable responsibility for project selection within an agreed action plan. This will ensure that partnerships are able to take a strategic view of the development of projects to deal with issues facing their areas and can bring to bear the European regional development fund and the European social fund alongside domestic regeneration programmes. Finally we propose to simplify the system of financial accounting for ERDF in England to speed up the payment of grant to successful applicants.

As a result of partnerships of public, private and voluntary bodies will be able, as with the single regeneration budget challenge fund, to bid for resources to achieve key improvements for their areas, or for individual projects. Bids will be judged as now by Government, advised by the Monitoring Committees. Partnerships will need to have in place high quality project appraisal and financial management systems to ensure that the public money is well spent. They will be judged by results.

We will be notifying the new arrangements to the European Commission and will be discussing the detailed implementation with the monitoring committees and others. Our aim is to put in place the system in time for the new objective 2 programmes starting next year. Our objective is high quality and fully integrated regeneration programmes which meet local needs.

LORD CHANCELLOR'S DEPARTMENT

Departmental Responsibilities

Mr. Mackinlay: To ask the Parliamentary Secretary,

Lord Chancellor's Department if he will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of his Department which exclusively relates to each of the above categories. [5957]

Mr. Streeter: The Lord Chancellor's Department is responsible for promoting general reforms in the civil and family law; the procedures of the civil courts; for legal aid; and the Lord Chancellor is responsible for advising the Crown on the appointment of High Court and circuit judges. He appoints High Court Masters, district judges, magistrates and certain other legal officers in his own right. He also has ministerial responsibility for magistrates' courts, which are administered locally.

The Lord Chancellor's Department has two executive agencies, the Court Service and the Public Trust Office.

The Department's responsibilities, including those of the Court Service and Public Trust Office, relate to England and Wales. Its expenditure in 1995–96 is set out in table 1. Explanatory notes are provided to show where a split may be made between expenditure in England and Wales. A similar split in time spent on the different categories cannot be made. The Department has no responsibilities which relate to England alone or, save in respect of the administration of certain tribunals, to Scotland, and nor do its responsibilities extend to Northern Ireland.

The Lord Chancellor is accountable to Parliament for two separate Government Departments, which are also executive agencies.

The Public Record Office is responsible for maintaining, supervising and co-ordinating the public record system of the Government of the United Kingdom. Its responsibilities and therefore all of its time and budget relate to the whole of the United Kingdom of Great Britain and Northern Ireland. In practice, most of its work concerns England and Wales since records of Government Departments, courts, tribunals and other bodies relating wholly or mainly to Scotland or to Northern Ireland are administered by the Scottish Record Office or by the Public Record Office of Northern Ireland, as appropriate. However, it has no method of attributing its expenditure on a territorial basis. The Public Record Office's budget—less extraordinary items—for 1995–96 was £26,735,000.

The main statutory function of Her Majesty's land Registry, which was also established as a trading fund in April 1993, is to keep a register of title to freehold and leasehold land throughout England and Wales. On behalf of the Crown, the registry guarantees title to registered estates and interests in land. The registry's responsibilities apply equally to both England and Wales. Its expenditure is set out in table 2.

The Lord Chancellor also has separate responsibility for the administration of justice in Northern Ireland, and for advising the Crown on judicial appointments and making certain appointments himself on a similar basis to that in England and Wales. These responsibilities are exercised through the Northern Ireland Court Service and in consultation with the Lord Chief Justice of Northern Ireland. The Northern Ireland Court Service was created under the Judicature (Northern Ireland) Act 1978 as a "unified and distinct civil service of the Crown". Its principal functions are facilitating the business of the Supreme Court, county courts, magistrates' courts and coroners' courts; providing a facility for the enforcement of civil judgments; overseeing the administration of civil and criminal legal aid; and administering the office of the social security commissioners and child support commissioners. Its expenditure in 1995–96 is set out in table 3.

Table 1: 1995–96 spend by territory for vote categories

Section of vote	*England*	*Wales*	*Total*
A (HQ)[1]	n/a	n/a	81,680,457
B (Court Service)[2]	548,217,080	21,080,752	569,297,832
C (PTO)[3]	17,869,208	0	17,869,208
D (Legal Aid)[4]	n/a	n/a	1,391,909,721
E (Legal Aid Administration)[4]	n/a	n/a	54,899,562
F (costs from central funds)[5]	n/a	n/a	23,987,026
G (Magistrates Courts grants)	285,622,425	17,613,843	303,236,268
H (Magistrates Courts grants on loan charges)	16,214,760	1,565,681	17,780,441
Total			2,460,660,514

[1] All HQ expenditure is made in England, however it could be argued that part of it (e.g. policy, personnel, pay unit) is on behalf of the Court Service for Wales. We have no method of attributing the expenditure on a territorial basis and can only provide a total figure.

[2] The Court Service split has been done on a circuit basis. The Wales figure is simply the expenditure for Wales and Chester circuit: this includes part of Cheshire.

[3] All of the PTO expenditure should be attributed to England.

[4] Expenditure on Legal Aid cannot be identified separately. The Legal Aid Board administers applications and bills regionally and payments to Welsh practitioners could only be identified by scrutinising each bill at the regional offices that cover Wales. Legal aid payments through the Crown Court are not separately recorded at county level.

[5] Costs from central funds: payments are made through the magistrates courts and the Crown Court. Payments are not recorded separately at county level and could only be identified by examining each claim.

Table 2: 1995–96 HM land registry spend by territory

England £	*Wales £*	*Total £*
180,205,000	11,977,000	192,182,000

HM Land Registry figures for spend in Wales represent the expenditure for Swansea District Land Registry. This office is responsible for all land registration services in Wales and also for the land registration services in the County of Hereford and Worcester and certain London boroughs. It is not possible to attribute expenditure on a territorial basis and therefore only a total figure can be provided.

Table 3: Spend for Northern Ireland for vote categories

	Total £
Northern Ireland Court Service	23,551,236
Legal Aid	25,891,474
Legal Aid Administration	1,992,000
Total	51,434,710

OVERSEAS DEVELOPMENT ADMINISTRATION

EU Development Council

Mr. Duncan Smith: To ask the Secretary of State for

Foreign and Commonwealth Affairs if he will make a statement on the outcome of the European Union Development Council meeting on 22 November. [7459]

Dr. Liam Fox: Initial discussions were held on the future of EC trade and development relations with the African, Caribbean and Pacific states after the year 2000. The Council adopted a decision and a joint action on Zaire and the Great Lakes, underlining EU commitment to the objectives of the UN resolutions, and giving priority to the return of refugees to their country of origin.

The Council also adopted two regulations, setting a framework for EC rehabilitation and reconstruction operations and for EC development cooperation with South Africa. Common positions were agreed on two draft regulations governing assistance for programmes against drugs and drug addiction, and on population policies and programmes in developing countries. The Council adopted resolutions setting out policy guidelines for EC and member state programmes in the field of human and social development; and guidance for EC development programmes targeted at anti-personnel land mines. Conclusions were agreed on gender issues in crisis prevention and an evaluation of EC humanitarian aid from 1991–96.

TRADE AND INDUSTRY

Computers

Mr. David Atkinson: To ask the President of the Board of Trade what discussion he has had with the computer industry on the requirement for all appropriate products offered for sale to be clearly labelled as millennium compliant; and if he will make a statement. [6669]

Mr. Ian Taylor: At the Taskforce 2000 conference held on 18 October I challenged all computer companies still selling non-millennium compliant software and services to make their position clear. Following this I am pleased to note that Computing Services and Software Association, acting with Taskforce 2000, have written to all UK software suppliers. They are now making available a millennium directory of suppliers who offer services and products for the millennium date change issue.

Mr. Atkinson: To ask the President of the Board of Trade what has been the outcome of the informal task force of the European Commission to consult and report on the problem of the effect of the century date change on computer systems; and if he will make a statement. [6668]

Mr. Ian Taylor: I first raised the year 200 issue at the Telecoms Council on 27 June.

I am not aware of any informal taskforce of the European Commission dealing with the century date change problem. However, I understand from the Commission that, using the established senior officials group for IT standards public procurement group, the Commission has been considering the implications of the century date change issue. As recently as 26 November the group met to exchange ideas on alleviating the problem both in member states own Administrations and within private sector businesses within Europe.

Mr. Atkinson: To ask the President of the Board of Trade what steps the Post Office is taking to ensure that millennium compliance of its computer systems and those with which they are connected; what is its budget for this purpose; and if he will make a statement. [6666]

Mr. Taylor: I understand from the Post Office that it has had a dedicated year 2000 project team in place for the past six months. The project is working closely with all Post Office businesses to both understand the impact and implement system changes to ensure compliancy.

Petrol Prices

Mr. Galbraith: To ask the President of the Board of Trade what representations he has received concerning the recent increase in petrol prices; and if he will make a statement. [6393]

Mr. Page: I have received a number of representations regarding those increases in petrol prices that pre-dated the increase in duty in the Budget. Those were due to a slackening in the intense price competition of earlier this year, coupled with increases in international oil prices.

Gross margins have, however, still not recovered to the levels of 1995.

IRA Explosions (Costs)

Mr. Robert McCartney: To ask the President of the Board of Trade what estimate he has made of the cost to private individuals and businesses of IRA explosions in Great Britain over the last five years; and if he will make it his policy to extend the Northern Ireland terrorist criminal injury and criminal damage legislation to the mainland. [7203]

Mr. Nelson: There is no justification for extending the Northern Ireland terrorism compensation arrangements because insurance cover is readily available in Great Britain. No estimate has been made of the costs to individuals and businesses of terrorist explosions in the last five years.

Environmental Auditing

Mr. Meacher: To ask the President of the Board of Trade what environmental audits have been conducted at oil and gas drilling rigs and storage platforms operated by companies licensed to drill in United Kingdom coastal waters or designated areas of the North sea and Atlantic ocean. [7014]

Mr. Page: I refer the hon. Member to my earlier response to a similar question on 31 October, *Official Report*, column *184*. Figures for the number of environmental inspections or audits will, in future, be published in my Department's annual energy report, copies of which will be held in the Library of the House.

Oil Discharges

Mr. Meacher: To ask the President of the Board of Trade what has been the largest single discharge of oil from an oil drilling or storage platform in the United Kingdom sector since 1979. [7022]

Mr. Page: The single largest spillage of oil from an oil drilling or storage platform in the United Kingdom sector since 1979 was from the Piper Alpha installation in 1988, when 750 tonnes of oil was lost following the fatal explosion.

Exports

Mr. Austin Mitchell: To ask the President of the Board of Trade what was the percentage change in British export unit values for the latest available year over *(a)* 1973, *(b)* 1978 and *(c)* 1990. [7232]

Mr. Nelson: Information on UK export price indices for the latest 10 years is published by the Office for National Statistics in the "Monthly Review of External Trade Statistics", which is available in the Library of the House. Figures for earlier periods may be obtained from the central shared database, which may be accessed from the Library.

Information and Communication Technologies

Mr. Spring: To ask the President of the Board of Trade what steps the Government are taking to improve public access to new information and communication technologies. [7638]

Mr. Lang: Today, as part of the Government's information society initiative, I launched "IT for All", a four-year programme, taking us to the millennium. The information society initiative is the Government's strategy to take the United Kingdom forward into the information age. It is the single identity used for all Government activities in this area, whether they involve the Government's own delivery of services, business support, education, libraries or giving hands-on experience to private citizens. I have today published "Building the Information Society: a National Strategy" which sets out the Government's overall aims and policies for the information society, a copy of which has been placed in the Library of the House.

"IT for All" will underpin all parts of the information society initiative by focusing on the use of technology by individuals. We want to help those who are unconvinced by the benefits of information and communication technologies or are not confident about using them. "IT for All" will raise awareness of these new technologies among the general public and facilitate direct access to them. "IT for All" will show the benefits and opportunities they offer and the many ways in which they can already be used to improve the quality of daily life. The campaign aims to build positive well-informed public attitudes to the information society, particularly among those who have little or no direct contact with interactive applications at present. There will be opportunities throughout the country for people to get direct, hands-on experience, whether in libraries, shops or schools.

"IT for All" is based on a close partnership between business, central and local government and voluntary sector organisations. It involves many Government Departments, including the Department for Trade and Industry, Department for Education and Employment, Department of National Heritage, Cabinet Office, Department of Transport, Department of Health, Scottish Office, Welsh Office and the Northern Ireland Office.

Further details can be found on the "IT for All" website at http://www.itforall.gov.uk.

Consumers Council

Mr. Spring: To ask the President of the Board of Trade if he will make a statement on the outcome of the EU Consumers Council held on 25 November. [7639]

Mr. John M. Taylor: The Council held an orientation debate on a proposal for a directive on injunctions for the protection of consumers interest.

The Council also held an orientation debate in which broad agreement was reached on proposed amendments to the part of the directive on consumer credit dealing with annual percentage rates.

The Council agreed conclusions on an access to justice action plan for co-operation to help consumers achieve settlement in cross-boarder disputes through out-of-court and small claims procedures.

There was an open debate on consumers and the information society in which the wide ranging impact and speed of technological development in the information society were fully acknowledged. The Commission will examine existing legislation to identify the, possibly limited, scope for specifically consumer oriented action.

The Commission gave presentations on the:

Green Paper on Financial Services

Green Paper on Commercial Communications

Proposed Directive on Consumer Guarantees

There was an informal discussion on:

the Commission guide on bovine spongiform encephalopathy;

preparation for the intergovernmental conference, with particular reference to the treaty provisions for consumer affairs;

the implications for consumers of the proposals for a single European Currency.

national policies on vulnerable groups of consumers; and on

consumer protection in relation to novel foods.

Extra-territorial Jurisdiction

Mr. Spring: To ask the President of the Board of Trade when he expects the EC regulation designed to counter assertions of extra-territorial jurisdiction by the United States of America in respect of Cuba, Iran and Libya to be adopted. [7640]

Mr. Nelson: The General Affairs Council on 28 October agreed the text of an EC regulation which is designed to protect against the effects of the extraterritorial application of legislation adopted by a third country. The regulation specifically identifies the US Cuban Liberty and Democratic Solidarity Act 1996 and other legislation relating to Cuba, and the Iran and Libya Sanctions Act 1996. It was adopted on 22 November 1996 and entered into force on 29 November 1996.

The regulation applies to all legal persons incorporated within the Community and to all natural persons resident in the Community whether or not they are EC nationals as well as certain other categories of persons, for example certain shipping companies.

Those covered by the regulation are obliged to inform the European Commission either directly or through their national authorities if their financial and economic interests are directly or indirectly affected by the operation of the foreign legislation in question and they are prohibited from complying with any requirements or prohibitions which may be imposed on them under the legislation. Procedures have been established whereby those affected may seek waivers allowing them to comply in circumstances where non-compliance with the foreign legislation would seriously damage their interests or those of the European Community.

The regulation also provides that judgments given by foreign courts under the specified foreign legislation will not be enforceable within the European Community and that those persons covered by the regulation can recover any damages, including legal costs, caused to them by the application of that legislation or by actions based thereon or resulting therefrom. This recovery may be obtained, anywhere in the European Community where there are assets, from the natural or legal person or any other entity causing the damages or from any person acting on its behalf or from an intermediary.

Member states are obliged to provide for sanctions for breaches of the notification and non-compliance obligations. We shall be proposing an appropriate order to Her Majesty in Council to accomplish this which will then be laid before Parliament.

A joint action commitment agreed in parallel to the regulation commits member states to protect the interests of those natural and legal persons covered by the regulation to the extent that the regulation itself does not do so.

Budget Reductions

Mr. Ingram: To ask the President of the Board of Trade if he will list the areas within his Department which will be affected by the Budget reductions set out in table 5A.4 of the Red Book for 1997 to 2000. [7151]

Mr. John M. Taylor: Details underlying the figures in table 5A.4 of the "Financial Statement and Budget Report 1997–98" will, as usual, be contained in Departments' expenditure plans reports to be presented to Parliament in March next year.

Office of Science and Technology

Mr. Ingram: To ask the President of the Board of Trade if he will make a statement on the implications of the Budget statement for the OST. [7152]

Mr. Ian Taylor: The science budget—the funding available for distribution to the research councils, the Royal Society, the Royal Academy of Engineering and a number of other small programmes—has been maintained at the planning level announced in November last year (£1,330 million) for 1997–98 and represents an increase of £18 million over the level for the current year. The planning figures are shown in the table:

Science budget	*£ million*
1996–97 estimated outturn	1,312
1997–98 budget	1,330
1998–99 planning	1,338
1999–00 figures	1,333

Child Labour

Mr. MacShane: To ask the President of the Board of Trade what representations he has received from the US Government in respect of the abolition of child labour. [7007]

Mr. Paice: I have been asked to reply.

My right hon. Friend the Secretary of State for Education and Employment has received no such representations, but the US Government are amongst those joining with the UK in supporting the International Labour Organisation's proposal to draw up a new international instrument to tackle the problem of child labour.

Mr. MacShane: To ask the President of the Board of Trade how many children under the age of 14 years work *(a)* full and *(b)* part-time in the United Kingdom. [7011]

Mr. Burns: I have been asked to reply.

Children under the minimum school leaving age are not permitted to work full-time. Children are permitted to work for a limited number of hours in suitable types of job. Statistics on the number of children working are not collected centrally. Such information as is available was published in the April 1995 edition of the "Employment Gazette", copies of which are available in the Library. Questions relating to Wales, Scotland and Northern Ireland are matters for my right hon. Friends the Secretaries of State for Wales and for Scotland, and for my right hon. and learned Friend the Secretary of State for Northern Ireland respectively.

NATIONAL HERITAGE

Agency Letters

Mr. Harvey: To ask the Secretary of State for National Heritage on how many occasions *(a)* non-departmental public bodies and *(b)* executive agencies responsible to her Department, have provided answers by letter, copies to the Library but not published in the *Official Report* in each of the latest available two years. [3158]

Mr. Sproat: When appropriate, Ministers will ask non-departmental public bodies to reply by letter to hon. Members and place copies of their replies in the Libraries of the House. These requests are recorded in the answer given to hon. Members which is published in the *Official Report*.

When hon. Members ask questions relating to the operations of the Department's executive agencies, the Minister will ask the chief executive to reply and a copy of the letter will be published in the *Official Report*.

On occasions where we are unable to provide the information requested before the House rises for recess, the Minister will ask the chief executive to reply and place copies of their reply in the Libraries of the House. This request will be published in the *Official Report*. Records of the number of such answers are not readily available.

Millennium Funding

Mr. Vaz: To ask the Secretary of State for National Heritage (1) what is the total value of *(a)* bids received from and *(b)* awards made to the Asian community for millennium funding; [4927]

(2) how many visits have been made by each of the millennium commissioners to ethnic minority projects bidding for millennium funding; [4926]

(3) how many awards of millennium funds have been made to projects proposed by members of the Asian community; [4928]

(4) how many bids for millennium funds were received from the Asian community in each round; and if she will list them. [4910]

Mrs. Virginia Bottomley: This is a matter for the Millennium Commission. I shall write to the hon. Member in my capacity as chairman of the commission, and place copies of my reply in the Libraries of the House.

Millennium Projects (Wales)

Mr. Barry Jones: To ask the Secretary of State for National Heritage what amount she expects to spend on millennium projects in Wales for each year until 2000; and if she will make a statement. [5320]

Mrs. Virginia Bottomley: This is a matter for the Millennium Commission. I shall write to the hon. Member in my capacity as chairman of the commission and place copies of my reply in the Libraries of the House.

Television Licences

Mr. Mullin: To ask the Secretary of State for National Heritage when she expects to lay the consolidated regulations on television licences. [6616]

Mr. Sproat: The Government intend that the new regulations will come into force from 1 April 1997. My right hon. Friend expects to announce next month details of the changes to be effected in the regulations and the level of the licence fee also coming into force from 1 April. The regulations themselves will be laid before Parliament as soon as possible thereafter.

Mr. Simon Hughes: To ask the Secretary of State for National Heritage what has been the annual expenditure since 1991 on *(a)* refunds and *(b)* administrative costs of refunding television licence holders for unused portions of the licence. [6557]

Mr. Sproat *[holding answer 28 November 1996]:* We do not hold this information. Since 1 April 1991 the administration of the television licensing system, including refund arrangements, has been the statutory responsibility of the BBC.

Broadcasting Council for Wales

Mr. Morgan: To ask the Secretary of State for National Heritage when she expects to make an announcement concerning the appointment of the chairman of the BBC Broadcasting Council for Wales. [6624]

Mr. Sproat *[holding answer 28 November 1996]:* My right hon. Friend the Secretary of State expects to make such an announcement before the end of the year.

Women

Mrs. Roche: To ask the Secretary of State for National Heritage how many women are currently employed by her Department at each civil service grade. [6439]

Mr. Sproat *[holding answer 28 November 1996]:* The number of women currently employed within the Department of National Heritage is shown in the table, listed by DNH grade with the most senior at the top.

Serving Grade	*Number*
Senior civil service	7
A (upper band)	2
A (lower band)	20
B	42
AT/HEOD	2
C	39
D (upper band)	38
D (lower band)	26
Total	176

The grade equivalents for the above are:
Senior Civil Service: Grade 5 and above
A (upper band): Grade 6 and equivalents
A (lower band): Grade 7 and equivalents
B: HEO/SEO and equivalents
AT/HEOD: Fast stream
C: EO and equivalents
D (upper band): AO and equivalents
D(lower band): AA and equivalents.

Mrs. Roche: To ask the Secretary of State for National Heritage what proportion of those employed by her Department in 1992–93 were women. [6468]

Mr. Sproat *[holding answer 28 November 1996]:* The Department of National Heritage was still in the process of being set-up during 1992–93 and information on the gender of staff employed in that year is unavailable.

Information Technology Projects

Ms Church: To ask the Secretary of State for National Heritage, pursuant to her answer of 7 November, *Official Report*, column *621*, what are the proposed annual savings for the seven IT projects planned for 1996–97. [6705]

Mr. Sproat *[holding answer 28 November 1996]:* The seven IT projects proposed for 1996–97 are aimed at constraining future costs rather than reducing current expenditure. One project is budgeted at less than £500,000, the others are less than £50,000 in value. The annual savings against projected future maintenance and staff costs are 5–10 per cent.

Ms Church: To ask the Secretary of State for National Heritage, pursuant to her answer of 7 November, *Official Report*, column *621*, what were the proposed annual savings for IT projects, in the band £500,000 to £1 million, undertaken since 1992; and what have been the realised annual savings. [6704]

Mr. Sproat *[holding answer 28 November 1996]:* None of the projects identified in the previous answer fell into the band £500,000 to £1 million.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for National Heritage what child care facilities her Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6465]

Mr. Sproat *[holding answer 28 November 1996]:* My Department, excluding agencies, offers employees a subsidised nursery place and a subsidised holiday play scheme. The nursery place has been available since November 1993. Two members of staff have made use of the place.

The Westminster play scheme, which caters for children aged between five and 12 years during main school holidays, has been used by staff since the summer of 1994. Staff used the scheme on two occasions in 1994, five in 1995 and twice this year.

Philoxenia European Tourism Programme

Ms Walley: To ask the Secretary of State for National Heritage for what reasons no funding tenders for the Philoxenia European tourism programme will be issued in January 1997; and if she will make a statement. [6990]

Mr. Sproat: The Council of Ministers has not yet discussed the Commission's Philoxenia proposal. Like several other Member states, we have reservations about whether it represents good value for money. The Government want to see the tourism unit in the Commission ensuring that throughout the Commission the interests of tourism are taken into account when policy decisions are being considered. But we remain to be convinced that any extra funding is necessary to achieve this.

D'Oyly Carte Opera Company

Mr. Beith: To ask the Secretary of State for National Heritage what recent representations she has received about the future of the D'Oyly Carte opera company; and if she will promote partnerships with the private sector as a means of securing its future. [7173]

Mr. Sproat: I have received a number of recent representations about the D'Oyly Carte opera company. Decisions about its future are a matter for the company itself, in the light of the available options. Private sector support is clearly an important part of such considerations for any organisation.

Channel 5

Mr. Robert McCartney: To ask the Secretary of State for National Heritage what areas of Northern Ireland will not be able to receive Channel 5; and for what reasons. [7191]

Mr. Sproat: Viewers in several parts of the country will not be able to receive Channel 5 by means of traditional transmission across the airwaves because of a shortage of available frequencies. Maps prepared by the Independent Television Commission, indicating the predicted coverage of Channel 5 via terrestrial transmission across the UK, were placed in the Library of the House in October. Channel 5 Broadcasting Ltd., expects its coverage to exceed 70 per cent. of the UK population, and 64 per cent.

of the population of Northern Ireland using the transmitters at Black Mountain and Londonderry in Northern Ireland. It is open to Channel 5 Broadcasting Ltd. to extend its coverage by supplementing terrestrial transmission by cable and satellite delivery.

Publicity

Mr. Donohoe: To ask the Secretary of State for National Heritage what promotional and public information campaigns her Department is *(a)* currently running and *(b)* planning to run during the next six months; and for each campaign (i) how much it will cost, (1) in total and (2) to her Department, (ii) what agencies or bodies are undertaking the work and (iii) what is its planned duration. [7418]

Mr. Sproat: Beyond its normal day-to-day activities, my Department has no plans for such campaigns. It is not, therefore, incurring any such costs or employing any outside agencies.

Departmental Responsibilities

Mr. Mackinlay: To ask the Secretary of State for National Heritage if she will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of her Department which exclusively relates to each of the above categories. [5961]

Mr. Sproat: My Department is responsible for a range of public bodies which relate to the territorial areas, as follows:

England
English Heritage
Royal Commission on the Historical Monuments of England
Royal Armouries
Historic Royal Palaces Agency
Royal Parks Agency
Arts Council of England
English Tourist Board
Sports Council[1]
English Sports Council
The British Museum
Geffrye Museum
Horniman Museum
Imperial War Museum
Museum of Science and Industry in Manchester
Museum of London
National Gallery
National Maritime Museum
National Museum and Galleries on Merseyside
National Portrait Gallery
Natural History Museum
National Museum of Science and Industry
Sir John Soane Museum
Tate Gallery
Victoria and Albert Museum
Wallace Collection
Library and Information Commission
England and Wales
Royal Fine Art Commission (occasionally looks at Northern Ireland)
Football Licensing Authority
England, Wales and Scotland
Crafts Council
British Tourist Authority
Sports Council[1]
United Kingdom of Great Britain and Northern Ireland
National Heritage Memorial Fund
Millennium Commission
National Lottery Charities Board
Community Development Foundation
UK Sports Council
Broadcasting
British Film Institute
National Film and Television School
British Film Commission
Museum and Galleries Commission
British Library
Public Lending Right
Royal Commission on Historical Manuscripts
Advisory Committee on Historic Wreck Sites

[1] The Sports Council's royal charter provides powers to enable it to develop and improve the knowledge and practice of sport and physical recreation among the public at large in Great Britain. In terms of the National Lottery etc. Act 1993, the Sports Council is responsible for the distribution of lottery funds in England for expenditure on or connected with sport. The responsibilities and functions of the Sports Council are soon to be transferred to the United Kingdom Sports Council and the English Sports Council which received royal charters of incorporation on 19 September 1996. The English Sports Council will take on the Sports Council's responsibility for the lottery sports fund.

HOUSE OF COMMONS

Upper Waiting Hall Exhibitions

Mr. Eastham: To ask the Chairman of the Administration Committee what assessment the Committee has made of the necessity for hon. Members successful in the ballot for an exhibition in the Upper Waiting Hall to table a parliamentary question. [6993]

Mr. Michael J. Martin: At its meeting on 17 November the Administration Committee considered, and endorsed, a proposal from the Serjeant at Arms that the existing requirement for hon. Members successful in the ballot for an exhibition in the Upper Waiting Hall to table a parliamentary question be ended.

The Committee has therefore instructed the Serjeant at Arms to amend the relevant paragraphs of the existing regulations as follows:

> "After the ballot has taken place the Serjeant at Arms will place a notice in the All Party Notices announcing the titles of the successful exhibition bookings and names of the sponsoring Members."

In addition, details of forthcoming exhibitions will continue to be available on the PDVN bulletin board service.

This revision does not affect the requirement for hon. Members to consult the appropriate Government Department in order to obtain written advice on applications, which will continue to be submitted to the Committee.

This new arrangement will come into force in time for the ballot for the spring period, due to be held on 9 December.

HOME DEPARTMENT

Employment Contracts

Mr. Hain: To ask the Secretary of State for the Home Department how many *(a)* full-time jobs, *(b)* part-time jobs, *(c)* full-time jobs which are on (i) renewable and (ii) unrenewable fixed-term contracts, *(d)* part-time jobs which are on (i) renewable and (ii) unrenewable fixed—term contracts, *(e)* temporary jobs and *(f)* jobs classified as casual there have been in (1) his Department and (2) executive agencies of his Department for each year since 1992. [5416]

Mr. Howard *[holding answer 25 November 1996]:* The tables set out avilable information for the Home Office and the executive agencies. The information for the agencies has been provided by the chief executives of the United Kingdom Passport Agency and the Fire Service College, and the Directors General of the Forensic Science Service and the Prison Service. Information under (c), (d), (e) and (f) for the years prior to 1996 could be provided only at disproportionate cost. The breakdown of data under (c) and (d) is not held centrally and could be provided only at disproportionate cost.

Table 1: Home Office Excluding Agencies

	(a) Full-time staff	*(b) Part-time staff*	*(c) Full-time fixed term contracts*	*(d) Part-time fixed term contracts*	*(e) Temporary staff*	*(f) Casual staff in post*
1996	8,132	784	345	19	199	174
1995	8,472	780	[1]—	—	—	—
1994	9,530	827	—	—	—	—
1993	8,788	590	—	—	—	—
1992	11,613	456	—	—	—	—

Temporary staff are those having neither an established nor a fixed term employment status. The 1992 figures predate the formation of the Forensic Science Service as an executive agency: staff who formed the agency on 1 April 1992 are therefore included in these figures.
[1]Indicates figures not known.

Table 2: Forensic Science Service (FSS)

	(a) Full-time staff	*(b) Part-time staff*	*(c) Full-time fixed term contracts*	*(d) Part-time fixed term contracts*	*(e) Temporary staff in post*	*(f) Casual staff in post*
1996	1,008	140	49	0	0	8
1995	605	120	[1]—	—	—	—
1994	591	115	—	—	—	—
1993	561	85	—	—	—	—

The 1996 figure includes staff joining the FSS from the Metropolitan Police Laboratory. All FSS casual and fixed term appointments are advertised on a basis of possible renewal or conversion to permanent status. Figures for 1993–1995 are taken from Mandate returns to Cabinet Office.
[1]Indicates figures not known.

Table 3: Fire Service College

	(a) Full-time staff	*(b) Part-time staff*	*(c) Full-time fixed term contracts*	*(d) Part-time fixed term contracts*	*(e) Temporary staff in post*	*(f) Casual staff in post*
1996	158	6	15	0	0	9
1995	172	5	12	—	—	5
1994	138	5	38	—	—	5
1993	146	6	[1]	—	—	—

Figures for 1993 are taken from MANDATE returns to Cabinet Office.
[1]Indicates figures not known.

Table 4: United Kingdom Passport Agency (UKPA)

	(a) Full-time staff	*(b) Part-time staff*	*(c) Full-time fixed term contracts*	*(c) Part-time fixed term contracts*	*(e) Temporary staff in post*	*(f) Casual staff in post*
1996	1,164	145	175	41	0	465
1995	1,250	161	[1]—	—	—	315
1994	1,274	78	—	—	—	201
1993	1,389	85	—	—	—	116
1992	1,288	16	—	—	—	92

All UKPA casual and fixed term appointments are advertised on a basis of possible renewal or conversion to permanent status.

[1]Indicates figures not known.

Table 5: Her Majesty's Prison Service

	(a) Full-time staff	*(b) Part-time staff*	*(c) Full-time fixed term contracts*	*(d) Part-time fixed term contracts*	*(e) Temporary staff in post(f) Casual staff in post*	
1996	38,957	1,390	143	15	1	900
1995	37,990	1,285	[1]—	—	—	—
1994	37,786	1,178	—	—	—	—
1993	36,691	1,317	—	—	—	—
1992	32,413	1,193	—	—	—	—

The information has been taken from the Prison Service personnel information system which is currently being updated using a new computer system. Figures for fixed term appointments, temporary staff and casuals are only available for 1996.
[1] Indicates figures not known.

Fire Service

Mr. Allen: To ask the Secretary of State for the Home Department (1) what was the cost of accidents within the fire service in the last available year; and if he will make a statement; [6818]

(2) what measures he is assessing to reduce the cost of accidents in the fire service; and if he will make a statement. [6817]

Mr. Sackville: Information on the cost of accidents within the fire service is not collected centrally, although details on firefighter deaths and serious injuries are published in the annual reports of Her Majesty's Chief Inspector of Fire Services for England and Wales. Safeguarding the health and safety of firefighters is a key priority for the Central Fire Brigades Advisory Council and its committees. Guidance has recently been issued on the application of risk assessment in the fire service, and consideration is being given to ways of improving accident reporting arrangements.

Mr. Allen: To ask the Secretary of State for the Home Department what occupational health schemes are in place in the fire service; and if he will make a statement. [6816]

Mr. Sackville: Guidance was issued by the Home Office in 1991 to chief fire officers in England and Wales commending the use of occupational health schemes. Subsequently in its report "In the Line of Fire" in 1995 the Audit Commission endorsed such schemes, which could help reduce the numbers of ill-health retirements in the fire service. Almost all fire authorities now have such schemes, but the details of the arrangements are a matter for the individual authority.

Ethnic Minorities

Ms Walley: To ask the Secretary of State for the Home Department if he will meet North Staffordshire Racial Equality Council to discuss the future of section 11 funding; and if he will make a statement. [6989]

Mr. Kirkhope: The point which I understand has been of particular interest to North Staffordshire Racial Equality Council was answered by my announcement on 13 November, *Official Report*, column *242*, that the current level of section 11 funding will be maintained until August 1998. Grant recipients have been informed, and we have also written to both Staffordshire and Stoke-on-Trent councils about the implications of local government reorganisation.

Police (Corruption)

Mr. Michael: To ask the Secretary of State for the Home Department if he will list for *(a)* the Metropolitan police force, *(b)* the south-east regional crime squad and *(c)* the National Criminal Intelligence Service, for each of the last 10 years (i) how many officers were investigated for corruption, (ii) for how long officers under investigation were suspended, broken down by three-month intervals, (iii) the outcome of the investigation and (iv) how many officers investigated for corruption resigned their position (1) while suspended and (2) within a year of investigations being completed or discontinued. [6689]

Mr. Maclean *[holding answer 2 December 1996]:* Information on the number of officers investigated for corruption is not available for the period requested as records were not kept by type of allegation.

Table 1 sets out, from 1990 onwards, the numbers of Metropolitan police officers who were suspended for corruption, and the breakdown of the length of the suspension. Table 1 also gives details of the outcome of the investigations, including the numbers of those under investigation who were required to resign or who resigned from the service before their case was heard by a disciplinary board.

The information requested at iv. (2) is not readily available and could be obtained only at disproportionate cost.

The National Criminal Intelligence Service was formed on 1 April 1992 and the south-east regional crime squad was formed on 1 April 1993. Police officers are seconded to these organisations from the Metropolitan police service and from provincial forces. The responsibility for the conduct of any criminal or disciplinary investigation and, if appropriate, for the suspension of seconded officers rests with an officer's home force. Figures for NCIS and SERCS are included, therefore, within the Metropolitan police service figures. I understand that there have been no other corruption investigations or suspensions relating to officers seconded to these organisations from other forces.

Table 1: Metropolitan police officers suspended for corruption 1990 to 1996

Year	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996 so far*
Number of officers	1	2	2	[1]3	2	0	2
Number of months on suspension							
1–3 months	0	0	0	0	0	0	0
3–6 months	0	1	2	0	0	0	0
6–9 months	1	0	0	0	0	0	0
9–12 months	0	0	0	0	0	0	0
1–2 years	0	1	0	[1]3	1	0	0
Still suspended	0	0	0	0	1	0	2
Final outcome							
Reinstated	1	1	0	[1]1	1	0	0
Dismissed	0	1	1	[1]1	0	0	0
Required to resign	0	0	1	0	0	0	0
Resigned before board	0	0	0	[1]1	0	0	0

[1]These figures are made up of two officers from the Regional Crime Squad and one from NCIS. The NCIS officer was reinstated and of the Regional Crime Squad officers one resigned, the other was dismissed.

Mr. Michael: To ask the Secretary of State for the Home Department how many investigations into allegations of corruption involving officers *(a)* of the Metropolitan police, *(b)* serving with the the National Criminal Intelligence Service and *(c)* serving with the south-east regional crime squad have been (i) started and (ii) concluded in each of the past 10 years and in the current year. [6691]

Mr. Maclean *[holding answer 2 December 1996]:* Tables 1(i) and 1(ii) set out the numbers of investigations into allegations of corrupt practice against Metropolitan police officers arising from complaints from members of the public or arising from internal sources or internal investigations into corrupt practice, and the outcome of the investigations.

The National Criminal Intelligence Service was formed 1 April 1992 and the south-east regional crime squad was set up on 1 April 1993. Police officers are seconded to these organisations from the Metropolitan police service and from provincial forces. The responsibility for the conduct of any criminal or disciplinary investigation and, if appropriate, the suspension of seconded officers, rests with an officer's home force. Figures for NCIS and SERCS are included, therefore within the Metropolitan police service figures. I understand that there have been no other corruption investigations or allegations relating to officers seconded to these organisations from other forces.

Table 1(i) and 1(ii) give figures from 1987 and 1994 onwards. Figures before these years are not readily available and can be obtained only at disproportionate cost. A recorded case may include more than one allegation. In general terms, because of the nature of the investigations, an investigated case is unlikely to be completed in the year in which it is recorded.

Table 1(i): Complaints from the public of corrupt practice against Metropolitan police officers between 1987 and 1996

	1987	*1988*	*1989*	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1st half 1996*
Cases recorded	28	53	45	44	39	34	25	35	19	11
Allegations completed	34	40	33	28	26	24	27	54	40	24
Informal resolutions	0	5	5	3	5	3	0	6	3	0
Withdrawn	16	13	12	8	7	8	6	12	8	5
Dispensations granted	3	4	2	2	3	4	8	10	13	7
Unsubstantiated	11	17	13	13	10	7	11	26	15	11
Substantiated	4	1	1	2	1	2	2	0	1	1

These figures start at 1987 as this was when the system was computerised previous to this the accuracy of figures cannot be guaranteed.

Table 1(ii): Internal Investigations into corrupt practice against Metropolitan police officers 1994 to 1996

	1994	*1995*	*1st Half 1996*
Cases recorded	51	58	27
Allegations completed	34	40	27
Not substantiated	18	26	7
Substantiated	16	14	20

Previous to 1994 computer records of internal investigations were not held, so reliable figures cannot be collected without reference to the original files.

Police (Suspensions)

Mr. Michael: To ask the Secretary of State for the Home Department how many police officers serving with *(a)* the Metropolitan police force, *(b)* the south-east

regional crime squad and *(c)* National Criminal Intelligence Service are currently suspended (1) on full pay and (2) without pay; and how many of those suspended have been suspended for (i) less than one month, (ii) between one and three months, (iii) between three and six months, (iv) between six and nine months, (v) between nine and 12 months, (vi) between 12 months and two years and (vii) more than two years. [6690]

Mr. Maclean *[holding answer 2 December 1996]:* Police officers who may have committed a disciplinary or criminal offence may be suspended by a chief officer. Officers are suspended on full pay except where they may be detained in pursuance of a sentence of a court or are in custody between conviction of a court and sentence, or in circumstances where they may have absented themselves from duty and their whereabouts are unknown to the chief officer.

Table 1 gives details of the numbers of Metropolitan police officers, including those attached to the south-east regional crime squad, who are currently suspended, and the length of the suspension. All are on full pay. No officers attached to the National Criminal Intelligence Service are currently suspended.

Table 1: Metropolitan police officers currently suspended as of 27 November 1996

Length of current suspension	*Number of Metropolitan police officers*	*Number of south-east regional crime squad*
Less than a month	4	0
1 to 3 months	16	1
3 to 6 months	11	1
6 to 9 months	3	0
9 to 12 months	4	0
1 to 2 years	12	0
2 or more years	2	0
Total	52	2

Mr. Michael: To ask the Secretary of State for the Home Department how many officers with *(a)* the Metropolitan police, *(b)* the National Criminal Intelligence Service and *(c)* the south-east regional crime squad have been suspended from duty in each of the past 10 years and in the current year, broken down by rank in each case. [6692]

Mr. Maclean *[holding answer 2 December 1996]:* This information is available only from 1990 onwards. Table 1 gives details for the Metropolitan police service and for the south-east regional crime squad. One Metropolitan police officer, who was attached to the National Criminal Intelligence Service at the relevant time, is included within the Metropolitan police service figures.

Table 1: Officers suspended from the Metropolitan police 1990 to 1996

Rank	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996 so far*
Metropolitan police							
Police constable	37	60	54	56	33	36	42
Detective constable	7	8	3	7	3	11	6
Sergeant	8	3	10	4	3	6	3
Detective sergeant	1	0	0	[1]7	2	4	1
Inspector	2	1	0	0	0	3	1
Detective inspector	0	0	0	0	0	1	0
Chief inspector	0	0	1	0	0	0	0
Detective chief inspector	0	0	0	0	1	0	0
Superintendent	1	3	0	0	0	0	0
Total	56	75	68	[1]67	42	61	53
South-East regional crime squad							
Detective constable	0	0	0	2	0	1	2
Detective sergeant	0	0	0	0	0	1	0
Acting detective inspector	0	0	0	0	0	0	1
Total	0	0	0	2	0	2	3

[1]Includes one officer who when suspended was attached to NCIS.

Bradford Commission

Mr. Madden: To ask the Secretary of State for the Home Department what reports he received in advance of the publication of the Bradford commission report on 20 November of the claim made at paragraph 4.5.2 in respect of the view expressed by the then parliamentary Under-Secretary of State in the House on 21 June 1995 about the scope of the Police Complaints Authority inquiry; what response he made; what response he has made since the publication of the Bradford commission report; and if he will make a statement. [6715]

Mr. Maclean *[holding answer 2 December 1996]:* My right hon. and learned Friend was not aware of the contents of the Bradford commission report before it was published. The report suggested that the statement made by the then Parliamentary Under-Secretary of State for the Home Office was wrong and misleading in suggesting that the inquiry by the Police Complaints Authority would investigate all the circumstances surrounding the complaints against the police. This claim is unfounded; the West Yorkshire force referred the complaints which had been received and the circumstances surrounding them to the PCA for supervision of the investigation.

Departmental Responsibilities

Mr. Mackinlay: To ask the Secretary of State for the Home Department if he will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of his Department which exclusively relates to each of the above categories. [5958]

Mr. Howard: The available information is as follows:

Directorate	England and Wales 1996–97 £000s	Great Britain 1996–97 £000s	United Kingdom 1996–97 £000s
Police policy	108,817	—	—
Organised and international crime	41,799	4,957	—
Emergency planning	18,910	—	1,284
Fire	11,987	—	961
Criminal policy	103,410	—	—
Criminal injuries compensation scheme	258,365	—	—
Research and statistics	12,862	—	—
Immigration and nationality	—	—	222,170
Constitutional and community programmes	34,846	—	—
Local authority grants[1]	3,913,159	—	—
Central services	82,484	—	—
Forensic science service	4,399	—	—
Prison service	1,642,316	—	—
United Kingdom passport agency	—	—	49,883

[1]Includes current and capital grants to police, probation etc.

Correspondence

Mr. Kaufman: To ask the Secretary of State for the Home Department when he intends to reply to the letters dated 27 August, 25 September and 24 October, with regard to Mr. Kahaiko Matureh-Wali of 3 Martlot close, Manchester, from the right hon. Member for Manchester, Gorton. [7288]

Mr. Howard: I replied to the right hon. Member today.

Anglo-American Legal Assistance Treaty

Lady Olga Maitland: To ask the Secretary of State for the Home Department when the treaty between the United Kingdom and the United States of America on mutual legal assistance in criminal matters comes into force; and if he will make a statement. [7510]

Mr. Howard: I and the United States ambassador, His Excellency Admiral William J. Crowe Jnr., signed the protocols of exchange when we exchanged instruments of ratification of the treaty at a ceremony in London yesterday. The United States Attorney General, Ms Janet Reno, also attended. The treaty, which entered into force upon the exchange of instruments of ratification, continues in force the drugs agreement entered into by the United Kingdom with the United States of America in 1988 and provides a binding framework within which the United Kingdom and the United States of America may provide a full range of mutual legal assistance covering all crimes. The United States of America is one of the United Kingdom's largest and most important mutual legal assistance partners and in the past three years the United Kingdom and the United States of America have jointly handled about 400 requests for mutual legal assistance. The treaty is a major step forward in the continuing process of collaboration between our two countries in the fight against serious and international crime.

Asylum and Immigration Act

Lady Olga Maitland: To ask the Secretary of State for the Home Department when section 8 of the Asylum and Immigration Act 1996 will be brought into effect; and if he will make a statement. [7511]

Miss Widdecombe: The Asylum and Immigration Act 1996 (Commencement No. 3 and Transitional Provisions) Order 1996 brings section 8 of the Asylum and Immigration Act 1996 into force on 27 January 1997. The order makes it clear that section 8 will not apply to any employment which began before that date.

A further order will be laid shortly which will specify the documents which will provide an employer with a defence; state how copies or other records of such documents are to be made; and specify other conditions which may be satisfied if an employee is to be employed without the commission of an offence.

Written guidance about section 8 will be sent direct to over 1.1 million employers during December. The first copies are being sent out today; all employers should expect to have received a copy before Christmas. The guidance will also be available on the Internet world wide web at address http://www.open.gov.uk/home_off/ind.htm. Copies of the guidance have been placed in the library.

The guidance has been drawn up with the assistance of the Commission for Racial Equality, individual employers and employers' and trade organisations.

A telephone helpline will be available from 6 January on 0181 649 7878. Further information about the helpline is provided in the written guidance.

DUCHY OF LANCASTER

Security Facilities Executive

Mr. Sweeney: To ask the Chancellor of the Duchy of Lancaster what plans he has for the future of the security facilities executive following the privatisation of its custody services business early next year. [5772]

Mr. Freeman: I intend to set up a new agency from 1 April 1997 comprising the Government car service and the interdespatch service which provide secure transport and mail services. The chief executive will be recruited by open competition. These businesses will be financially separate but operate within one agency.

From 1 April the special services group, which provides advice and technical security services to Government Departments and other public sector customers, will then be the sole remaining business of the security facilities executive. From this date I intend that it will continue as an agency of the Office of Public Service. The precise scope of its work is to be determined in the light of a study of its services and the related interests of other Government Departments.

The staff of SAFE and the customers of the three businesses will be consulted very carefully about the implementation of these changes.

European Parliament

Mr. Donohoe: To ask the Chancellor of the Duchy of Lancaster how much was spent in pounds sterling by the European Parliament *(a)* in 1995 and *(b)* so far in 1996 in subsidising the visits of parties organised by MEPs to the European Parliament; how many visits were subsidised during these periods; how much was spent in organising visits to the European Parliament by British MEPs; and how many such visits were organised. [6356]

Mr. David Davis: I have been asked to reply.

The 1995 budget provision for subsidising group visits to the European Parliament was 7.88 million ecu or £6.1 million. Provision in the 1996 budget is 9.2 million ecu or £7.1 million. Final outturn figures for 1995 and details of expenditure so far in 1996 are not yet available. A total of 3,057 group visits were subsidised in 1995, of which 341 were by British groups; 1,134 of these visits were sponsored by individual MEPs, of which 341 were sponsored by British MEPs. Detailed figures for group visits so far in 1996 are not readily available, but the EP secretariat advises that by the end of November 1996 170 group visits had been sponsored by British MEPs.

Departmental Responsibilities

Mr. Mackinlay: To ask the Chancellor of the Duchy of Lancaster if he will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of his Department which exclusively relates to each of the above categories. [5966]

Mr. Willetts: The responsibilities of the Cabinet Office and the Office of Public Service relate to the whole of the United Kingdom of Great Britain and Northern Ireland.

The responsibilities of the Central Office of Information relate to England; work undertaken in the other countries is as an agent of the Scottish, Welsh or Northern Ireland Office.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Chancellor of the Duchy of Lancaster if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6023]

Mr. Willetts *[holding answer 25 November 1996]:* The work of the Cabinet Office is directed to the servicing of Cabinet and its committees. The Cabinet Office also provides staff and support services for the Prime Minister's office at 10 Downing street, for the offices of the Government Whips, and for the Parliamentary Counsel Office, the function of which is to draft Government Bills and advise Departments on parliamentary procedure. Within the Cabinet Office, the Office of Public Service has responsibility for improving the efficiency of government and public services and the competitiveness of business.

Apart from management decisions concerned with the staffing of his Department, my right hon. Friend the Chancellor of the Duchy of Lancaster is not called upon to take administrative decisions directly affecting individual United Kingdom citizens or non-citizens.

WALES

Grant-maintained Schools

Mr. Barry Jones: To ask the Secretary of State for Wales how many grant-maintained *(a)* secondary and *(b)* primary schools there are in Wales; and how many outstanding applications for grant-maintained status there are. [6644]

Mr. Jonathan Evans: There are 11 secondary and five primary grant-maintained schools in Wales as well as—one grant-maintained school of mixed age range—3 to 18—years. There are no applications for grant-maintained status from LEA maintained schools currently under consideration.

Proposals have been received for the establishment of a new grant-maintained secondary school in Usk. Governors of Westfield lower special school, Newport, where a successful ballot was announced on 1 August, have until 1 December to publish proposals.

Wrexham Central Station

Mr. Barry Jones: To ask the Secretary of State for Wales what consultation he has had with the North West Regional Railways concerning the company's plan to relocate Wrexham central station. [6598]

Mr. Gwilym Jones: In accordance with the provisions of the Railways Act 1993 North West Regional Railways and Railtrack, as operator and owner of the station, jointly applied to the Office of Passenger and Rail Franchising for permission to close a short length of track and to relocate the existing station.

Consultation on such matters is the responsibility of the Rail Regulator and a public hearing was held on 27 November 1996. The Rail Regulator is to issue his formal decision by 26 February 1997.

Mixed-sex Wards

Mr. Barry Jones: To ask the Secretary of State for Wales what is his policy on mixed-sex wards. [6640]

Mr. Gwilym Jones: The policy on mixed-sex wards is as set out in the patients charter.

Cattle Slaughter

Mr. Barry Jones: To ask the Secretary of State for Wales if he will ensure that cattle in Alyn and Deeside are allocated a regular slot in an abattoir under the BSE slaughter programme; and if he will make a statement. [6596]

Mr. Jonathan Evans: The Intervention Board executive agency is ensuring that an appropriate proportion of cattle from Wales is slaughtered each week at both Welsh and English abattoirs.

West Wales Task Force Initiative

Mr. Ainger: To ask the Secretary of State for Wales if he will list the projects funded by the Welsh Office under the West Wales task force initiative since 1992, indicating the cost of each such project. [7285]

Mr. Gwilym Jones: I will write to the hon. Member as soon as possible and place a copy of my reply in the Library of the House.

PRIME MINISTER

Cabinet Papers

Mr. McAvoy: To ask the Prime Minister how many Cabinet papers were submitted to the full Cabinet in each year from 1991 to 1995. [7042]

The Prime Minister: Details relating to proceedings of Cabinet and Cabinet Committees are not published.

Engagements

Mr. Harry Greenway: To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5825]

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Tuesday 3 December. [5824]

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Cabinet Ministers

Mr. Vaz: To ask the Prime Minister how many former Cabinet Ministers receive *(a)* police protection and *(b)* at what cost to public funds. [7309]

The Prime Minister: For security reasons it is established policy that information of this kind is not published.

EDUCATION AND EMPLOYMENT

Grammar Schools

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will list *(a)* the grammar schools in England, grouping them by parliamentary constituency and *(b)* the percentage of secondary school age children attending grammar schools in each parliamentary constituency. [5898]

Mr. Robin Squire *[holding answer 2 December 1996]:* The following table lists for each parliamentary constituency in England the maintained secondary schools which classified themselves as selective in the 1996 performance tables. The Department does not have a comprehensive list of maintained secondary schools for each parliamentary constituency.

Selective maintained secondary schools' by parliamentary constituency

Constituency	*Name of school*
Altrincham, Sale	Altrincham Grammar School for Girls
Altrinham and Sale	Altrincham Boys' GM School
Ashford	Highworth Grammar School for Girls
Ashford	The Norton Knatchbull School
Aylesbury	Aylesbury High School
Aylesbury	Sir Henry Floyd Grammar School
Aylesbury	Aylesbury Grammar School
Barnet	Queen Elizabeth's Boys' School
Batley and Spen	Heckmondwike Grammar School
Beaconsfield	Beaconsfield High School
Beaconsfield	Burnham Grammar School
Bexleyheath	Bexley Grammar School
Bexleyheath	Townley Road Grammar School for Girls
Birkenhead	St. Anselm's College
Birmingham Hall Green	King Edward VI Camp Hill Girls' School
Birmingham Hall Green	King Edward VI Camp Hill School (Boys)
Birmingham Northfield	King Edward VI Five Ways School
Birmingham Perry-Barr	Handsworth Grammar School
Birmingham Small Heath	King Edward VI Aston School
Birmingham Small Heath	King Edward VI Handsworth School
Bournemouth East	Bournemouth School
Bournemouth East	Bournemouth School for Girls (GM)
Bridgwater	Brymore School
Bristol West	Cotham Grammar School
Bristol West	Fairfield Grammar School
Buckinghamshire	The Royal Latin School
Cambridgeshire SE LEA	The King's School
Canterbury	Barton Court Grammar School
Canterbury	Simon Langton Grammar School for Boys
Canterbury	Simon Langton Girls' School
Carshalton and Wallington	Wallington Boys County Grammar School
Carshalton and Wallington	Wallington High School for Girls
Carshalton and Wallington	Wilson's School
Chelmsford	Chelmsford County High School for Girls
Chelmsford	King Edward VI Grammar School
Cheltenham	Pate's Grammar School
Chesham and Amersham	Chesham High School
Chesham and Amersham	Dr. Challoner's High School
Chesham and Amersham	Dr. Challoner's Grammar School
Colchester North	Colchester Royal Grammar School
Colchester North	Royal Grammar School
Colchester South and Maldon	Colchester County High School for Girls
Dartford	Dartford Grammar School
Dartford	Dartford Grammar School for Girls
Dartford	The Grammar School for Girls Wilmington
Dartford	Wilmington Grammar School for Boys
Davyhulme	Sale Grammar School
Davyhulme	Urmston Grammar School
Dorset South	Budmouth Technology College
Dover	Dover Grammar School for Boys
Dover	Dover Grammar School for Girls
Edgbaston	King Edward VI School
Edmonton	The Latymer School
Faversham	Queen Elizabeth's Grammar School
Faversham	Highsted School
Faversham	Borden Grammar School
Finchley	St. Michael's Catholic Grammar School
Folkestone and Hythe	The Folkestone School for Girls
Folkestone and Hythe	The Harvey Grammar School
Gainsborough and Horncastle	Caistor Grammar School
Gainsborough and Horncastle	Horncastle Queen Elizabeth's Grammar School
Gainsborough and Horncastle	Gainsborough Queen Elizabeth's High School
Gloucester	High School for Girls
Gloucester	Ribston Hall High School
Gloucester	The Crypt School
Gloucester	Sir Thomas Rich's School
Grantham	Carre's Grammar School
Grantham	Kesteven and Grantham Girl's School
Grantham	Kesteven and Sleaford High School
Gravesham	Gravesend Grammar School for Boys
Gravesham	Gravesend Grammar School for Girls
Halifax	Crossley Heath School
Halifax	The North Halifax Grammar School
Hendon South	The Henrietta Barnett School
Holland with Boston	Boston Grammar School
Holland with Boston	Boston High School for Girls
Honiton	Colyton Grammar School
Honiton	Torquay Boys' Grammar School
Ilford North	Ilford County High School
Kent Mid	Chatham Girls' Grammar School
Kent Mid	Chatham Boys' Grammar School
Kent Mid	Fort Pitt Grammar School
Kingston upon Thames	Tiffin School
Kingston upon Thames	The Tiffin Girls' School
Lancaster	Lancaster Girls' Grammar School
Lancaster	Lancaster Royal Grammar School

Selective maintained secondary schools[1] by parliamentary constituency

Constituency	*Name of school*
Lindsey East	Alford Queen Elizabeth's GM Grammar School
Lindsey East	Skegness Grammar School
Maidstone	Oakwood Park Grammar School
Maidstone	Invicta Grammar School for Girls
Maidstone	Maidstone Grammar School
Maidstone	Maidstone Grammar School for Girls
Medway	The Rochester Girls' Grammar School
Medway	Sir Joseph Williamson's Mathematical School
Mid Kent	Rainham Mark Grammar School
Old Bexley and Sidcup	Bexley-Erith Technical High School for Boys
Old Bexley and Sidcup	Chislehurst and Sidcup Grammar School
Orpington	Newstead Wood School for Girls
Orpington	St. Olave's and St. Saviour's Grammar School
Plymouth Drake	Devonport High School for Boys
Plymouth Drake	Devonport High School for Girls
Plymouth Drake	Plymouth High School for Girls
Poole	Parkstone Grammar School (Girls)
Poole	Poole Grammar School
Reading East	Reading School
Reading East	Kendrick Girls' Grammar School
Ribble Valley	Clitheroe Royal Grammar School
Rossendale and Darwen	Bacup and Rawtenstall Grammar School
Rugby and Kenilworth	Lawrence Sheriff School
Rugby and Kenilworth	Rugby High School for Girls
Salisbury	Bishop Wordsworth's Grammar School
Salisbury	South Wiltshire Grammar School for Girls
Shropshire North	Adams' Grammar School
Shropshire North	Newport Girls' High School
Skipton and Ripon	Ermysted's Grammar School
Skipton and Ripon	Ripon Grammar School
Skipton and Ripon	Skipton Girls' High School
Slough	Herschel Grammar School
Slough	Langley Grammar School
Slough	Slough Grammar School
Slough	St. Bernard's Convent School
South Hampshire	Churston Grammar School
Southend East	Southend High School for Girls
Southend West	Southend High School for Boys
Southend West	Westcliff High School for Boys
Southend West	Westcliffe High School for Girls
Stamford with Spalding	Bourne Grammar School
Stamford with Spalding	Spalding Grammar School
Stamford with Spalding	Spalding High School
Stratford upon Avon	Alcester Grammar School
Stratford upon Avon	King Edward VI Grammar School
Stratford upon Avon	Stratford upon Avon Grammar School for Girls
Stretford	Stretford Grammar School
Stroud	Marling School
Stroud	Stroud High School
Sutton and Cheam	Nonsuch High School for Girls
Sutton and Cheam	Sutton Grammar School for Boys
Sutton Coldfield	Sutton Coldfield Girl's School
Sutton Coldfield	Bishop Vesey's Grammar School
Thanet South	Chatham House Grammar School for Boys
Thanet South	Dane Court Grammar School
Thanet South	Sir Roger Manwood's School
Thanet South	Clarendon House Girls' Grammar School
Tonbridge and Malling	Tonbridge Grammar School for Girls
Tonbridge and Malling	Weald of Kent Grammar School
Tonbridge and Malling	The Judd School
Torbay	Torquay Grammar School for Girls
Tunbridge Wells	Cranbrook School
Tunbridge Wells	The Skinners' School
Tunbridge Wells	Tunbridge Wells Girls's Grammar School
Tunbridge Wells	Tunbridge Wells Grammar School for Boys
Walsall South	Queen Mary's Grammar School
Walsall South	Queen Mary's High School
Wanstead and Woodford	Woodford County High School
Wirral South	Wirral Grammar School for Boys
Wirral South	Wirral County Grammar School (girls)
Wirral West	Calday Grange Grammar School
Wirral West	Upton Hall Convent School
Wirral West	West Kirby Grammar School for Girls
Wolverhampton South West	Wolverhampton Girl's High School
Wycombe	John Hampden Grammar School
Wycombe	Sir William Borlase's Grammar School
Wycombe	Wycombe High School

[1]Maintained secondary schools which classified themselves as selective in the 1996 performance tables.

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will list *(a)* the grammar schools in England, grouping them by local education authority area and *(b)* the percentage of secondary school age children attending grammar schools in each local education authority area. [5901]

Mr. Robin Squire *[holding answer 2 December 1996]:* I refer the hon. Gentleman to the reply I gave to the hon. Member for Plymouth, Devonport (Mr. Jamieson) on 25 November, *Official Report*, columns *16–21*, which lists for each local education authority area in England the maintained secondary schools which classified themselves as selective in the 1996 performance tables.

The following table lists for each local education authority area in England the number of pupils attending those maintained secondary schools which classified themselves as selective in the 1996 performance tables expressed as a percentage of the number of pupils attending maintained secondary schools.

Percentage of pupils attending maintained selective schools[1] by local education authority area in England: January 1996

	Per cent.
Corporation of London	n/a
Camden	0.0
Greenwich	0.0
Hackney	0.0
Hammersmith and Fulham	0.0
Islington	0.0
Kensington and Chelsea	0.0
Lambeth	0.0
Lewisham	0.0
Southwark	0.0
Tower Hamlets	0.0
Wandsworth	0.0
Westminster	0.0
Barking and Dagenham	0.0
Barnet	14.1
Bexley	36.2
Brent	0.0
Bromley	8.7
Croydon	0.0
Ealing	0.0
Enfield	7.5
Haringey	0.0
Harrow	0.0
Havering	0.0
Hillingdon	0.0
Hounslow	0.0
Kingston upon Thames	29.5
Merton	0.0
Newham	0.0
Redbridge	10.3
Richmond upon Thames	0.0
Sutton	50.4
Waltham Forest	0.0
Birmingham	10.2
Coventry	0.0
Dudley	0.0
Sandwell	0.0
Solihull	0.0
Walsall	7.2
Wolverhampton	4.2
Knowsley	0.0
Liverpool	0.0
St. Helens	0.0
Sefton	0.0
Wirral	33.3
Bolton	0.0
Bury	0.0
Manchester	0.0
Oldham	0.0
Rochdale	0.0
Salford	0.0

Percentage of pupils attending maintained selective schools[1] by local education authority area in England: January 1996

	Per cent.
Stockport	0.0
Tameside	0.0
Trafford	56.6
Wigan	0.0
Barnsley	0.0
Doncaster	0.0
Rotherham	0.0
Sheffield	0.0
Bradford	0.0
Calderdale	13.0
Kirklees	3.1
Leeds	0.0
Wakefield	0.0
Gateshead	0.0
Newcastle upon Tyne	0.0
North Tyneside	0.0
South Tyneside	0.0
Sunderland	0.0
Isles of Scilly	0.0
Avon	2.7
Bedfordshire	0.0
Berkshire	9.5
Buckinghamshire	47.6
Cambridge	0.0
Cheshire	0.0
Cleveland	0.0
Cornwall	0.0
Cumbria	0.0
Derbyshire	0.0
Devon	9.7
Dorset	12.2
Durham	0.0
East Sussex	0.0
Essex	6.9
Gloucestershire	16.8
Hampshire	0.0
Hereford and Worcester	0.0
Hertfordshire	0.0
Humberside	0.0
Isle of Wight	0.0
Kent	44.1
Lancashire	4.4
Leicestershire	0.0
Lincolnshire	37.4
Norfolk	0.0
North Yorkshire	4.3
Northamptonshire	0.0
Northumberland	0.0
Nottinghamshire	0.0
Oxfordshire	0.0
Shropshire	3.4
Somerset	0.7
Staffordshire	0.0
Suffolk	0.0
Surrey	0.0
Warwickshire	11.3
West Sussex	0.0
Wiltshire	4.6
England	4.5

Source:
Annual Schools' Census.
[1] Number of pupils attending maintained secondary schools which classified themselves as selective in the 1996 performance tables expressed as a percentage of the number of pupils attending maintained secondary schools.
[2] Not applicable.

Language Issues

Mr. Bryan Davies: To ask the Secretary of State for Education and Employment (1) how many people have been trained in the clear writing of national vocational qualification standards since the publication of the Government's action plan on the recommendations of the Beaumont report; and of these how many are *(a)* members of her Department's staff and *(b)* outside consultants; [6939]

(2) pursuant to the action plan on the recommendations of the Beaumont report, how many standards development consultants have been trained in the use of plain English and Welsh; and what was the cost of this training. [6946]

Mr. Paice: To date, a total of 130 people have attended workshops on language issues as part of a programme in standards development. Of these, 27 were departmental staff, 56 from the accrediting bodies and 47 industry body representatives including 12 consultants. Costs for this financial year and next are anticipated to be £116,321.

National Vocational Qualifications

Mr. Bryan Davies: To ask the Secretary of State for Education and Employment how many national vocational qualifications awarded by the end of December 1995 were gained through programmes and assessment in *(a)* schools or further education and sixth form colleges and *(b)* workplaces. [6943]

Mr. Paice: According to the National Council for Vocational Qualifications 1,045,687 national vocational qualifications—NVQs—had been awarded by the end of December 1995.

Comprehensive information on the number of NVQs gained through programmes and assessment by type of centre is not available. However the national information system for vocational qualifications collects data on all vocational qualifications from four of the largest awarding bodies and so can provide information on about half of NVQs. A total of 29 per cent. of awards of these NVQs in the academic year 1994–95 were assessed in schools or further education, sixth form and tertiary colleges. Workplaces cannot be separately identified.

Mr. Davies: To ask the Secretary of State for Education and Employment how many individuals had been awarded national vocational qualifications by the end of December 1995. [6940]

Mr. Paice: According to the National Council for Vocational Qualifications and the Scottish Vocational Eduation Council there have been 1,045,687 national vocational qualifications and 24,533 Scottish vocational qualifications awarded by the end of December 1995.

Estimates form the autumn 1995—September to November 1995—labour force survey show that 1.2 million people in the UK reported that they held an NVQ or SVQ.

Mr. Davies: To ask the Secretary of State for Education and Employment, pursuant to the action plan on the implementation of the recommendations of the Beaumont report, what progress has been made with the development of a strategy for more complete and comparable statistics on vocational qualifications; and what changes to previous data collection and presentation procedures have been established. [6948]

Mr. Paice: The officials have worked with representatives from the National Council for Vocational Qualifications, the Scottish Vocational Education council, the Further Education Funding Council, the National Advisory Council for Education and Training Targets, the Welsh and Scottish Offices and the Northern Ireland Training and Employment Agency to draw up an information strategy for collecting and disseminating more comprehensive data about vocational qualifications. Consultation papers about this strategy were issued in November to a range of data providers and data users. Changes to data collection procedures will be agreed in consultation with data providers. The Department has continued to publish data on vocational qualifications in DfEE statistical bulletins.

Educational Institutions (Bills)

Ms Armstrong: To ask the Secretary of State for Educationa and Employment if she will list for each grant-maintained school further education college and university in 1995–96 the percentage of bills paid within 30 days or in accordance with agreed terms. [6720]

Mr. Forth: The information requested is not available.

Literacy and Numeracy

Sir John Hannam: To ask the Secretary of State for Education and Employment if she will ensure mandatory baseline assessment provides effective screening for children at risk of literacy and numeracy difficulties. [6764]

Mrs. Gillan: The School Curriculum and Assessment Authority—SCAA—has been consulting widely about baseline assessment. One of its proposals was that any statutory requirements should provide equal entitlement for all children to be assessed on entry to school. SCAA's consultation document proposed, among other things, that any assessment should be meaningful to children with special educational needs. SCAA is due to offer advice on baseline assessment to my right hon. Friend the Secretary of State in the new year.

The code of practice on the identification and assessment of special educational needs, to which all schools already must have regard, emphasises that all children with special educational needs should be identified and assessed as early as possible.

Teachers

Mr. David Nicholson: To ask the Secretary of State for Education and Employment what priority she gives to, and what measures she is taking in respect of *(a)* the encouragement of men to enter or stay in the teaching profession and *(b)* the facilitation of women to obtain suitable headships. [6910]

Mr. Forth: Responsibility for promoting teaching as a profession rests with the Teacher Training agency—TTA. One of the main aims of the agency is to ensure that the profession attracts high quality candidates in sufficient numbers to meet the needs of schools. The agency's recently published strategy paper on teacher recruitment sets out its plans for promoting teaching generally, and the ways in which more men might be attracted into the profession.

The Government place a high priority on training for headship. The national professional qualification for headship, available nationally from September 1997, will equip all those aspiring to headship with the necessary skills to become effective headteachers.

Ms Walley: To ask the Secretary of State for Education and Employment what assessment she has made of the current age profile of teachers. [7180]

Mrs. Gillan: The following table shows the numbers of teachers in full-time service in maintained nursery, primary, secondary and special schools as at 31 March 1995.

Age	*Number of teachers*	*Age*	*Number of teachers*	*Age*	*Number of teachers*
21	7	36	8,234	51	10,903
22	1,278	37	9,809	52	9,454
23	5,200	38	10,836	53	7,513
24	7,703	39	12,193	54	6,497
25	8,366	40	13,724	55	6,040
26	8,719	41	15,678	56	5,046
27	8,430	42	16,775	57	4,149
28	8,714	43	17,749	58	3,297
29	8,789	44	18,190	59	2,527
30	8,486	45	18,897	60	1,617
31	7,934	46	18,243	61	1,057
32	7,172	47	18,352	62	697
33	6,900	48	18,052	63	461
34	7,019	49	12,663	64	365
35	7,388	50	12,456	65+	181

Source:
Database of teachers' records

Mr. Nicholson: To ask the Secretary of State for Education and Employment what was the total number of *(a)* males and *(b)* females in the teaching profession (i) in 1985 and (ii) at the latest available date. [6911]

Mr. Forth: The information is as follows:

Full-time and part-time teacher numbers in the maintained nursery, primary, secondary[1] and special education sector in England and Wales

	Men	*Women*
March 1985	172,100	285,300
March 1995[2]	134,100	303,300

[1]Excluding sixth form colleges.
[2]Provisional data.

Nursery Education

Sir Ralph Howell: To ask the Secretary of State for Education and Employment how many children under five years of age in Norfolk were in private nursery schools and playgroups *(a)* before the introduction of nursery vouchers and *(b)* at the latest date for which figures are available. [6738]

Mr. Robin Squire: Information on children under five years of age in private nursery schools and play groups is not collected centrally.

In the summer term 1996 some 3,660 four-year-olds attended private and voluntary providers in Norfolk under phase 1 of the nursery education voucher scheme. Further

details are given in chapter 6 of the Department's report on phase 1, published on 13 November. Copies are in the Library.

Training and Enterprise Councils

Mr. Sheerman: To ask the Secretary of State for Education and Employment what is the average salary of a chief executive of a training and enterprise council. [6803]

Mr. Paice: In line with other private companies, the salaries of chief executives is a matter for individual TECs to decide.

Student Loans

Mr. Bryan Davies: To ask the Secretary of State for Education and Employment what is the expected total income from the sale of student loan debt; and what is the estimated effect on public sector borrowing requirement in *(a)* 1997–98, *(b)* 1998–99 and *(c)* 1999–2000. [7133]

Mr. Forth: The total income is dependent on the outcome of the forthcoming competition and negotiations. The Government's plans assume that some £1,500 million of debt will be sold in each of the three years. The effect on the public sector borrowing requirement and the exact quantum sold will depend on the final structure of the sale.

Mr. Davies: To ask the Secretary of State for Education and Employment what percentage of total outstanding student loan debt will be sold to the private sector in 1997–98 and in each subsequent year. [7132]

Mr. Forth: The total to be sold will depend on the forthcoming competition. Current plans assume that about half the debt then outstanding will be sold by the end of 1997–98 and about 80 per cent. of total accrued debt by 1999–2000.

Mr. Davies: To ask the Secretary of State for Education and Employment what estimates she has made of the *(a)* gross outlay on student loans and *(b)* repayment of student loans in 1997–98, 1998–99 and 1999–2000. [7130]

Mr. Forth: The estimated England and Wales, rounded, figures are:

£ millions

Financial year	*1997–98*	*1998–99*	*1999–2000*
Gross loan outlay	895.8	973.2	994.5
Repayments of principal	93.8	144.1	211.2

Mr. Davies: To ask the Secretary of State for Education and Employment what provision will be made in her plans for the sale of student loan debt for *(a)* default and *(b)* deferment rates on repayments. [7131]

Mr. Forth: The financial impact of projected default and deferment rates will be subject to negotiation with prospective bidders.

Teachers (New Entrants)

Ms Walley: To ask the Secretary of State for Education and Employment how many new entrants to teaching posts there were in *(a)* primary or *(b)* secondary schools in each of the last five years. [7179]

Mr. Forth: The numbers of new entrants to teaching, in the maintained nursery, primary and secondary sector in England and Wales, are given in the following table.

New entrants[2] to	*March 1991*	*March 1992*	*March 1993*	*March 1994*	*March 1995[1]*
Nursery, primary sector	8,266	8,481	8,684	9,444	10,100
Secondary sector[3]	6,472	6,810	7,800	9,196	9,900

[1] Provisional data.
[2] Those in the maintained nursery, primary, secondary sector at 31 March of the year shown who first entered teaching in the preceding year.
[3] Excludes sixth form colleges.

Further Education Colleges

Mr. Bryan Davies: To ask the Secretary of State for Education and Employment what is the annual efficiency gain required of colleges of further education in *(a)* 1997–98, *(b)* 1998–99 and *(c)* 1999–2000. [7134]

Mr. Paice: The efficiency gains implied in the spending plans for the further education sector announced in last week's Budget are estimated at 5.6 per cent. in 1997–98, 4.9 per cent. in 1998–99, and 5.3 per cent. in 1999–2000.

Further Education Funding Council

Mr. Bryan Davies: To ask the Secretary of State for Education and Employment what is the projected total grant to the Further Education Funding Council in 1996–97, 1997–98, 1998–99 and 1999–2000 in *(a)* cash terms and *(b)* real terms, using the current GDP deflator; and what is the percentage change from year to year in each case. [7135]

Mr. Paice: The information requested on the projected total grant to the FEFC for each year from 1996–97 to 1999–2000 is set out in the following table:

£ million

	1996–97	*1997–98*	*1998–99*	*1999–2000*
Total grant (cash terms)	3,070.5	3,072.2	3,053.3	3,010.9
Percentage change	—	+0.06	−0.6	−1.4
Total grant (real terms)	3,070.5	3,012.0	2,934.7	2,837.2
Percentage change	–	−1.9	−2.6	−3.3

[1] At 1996–97 prices. The figures for 1998–99 and beyond are subject to review in future public expenditure surveys.

Teachers (Early Retirement)

Ms Walley: To ask the Secretary of State for Education and Employment what assessment she has made of the number of teachers likely to apply for early retirement in 1996–97 and 1997–98 in *(a)* primary and *(b)* secondary schools. [7181]

Mrs. Gillan: None. The Department collects data on the number of premature retirements granted by teachers' employers, but not on the number of applications made by teachers to their employers. Premature retirement is at the discretion of the employer.

Ms Walley: To ask the Secretary of State for Education and Employment how many *(a)* primary and *(b)* secondary school teachers have accepted early retirement in each of the last five years. [7178]

Mrs. Gillan: The following table shows the numbers of teachers who have been granted premature and ill health retirement in England and Wales from 1991–92 to 1995–96.

	1991–92	*1992–93*	*1993–94*	*1994–95*	*1995–96*
Infirmity					
Maintained nursery and primary	2,167	2,117	2,347	2,668	2,505
Maintained secondary	1,581	1,689	2,154	2,225	2,112
Total	3,748	3,806	4,501	4,893	4,617
Premature					
Maintained nursery and primary	3,199	3,356	3,472	3,443	3,794
Maintained secondary	3,477	3,883	4,633	3,780	4,745
Total	6,676	7,239	8,105	7,223	8,539
Total					
Maintained nursery and primary	5,366	5,473	5,819	6,111	6,299
Maintained secondary	5,058	5,572	6,787	6,005	6,857
Total	10,424	11,045	12,606	12,116	13,156

The secondary sector does not include sixth form colleges throughout.

Ms Walley: To ask the Secretary of State for Education and Employment what assessment she has made of the impact on *(a)* class sizes and *(b)* school budgets of the proposed changes to the early retirement provisions for teachers; and if she will make a statement. [7104]

Mr. William O'Brien: To ask the Secretary of State for Education and Employment if she will make a statement on the estimated salary costs to school budgets from the withdrawal of the premature retirement scheme for teachers. [7261]

Mrs. Gillan: My right hon. Friend does not expect these proposals to alter the overall size of the teaching force, and she does not expect them to affect class sizes. The local government finance settlement allows for the effect of the proposals, so that the effect on school budgets will be broadly neutral.

Ms Walley: To ask the Secretary of State for Education and Employment what representations she has received in respect of the proposed changes to early retirement provisions for teachers. [7100]

Mrs. Gillan: In the last few weeks my right hon. Friend has received a large number of representations in respect of the proposed changes to early retirement provisions for teachers.

Ms Walley: To ask the Secretary of State for Education and Employment if she will reject the proposal to transfer funding of early retirement pensions contributions for teachers to schools; and if she will make a statement. [7102]

Mrs. Gillan: The proposals have been issued for consultation, with a closing date for responses of 17 January 1997. My right hon. Friend will take final decisions after that date.

Ms Walley: To ask the Secretary of State for Education and Employment what arrangements govern the contributions to the cost of the early retirement of teachers by teachers' employers; and if she will make a statement. [7101]

Mr. O'Brien: To ask the Secretary of State for Education and Employment if she will make a statement on the future of the teachers' premature retirement scheme. [7263]

Mrs. Gillan: Under current arrangements, the cost of early retirement for teachers is met by employers' contributions to the teachers' superannuation scheme, so that all employers pay for premature retirement at the same rate, irrespective of the rate at which they grant premature retirement. Under the proposed arrangements, employers will pay only for those premature retirements that they have granted, and will do so as and when they grant them.

Mr. O'Brien: To ask the Secretary of State for Education and Employment when she last met teacher representatives to discuss the premature retirement scheme; and if she will make a statement. [7262]

Mrs. Gillan: My right hon. Friend has not met teacher representatives to discuss the premature retirement arrangements for teachers.

Mr. O'Brien: To ask the Secretary of State for Education and Employment what assessment she has made of the non-financial consequences for older teachers of the withdrawal of the premature retirement scheme; and if she will make a statement. [7256]

Mrs. Gillan: None. The premature retirement scheme for teachers is not being withdrawn.

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment what recent representations she has received from teaching unions regarding early retirement amongst teachers. [6960]

Mrs. Gillan: In the last few weeks my right hon. Friend has received a number of written representations from teachers' unions regarding early retirement amongst teachers.

Graduates

Mr. Hunter: To ask the Secretary of State for Education and Employment what percentage of graduates who qualified in 1995 were employed in the United Kingdom six months after graduation; and what percentage of graduates in each member state of the European Union each year since 1990 found employment in their country of origin within six months of graduation. [7305]

Mr. Forth: The available information for graduates in the United Kingdom is given in the following table. Corresponding information for other European Union member states is not available centrally.

Percentage of first degree graduates[1] who were in employment in the UK six months after graduation

Year	Percentage
1990[2]	57.3
1991	50.5
1992	48.5
1993	51.1
1994	54.3
1995	56.4

[1] Includes home and overseas graduates from UK higher education. Includes part-time graduates from ex-University Funding Council funded institutions up to and including 1994. 1995 figures are for full-time graduates only.
[2] Great Britain only.

Departmental Responsibilities

Mr. Mackinlay: To ask the Secretary of State for Education and Employment if she will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of her Department which exclusively relates to each of the above categories. [5962]

Mr. Robin Squire: The responsibilities and the approximate proportions of the budget are set out in the following table showing the position for the different groupings of countries. Data for the proportion of time are not available and could be provided only at disproportionate cost. The data shown under the Education heading reflect the Department's spending on schools, higher and further education and other education services; Employment Service data include provision for helping unemployed people into work; and the training and employment data include youth and adult advice, guidance and training including expenditure on training and enterprise councils, the careers service and employment policy.

	Education	Employment service	Training and employment
England	72	8	12
England and Wales	6	<1	<1
England, Wales and Scotland	—	<1	<1
Great Britain and Northern Ireland	—	—	<1
Overall approximate proportion by responsibility	78	10	12

Teachers Training Agency

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment (1) what was the Teacher Training Agency's target for recruitment for each year since 1992, expressing the figures as a percentage change on the previous year; [6957]

(2) how much of the Teacher Training Agency's target for recruitment was achieved for each year since 1992, and if he will express the figures to indicate the percentage change on the previous year. [6958]

Mr. Forth: Targets for entry to courses of initial teacher training are set by the Secretary of State. Targets, and percentage changes from the previous year's targets, are given in table 1. Actual recruitment by institutions is set out on the same basis in table 2.

Table 1: Targets for entry to ITT Courses

	Primary	Percentage change from previous year	Secondary	Percentage change from previous year
1992–93	12,708	+9	10,557	No change
1993–94	13,937	+7	13,968	+32
1994–95	12,990	–7	16,600	+19
1995–96	12,115	–7	17,000	+2
1996–97	11,500	–5	18,900	+11

Table 2: Recruitment to ITT courses

	Primary	Percentage change from previous year	Secondary	Percentage change from previous year
1992–93	16,660	+13	12,863	+9
1993–94	15,775	–5	13,491	+5
1994–95	13,713	–13	15,245	+12
1995–96	13,603	–1	15,226	No change

1996–97 recruitment figures will be available in late December.

Senior Teachers (Training)

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment what plans she has to improve the training provided for senior teachers in order to carry out their duties effectively. [6959]

Mr. Forth: In September, my right. hon Friend asked the Teacher Training Agency to develop a professional framework of national standards for teachers, underpinned by qualifications and training. The framework will ensure that teachers' in-service training is more clearly focused. The TTA will, this week, be issuing a consultation paper on standards and a qualification for subject leaders. A copy will be placed in the House of Commons Library. The TTA will consult on standards for expert classroom teachers in the new year.

Playground Accidents

Mr. Maclennan: To ask the Secretary of State for Education and Employment how many children were injured last year as a result of playground accidents; what measures she has put in place to prevent playground accidents; and if she will make a statement. [7216]

Mrs. Gillan: Between 1 April 1995 and 31 March 1996, an estimated 724 accidents in Great Britain, involving children aged 16 and under, in playgrounds and

indoor play areas at educational establishments were reported to the Health and Safety Executive. The majority of these accidents were fractures; none were fatal.

Schools must take appropriate steps to ensure that playground areas are safe. The Department has recently published "Area Guidelines for Schools" which contains general safety guidance. More detailed safety information on school playgrounds will be available shortly.

SOCIAL SECURITY

European Union

Mr. MacShane: To ask the Secretary of State for Social Security what has been the cost in the last 12 months of sending Ministers and officials to meetings in Brussels and elsewhere in Europe in connection with his Department's handling of EU business. [4949]

Mr. Burt: The information is in the table.

Date and duration of visit	*Minister*	*Numbers accompanying*	*Location*	*Cost £*
28–29 March 1996	Andrew Mitchell	1	Brussels	604.20
10–11 July 1996	Peter Lilley	2	Dublin	614.00

Statutory Instruments

Mr. Alan Howarth: To ask the Secretary of State for Social Security how many statutory instruments have been laid by his Department in each parliamentary Session from 1988 to date. [4790]

Mr. Burt: The information is set out in the table.

Number of statutory instruments laid

Session	*Total*
1988–89	60
1989–90	69
1990–91	74
1991–92	47
1992–93	109
1993–94	62
1994–95	66
1995–96	133

Mr. Howarth: To ask the Secretary of State for Social Security how many statutory instruments laid by his Department during the 1995–96 parliamentary Session were debated *(a)* in Standing Committee and *(b)* on the Floor of the House. [4791]

Mr. Burt: In the 1995–96 session 14 statutory instruments were debated in standing committee and 20 on the Floor of the House.

Mr. Howarth: To ask the Secretary of State for Social Security how many statutory instruments laid by his Department have come into force before a parliamentary debate has taken place in each parliamentary Session from 1988 to date. [4792]

Mr. Burt: The information is set out in the table.

Session	*Statutory instruments debated after they had come into force*
1988–89	3
1989–90	4
1990–91	4
1991–92	3
1992–93	5
1993–94	0
1994–95	4
1995–96	6

Reduced Earnings Allowances

Mr. Rowlands: To ask the Secretary of State for Social Security if he will list those cases concerning *(a)* the special hardship allowance and *(b)* the reduced earnings allowance, heard before the Tribunal of Commissioners, which upheld the claimant's case. [6127]

Mr. Roger Evans: The information is not available and could be provided only at disproportionate cost.

Ministerial Visits (Wales)

Mr. Barry Jones: To ask the Secretary of State for Social Security if he will visit the Shotton caller office of the Benefits Agency. [6593]

Mr. Burt: My right hon. Friend has no immediate plans to do so.

Jobseeker's Allowance

Mr. Jim Cunningham: To ask the Secretary of State for Social Security how many staff dealing with the jobseeker's allowance are working more than *(a)* 40, *(b)* 55 and *(c)* 70 hours a week. [6983]

Mr. Burt: The information is not available centrally and could be obtained only at disproportionate cost.

SCOTLAND

Sheep Dips

Sir Cranley Onslow: To ask the Secretary of State for Scotland if he will ensure that farmers and landowners in Scotland are informed of the danger to the environment involved in the use of sheep dips based on synthetic pyrethroids. [6255]

Mr. Raymond S. Robertson: I refer the hon. Member to the reply given yesterday by my hon. Friend the Parliamentary Secretary of State, the Minister for Food, *Official Report*, column *526*.

The Scottish code of good practice for the prevention of environmental pollution from agricultural activity is currently being revised by the Scottish agricultural pollution group. We will draw the hon. Member's concern to the attention of that group.

Women

Mrs. Roche: To ask the Secretary of State for Scotland how many women are currently employed by his Department at each civil service grade. [6444]

Lord James Douglas-Hamilton *[holding answer 28 November 1996]:* A breakdown of women in each civil service grade, excluding those in the Scottish Prison Service, is set out in the table. Due to a pay and grading review, the Scottish Prison Service staff are no longer classified by the standard civil service grades and are now split into pay bands. Consequently no breakdown by grade is possible for SPS.

Grade equivalent	*Total*
SCS	21
Grade 6	34
Grade 7	84
SEO	48
HEO	226
EO	374
AO	778
AA	631
Industrial staff	4
Total	2,200
Scottish Prison Service	615

Electricity Transmission Lines

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will list the significant differences between his proposed conditions for the construction of electricity transmission lines in Ayrshire and the recommendations of the reporter at the public inquiry; and if he will make a statement. [6675]

Mr. Kynoch *[holding answer 28 November 1996]:* The reporter considered that the undergrounding of any part of the proposed line was unnecessary. My right hon. Friend has taken a different view and is minded to decide that undergrounding is appropriate in four sections of the proposed route. These sections are Water of Girvan, Nick of the Balloch, Duisk Valley, and Water of Tig/Dunnach Burn.

A1 Dualling

Mr. Beith: To ask the Secretary of State for Scotland if it is his policy to dual the A1 between Haddington and the Borders. [7172]

Lord James Douglas-Hamilton: I refer the hon. Member to the reply given to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) on 27 November 1996, *Official Report*, column *281*.

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make a statement on his policy for dualling the remaining single carriageway sections of the A1 trunk road. [6997]

Lord James Douglas-Hamilton *[holding answer 2 December 1996]:* I refer the hon. Member to the reply given to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) on 27 November 1996, *Official Report*, column *281*.

Food Poisoning

Mr. Salmond: To ask the Secretary of State for Scotland what was the total incidence of *(a)* E. coli 0157 and (b) campylobacter in (i) humans and (ii) animals in (1) Scotland and (2) each region of Scotland in each year since 1990, and from 1 January to date. [7205]

Mr. Raymond S. Robertson *[holding answer 2 December 1996]:* The information requested is available only at health board level for humans and for animals only a Scottish figure is available, the details of which are set out in the tables.

Report of isolations of campylobacter SPT found in humans in Scotland 1990 to 1996 (to week 47)

Year	*Ayrshire and Arran*	*Argyll and Clyde*	*Borders*	*Dumfries and Galloway*	*Fife*	*Forth Valley*	*Greater Glasgow*	*Grampian*
1990	173	209	112	151	156	196	360	748
1991	139	216	108	140	203	218	285	781
1991	139	216	108	140	203	218	285	781
1992	238	360	145	218	233	312	424	1,025
1993	209	291	126	184	251	228	303	676
1994	237	324	108	175	247	244	424	582
1995	237	379	100	186	275	195	488	656
1996	206	395	121	185	285	194	498	689

Year	*Highland*	*Lanarkshire*	*Lothian*	*Orkney*	*Shetland*	*Tayside*	*Western Isles*	*Scotland*
1990	148	286	772	7	9	265	25	3,617
1991	142	296	669	9	13	198	8	3,425
1992	186	451	981	22	18	282	20	4,915
1993	197	424	800	20	12	269	9	3,999
1994	146	485	869	3	7	280	15	4,146
1995	178	524	865	19	4	251	20	4,377
1996	169	493	1,122	2	3	312	21	4,655

Report of isolations of E.coli 0157 found in humans in Scotland 1990–96 (to week 47)

Year	*Ayrshire and Arran*	*Argyll and Clyde*	*Borders*	*Dumfries and Galloway*	*Fife*	*Forth Valley*	*Greater Glasgow*	*Grampian*
1990	1	6	3	5	15	9	14	46
1991	3	7	23	2	13	9	8	67

Report of isolations of E.coli 0157 found in humans in Scotland 1990–96 (to week 47)

Year	Ayrshire and Arran	Argyll and Clyde	Borders	Dumfries and Galloway	Fife	Forth Valley	Greater Glasgow	Grampian
1992	8	1	10	4	9	4	9	38
1993	5	7	1	2	9	2	11	42
1994	6	5	0	3	20	7	21	61
1995	4	5	14	15	23	1	[1]21	92
1996	16	10	20	10	14	2	28	42

Year	Highland	Lanarkshire	Lothian	Orkney	Shetland	Tayside	Western Isles	Scotland
1990	0	11	41	1	0	12	1	165
1991	0	9	36	1	0	24	0	202
1992	0	10	13	0	0	9	0	115
1993	0	11	18	1	0	10	0	119
1994	9	10	90	0	0	9	1	242
1995	15	8	41	0	0	14	4	247
1996	12	11	55	0	0	9	0	229

Campylobacter and E.Coli found in animals in Scotland 1990–1996 (to week 47)

Year	Campylobacter	E.coli 0157
1990	5	—
1991	107	—
1992	65	12
1993	36	13
1994	32	[1]114
1995	39	1
1996	55	38

[1] High level found due to research survey.

Mr. Canavan: To ask the Secretary of State for Scotland if he will conduct an urgent investigation into the recent outbreak of E. coli in Scotland. [7194]

Mr. Raymond S. Robertson *[holding answer 2 December 1996]:* My right hon. Friend has decided to appoint an expert group under the chairmanship of Professor Hugh Pennington, Professor of Microbiology at Aberdeen royal hospital NHS trust, to examine the circumstances which led to the outbreak in the central belt of Scotland and to advise on the implications for food safety and the general lessons to be learned.

East Ayrshire Community Hospital

Mr. Foulkes: To ask the Secretary of State for Scotland when he expects to make a decision about the funding of East Ayrshire community hospital; what has caused the delay in making the decision; and if he will make a statement. [7311]

Lord James Douglas-Hamilton: A decision about the funding of the East Ayrshire community hospital will be made shortly. The detailed financial information provided by the Ayrshire and Arran community health trust is still being considered and an announcement will be made once a decision has been reached.

AGRICULTURE, FISHERIES AND FOOD

Beef Consumption

Mr. Davidson: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer to the hon. Member for Wakefield (Mr. Hinchliffe), of 6 November, *Official Report*, column *583*, how much beef was held in interventions on 27 March; how much of this has been incinerated; and how much of that which *(a)* has and *(b)* has not been incinerated originated in Scotland. [6592]

Mr. Baldry: A total of 5,341 tonnes of UK beef was held in intervention on 27 March 1996. None of these stocks have been incinerated.

Three hundred and sixty-six tonnes of the above total was offered into intervention by offerers located in Scotland although this does not necessarily mean that the beef itself originated from Scottish herds.

Live Animal Exports

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food (1) what measures he has taken to ensure that vehicles carrying live animal exports do not exceed the journey plans; and if he will make a statement; [6610]

(2) how many United Kingdom vehicles carrying live animal exports have been delayed by the French lorry drivers' blockades; [6609]

(3) what advice he has issued to live animal exporters in respect of the French lorry drivers' blockades. [6611]

Mrs. Browning *[holding answer 28 November 1996]:* The Government have advised commercial vehicle operators not to travel through France. The Ministry is maintaining a close watch on the situation and we have not received any reports of British livestock trapped on French roads.

Departmental Responsibilities

Mr. Mackinlay: To ask the Minister of Agriculture, Fisheries and Food if he will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of his Department which exclusively relates to each of the above categories. [5965]

Mr. Boswell: Approximately two thirds of the Department's budget relates to England, including research and development, flood defence, agri-environment schemes, hill livestock compensatory

allowances and departmental administration. The remainder of MAFF's budget relates to Great Britain—notably animal health work—or to the whole of the United Kingdom, principally support to the rendering and slaughterhouse industries. Information on the allocation of time is not readily available.

Research and Development

Mr. Ingram: To ask the Minister of Agriculture, Fisheries and Food if he will provide a breakdown of the savings on research and development expenditure by his Department announced in the Budget. [7154]

Mr. Boswell: Funding for BSE-related research is being increased and this will involve some redirection from other areas of the Department's research, MAFF funds a wide and varied research programme. Small savings will be made from lower priority work across the whole programme, but it is not possible to provide a detailed programme.

Fishing Regulations

Mr. Porter: To ask the Minister of Agriculture, Fisheries and Food when the decision was made, and by what process, to make it legal under fishing regulations for individuals and companies to buy and sell fishing quotas and licences; and if he will make a statement. [6771]

Mr. Baldry: Fishing vessel licences are granted at the discretion of Fisheries Ministers under the Sea Fish (Conservation) Act 1967, as amended. No new licences are issued so that the owner of a new vessel entering the UK fleet may fish only by obtaining a licence from a previously licensed vessel.

For vessels over 10m quotas are allocated to fishermen's groups, primarily producer organisations, in proportion to the catches made over the previous three years by the vessels in membership of each group. Those catches, which are attached to licences for quota management purposes, are usually referred to as track records. No charges are currently made by the Fisheries Departments for either the issue of licences or the allocation of quota.

Subject to the agreement of the Fisheries Departments, Fishermen's groups may exchange quota with each other and vessel owners are permitted to transfer entitlements to apply for licences to other people. Any commercial considerations that occur are matters for the fishermen or vessel owners involved.

NORTHERN IRELAND

Road Salting

Mr. William Ross: To ask the Secretary of State for Northern Ireland if he will list the roads in each of the council areas of Coleraine, Limavady and Magherafelt which will no longer be salted after the most recent review; how many miles of road are affected by the decision: how many of them are school bus routes; and what are the savings expected in each of the council areas. [5853]

Mr. Moss: Responsibility for the subject in question has been delegated to the Road Service under its chief executive, Mr. W. J. McCoubrey. I have asked him to arrange for a reply to be given.

Letter from Mr. W. J. McCoubrey to Mr. William Ross, dated 28 November 1996:

The Secretary of State for Northern Ireland has asked the Chief Executive to reply to your question about roads which will no longer be salted following the recent review of the winter maintenance programme and in his absence I am replying on his behalf.

The information requested is as follows:

Council area	*Roads no longer salted*	*Length km*	*Estimated annual savings £*
Coleraine	B66 Craigmore Road[1]/Greenhill Road/Ardreagh Road	8.5	6,375
Limavady	C520 Glenhead Road[1]	4.3	11,625
	C523 Magheramore Road[1]	5.0	
	B44 Altinure Road	2.2	
	B202 Point Road	4.0	
Magherafelt	B162 Doon Road[1] (part of)	3.0	2,250

[1]Denotes school bus route.

You may also be interested to know that, as a result of the review, a number of roads in these 3 council areas have been added to the salting schedule at an estimated annual cost of £7,800.

I do hope you find this information helpful.

Sheep Dips

Sir Cranley Onslow: To ask the Secretary of State for Northern Ireland if he will ensure that farmers and landowners in Northern Ireland are informed of the danger to the environment involved in the use of sheep dips based on synthetic pyrethroids. [6253]

Mr. Ancram: I refer my hon. Friend to the reply given to him yesterday by my right hon. Friend the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food, *Official Report*, column *526*.

Prisoner Transfers (Irish Republic)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what information his Department is collating about early releases of prisoners transferred to the Irish Republic; if it will be made public; and if he will make a statement on such releases to date. [6380]

Sir John Wheeler: Responsibility for the subject of the question has been delegated to the Northern Ireland Prison Service under its chief executive, Mr. Alan Shannon. I have asked him to arrange for a reply to be given.

Letter from Alan Shannon to Mr. Robert McCartney, dated 2 December 1996:

In the absence of the Chief Executive of the Northern Ireland Prison Service, the Secretary of State has asked me to reply to your parliamentary question on the collation of information about early release of prisoners transferred to the Republic of Ireland.

The Republic of Ireland ratified the Convention on the Transfer of Sentenced Persons in November 1995 making it possible for the first time to repatriate prisoners between the United Kingdom and the Republic of Ireland. Since that date no prisoners, for whom the Secretary of State for Northern Ireland has responsibility, have been repatriated to the Republic of Ireland.

Bangor to Belfast Road

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland if he will list *(a)* the number of accidents in terms of deaths and injuries and *(b)* the vehicle flow on the Bangor to Belfast road in the last three years for which figures are available. [6382]

Mr. Moss: Responsibility for the subject in question has been delegated to the Roads Service under its chief executive, Mr. W. J. McCoubrey. I have asked him to arrange for a reply to be given.

Letter from Mr. W. J. McCoubrey to Mr. Robert McCartney, dated 28 November 1996:

The Secretary of State for Northern Ireland has asked the Chief Executive to reply to your question about accident levels and traffic volumes on the Bangor to Belfast road and in his absence I am replying on his behalf.

The RUC, which is responsible for the collation of data on traffic accidents, has advised me that in the 4-year period 1992–1995 the information requested for this road between the Springhill flyover and Tillysburn junction is as follows:–

Number of injury accident: 213

Persons killed: 6

Persons seriously injured: 76

Persons slightly injured: 304

Information for the last 3 years is not readily available and could only be provided at disproportionate cost.

With regard to traffic flow, Roads Service has 3 automatic traffic counters on the Bangor/Belfast road between Springhill and Tillysburn. The relevant information for the last 3 years is as follows:—

Location	*1993*	*1994*	*1995*
Holywood By-pass	31,930	33,090	34,960
Bangor/Belfast at Cultra	34,620	34,590	34,410
Bangor/Belfast at Springhill	21,240	21,960	21,020

The above figures are 24 hour average annual daily traffic flows (2 ways). I do hope you find this information helpful.

Irish Gaelic

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland if he will make it his policy to ask the census question on knowledge of the Irish language in Gaelic, requesting the written response in the same language, if affirmative; and if he will make a statement. [6379]

Sir John Wheeler: A census test will be held in 1997 in Northern Ireland as in other areas of the United Kingdom. The Northern Ireland census test form will include a question on whether individuals can read, speak or write in the Irish language, or have no knowledge of the language. The question will be worded in English. The results of the test will be evaluated and in due course the Government will bring forward proposals to be asked in the 2001 census for parliamentary approval.

Magheramorne Landfill Inquiry

Mr. Dowd: To ask the Secretary of State for Northern Ireland when the result of the Magheramorne landfill public inquiry will be made known. [6370]

Mr. Moss: Responsibility for the subject in question has been delegated to the Planning Service under its chief executive, Mr. T. W. Stewart. I have asked him to arrange for a reply to be given.

Letter from T. W. Stewart to Mr. Jim Dowd, dated 29 November 1996:

Mr Moss has asked me to reply to your recent question about the result of the public inquiry into the proposed landfill site at Magheramorne, Co Antrim

The Planning Service hopes to issue a decision on the planning application for a landfill site at Magheramorne early in 1997.

Mr. Dowd: To ask the Secretary of State for Northern Ireland for what reasons the Larne sewerage scheme modelling study is deemed suitable for tidal flow predications in the Magheramorne landfill inquiry; and what account will be taken of the use of a different discharge point in the Magheramorne scheme. [6369]

Mr. Moss: Responsibility for the subject in question has been delegated to the Environment and Heritage Service under its chief executive, Mr. Robert C. Martin. I have asked him to arrange for a reply to be given.

Letter from Robert C. Martin to Mr. J. Dowd, dated 29 November 1996:

As Chief Executive of Environment and Heritage Service, I am responsible for all operational aspects of the Department of the Environment for Northern Ireland's environmental policies.

I am therefore responding to the Parliamentary Question which you put down in the House of Commons on 26 November 1996 "to ask the Secretary of State for Northern Ireland, for what reasons the Larne Sewage Scheme modelling study is deemed suitable for tidal flow predictions in the Magheramorne landfill inquiry; and what account will be taken of the use of a different discharge point in the Magheramorne scheme".

The modelling studies for both the Larne Sewage scheme and the predicted release of leachate from the proposed landfill site at Magheramorne Quarry, Larne used the same modelling package. Part of the package included a hydrodynamic model of Larne Lough, which was constructed to predict tidal flow characteristics within the Lough.

The Magheramorne study considered what the effects would be from each of two possible identified discharge points into the Lough. Validation data for the hydrodynamic model was included as part of the study.

Evidence on the adequacy of the model, including the need for a third party audit, was presented at the Public Inquiry into the planning application for the proposed landfill site. The inquiry sat for approximately seven weeks in May and June of this year and heard evidence on a wide range of issues. The report of the Planning Appeals Commissioner has not, as yet, been published.

This Service is currently in receipt of an application for a discharge consent under the Water Act (Northern Ireland) 1972 and will be guided by the findings of the report on the modelling issue. In order not to be seen to prejudge the Commissioner's report we will decide, after consideration of the report, what is any additional information may be required from the application in order to assist in the determination of the application.

I trust you will find this reply helpful.

Community Work Programme

Ms Mowlam: To ask the Secretary of State for Northern Ireland (1) how many places on the ACE action for community scheme in Northern Ireland have been lost as a consequence of spending reductions in the year 1995–96; [6372]

(2) what has been the reduction in the number of new training places made available on the pilot community work programme. [6373]

Mr. Ancram: Responsibility for the subject in question has been delegated to the Training and Employment Agency under its chief executive, Mr. Ian Walters. I have asked him to arrange for a reply to be given.

Letter from Ian Walters to Ms Majorie Mowlam, dated 27 November 1996:

The Secretary of State for Northern Ireland has asked me as Chief Executive of the Training and Employment Agency to reply to your questions about the Action for Community Employment (ACE) and Community Work Programme.

As a result of the reduction in funding for ACE in 1996–97, the number of places was reduced by 2,200, ie from 9,400 in 1995–96 to 7,200.

The pilot Community Work Programme offers 1,000 new places for the long term unemployed. There has been no reduction in this allocation.

I hope you find this reply helpful.

Job Creation

Ms. Mowlam: To ask the Secretary of State for Northern Ireland if he will estimate *(a)* the number of new jobs created in Northern Ireland in each of the past five years and *(b)* the proportion of those jobs which are part-time. [6374]

Mr. Ancram: The net creation of jobs over the past five years can be demonstrated by the change in the number of employees in employment. This is shown in the table.

Northern Ireland employees in employment[1] at September of each year

	Full-time	*Part-time*	*Total*	*Change over year*
1991	402,660	139,830	542,490	
1992	[2]—	[2]—	545,060	+ 2,570
1993	395,810	154,680	550,490	+ 5,430
1994	398,710	161,670	560,370	+ 9,880
1995	402,690	169,670	572,370	+ 11,990
1996[3]	396,900	176,190	573,090	+ 720

[1] Figures rounded to the nearest 10 and may not sum due to rounding.

[2] Full-time/part-time split not available.

[3] The most recent figures available for 1996 are at June. September estimates will be published on 18 December 1996.

Does not include self-employed.

This net change is comprised of both employment growth and decline in different categories. As a result, it would be inappropriate to apportion this specifically to either full or part-time employment.

Unemployment

Ms Mowlam: To ask the Secretary of State for Northern Ireland how many people among those currently unemployed in Northern Ireland are *(a)* 16 to 17, *(b)* 18 to 25, *(c)* 26 to 35, *(d)* 36 to 45, *(e)* 46 to 55 and *(f)* 56 to 65 years old. [6375]

Mr. Ancram: The information is not available for the age groups requested. However, figures are available for similar age groups as follows:

Age	*Unemployment at 10 October*
16–17	118
18–24	20,407
25–34	23,647
35–44	17,010
45–54	14,013
55+	6,369

EU Peace and Reconciliation Funds

Ms Mowlam: To ask the Secretary of State for Northern Ireland how much of the European Union special support programme for peace and reconciliation has been distributed to date by *(a)* each of the district partnership boards, *(b)* Co-operation North and *(c)* other funding bodies. [6376]

Sir John Wheeler: The current figures—including EU and matching Government funding—and *(a)* no funding has been distributed by district partnerships, *(b)* Co-operation North has distributed just over £0.5 million and *(c)* about £56 million has been distributed by the other funding bodies involved in the programme.

Jobseeker's Allowance

Mr. McGrady: To ask the Secretary of State for Northern Ireland (1) how many people registered for jobseeker's allowance on 7 October at each social security office covering the constituency of South Down; and of these how many were considered eligible; [6395]

(2) how many people were in receipt of unemployment benefit on 4 October at each social security agency covering the constituency of South Down; of these how many applied for jobseeker's allowance on 7 October and of these how may were considered eligible for this allowance. [6396]

Mr. Moss: Responsibility for the subject has been delegated to the Social Security Agency under its chief executive, Mr. Alec Wylie and I have asked him to arrange for a response to be given.

Letter from Mr. Alex Wylie to Mr. Eddie McGrady, dated 29 November 1996:

I have been asked to reply to your recent Parliamentary Questions on Jobseeker's Allowance and Unemployment Benefit.

The number of people registered for Jobseeker's Allowance on 7 October 1996 at each Social Security Office covering the constituency of South down and the number considered eligible is set out on the attached table (APPENDIX A).

I have also attached a table (APPENDIX B) illustrating the number of people claiming Unemployment Benefit on 4 October 1996 in the same Social Security Offices. These customers were not required to terminate their claim to register for Jobseeker's Allowance on 7 October 1996. However, from 7 October 1996, all Unemployment Benefit claims will be dealt with in accordance with Jobseeker's Allowance rules and regulations.

I hope this explains the position for you but I would be happy to provide any further information you require.

Appendix A: Number of jobseeker's allowance claims registered on 7 October 1996 in the South Down district and the number of eligible claims

Social security office	*Number registered*	*Number eligible*
Newcastle	6	6
Kilkeel	0	0
Newry	17	16
Banbridge	11	11
Ballynahinch	5	5
Downpatrick	11	11
Total	50	49

Appendix B: Number of people claiming unemployment benefit on 4 October 1996 in the South Down District

Social security office	*Number in receipt of unemployment benefit on 4 October 1996*
Newcastle	1,186
Kilkeel	967
Newry	5,826
Banbridge	1,492
Ballynahinch	883
Downpatrick	1,873
Total	12,227

Coronary Heart Disease

Mr. McGrady: To ask the Secretary of State for Northern Ireland what assessment he has made of the report prepared by the Northern Ireland Audit Commission into the incidence of coronary heart disease in Northern Ireland. [6401]

Mr. Moss: The Northern Ireland Office report "Coronary Heart Disease in Northern Ireland" was published on 14 November 1996 and will be examined by the Public Accounts Committee on 4 December 1996. The Department of Health and Social Services is fully aware of the contents of the report, and is giving them careful consideration. The established protocol is that Departments refrain from commenting on the issues raised in such reports until after the PAC has reached its conclusions.

Cavity Wall Discount Incentive

Mr. Beggs: To ask the Secretary of State for Northern Ireland what plans he has to introduce a cavity wall discount incentive for home owners in Northern Ireland on the same terms as the scheme in Great Britain. [6550]

Mr. Moss: The Energy Saving Trust, an independent body, grant aided by Government, is helping to stimulate the cavity wall insulation market throughout the United Kingdom. A grant from the trust is enabling the Northern Ireland Housing Executive to offer a discount of £100 for homeowners who install cavity wall insulation. The operation of this scheme is a matter for the Housing Executive.

Security Forces

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what is his policy with respect to security forces effecting hot pursuit beyond the United Kingdom's land frontiers. [7200]

Sir John Wheeler: Arrangements have existed for some time which permit British aircraft to fly a short distance into the Republic of Ireland, subject to strict conditions, to help in dealing with specific incidents. It would not be appropriate for me to discuss the fine details of such arrangements, as this may blunt their effectiveness in dealing with terrorism.

School Pupil Costs

Mr. Worthington: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 13 November, *Official Report*, column *258*, what was the recurrent cost per pupil in primary and secondary education (i) in 1992–93 and (ii) at the latest available date, excluding staffing costs, in constant price terms. [6842]

Mr. Ancram: Expenditure per pupil figures excluding staffing costs in constant prices—1992–93 base—are estimated as follows:

	Primary £	*Secondary* £
(i) 1992–93	223	406
(ii) 1994–95	231	469

Grammar Schools

Mr. Worthington: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 21 November, *Official Report*, column *662*, if he will list the grammar schools with preparatory departments indicating the number of children in those preparatory departments, the number for whom there is a financial contribution from public funds, the amount of that financial contribution to the school, the public contribution per capita and the fees paid by parents to each school per child. [6841]

Mr. Ancram: The most recent year for which figures are available is the 1995–96 financial year and the number of pupils receiving assistance from public funds and details of the grant allocations to individual schools are given in the following table. Information on fees paid by parents and the number of parents paying the full economic fee is not readily available.

Table A: Voluntary Grammar Schools

	Number of pupils	*Funds allocated* £	*Per capita allocation* £
Armagh Royal	40	17,126	
Ballymena Academy	113	48,382	
Ballymoney Dalriada	106	45,385	
Bangor Grammar	141	60,370	
Belfast Bloomfield Collegiate	89	38,106	
Belfast Campbell College	201	86,060	
Belfast Hunterhouse College	111	47,526	
Belfast Methodist College	608	260,321	
Belfast Royal Academical Institute	237	101,474	428.16
Belfast Royal Academy	302	129,304	
Belfast Strathearn	181	77,497	

Table A: Voluntary Grammar Schools

	Number of pupils	*Funds allocated £*	*Per capita allocation £*
Belfast Victoria College	149	63,796	
Dungannon Royal	54	23,121	
Holywood Sullivan Upper	190	81,350	
Larne Grammar	56	23,977	
Lisburn Friends	193	82,635	
Lisburn The Wallace	197	84,347	
Londonderry Foyle College	46	19,695	
Magherafelt Rainey Endowed	60	25,690	
Subtotal	3,074	1,316,162	

Table B: Controlled Grammar Schools

	Number of pupils	*Funds allocated £*	*Per capita allocation £*
North-Eastern education and library board			
Ballyclare High	48	20,331	423.56
South-Eastern education and library board			
Downpatrick Down High	86	27,054	314.57
Bangor Glenlola Collegiate	96	30,199	
Newtownards Regent House	175	55,049	
Southern education and library board			
Lurgan College	33	15,867	480.82
Portadown College	49	23,560	480.82
Sub-Total	487	172,060	
Total	3,561	1,488,222	

Information on fees paid by parents to each school per child is not available.

HEALTH

Casualty Units (London)

10. **Mr. Corbyn:** To ask the Secretary of State for Health how many casualty units he estimates will be open in London in 1997–98. [5619]

Mr. Malone: It is for health authorities and national health service trusts to ensure that there is sufficient provision of accident and emergency services.

Health Services (London)

15. **Sir Michael Neubert:** To ask the Secretary of State for Health what representations he has received concerning health services in London following the Budget statement. [5624]

Mr. Malone: None.

Private Finance Initiative

16. **Mr. William O'Brien:** To ask the Secretary of State for Health if he will make a statement on his Department's latest PFI approved schemes. [5625]

Mr. Horam: Contracts have been signed for 42 schemes with a total capital value of £303 million, the latest being one for Norfolk and Norwich Healthcare NHS trust to provide a new district general hospital.

Methicillin-resistant Staphylococcus Aureus

17. **Mr. Alan W. Williams:** To ask the Secretary of State for Health what has been the percentage change in the annual incidence of MRSA in hospitals from 1990–91 to 1995–96. [5626]

Mr. Horam: Data on the occurrence of MRSA compiled by the public health laboratory service from isolates submitted by hospitals in England and Wales for specialist typing show a total of 2,286 confirmed reports from hospital incidents in 1992 and 17,063 in 1995. An incident is three or more patients with the same strain in a month from the same hospital. These figures represent the number of patients affected by MRSA incidents, not the number infected—about 80 per cent. of people who acquire MRSA carry it and do not suffer infection. Prior to 1992, a different surveillance system operated and previous data are not directly comparable.

Dental Provision

18. **Mr. Roy Hughes:** To ask the Secretary of State for Health what recent discussions he has had with the British Dental Association concerning dental provision within the national health service. [5627]

Mr. Malone: We are in regular contact with the British Dental Association on a wide range of current issues.

GP Fundholding

19. **Mr. Mans:** To ask the Secretary of State for Health what evaluation has been made of the results of the general practitioner fundholding initiative. [5628]

Mr. Malone: The National Audit Office, the Audit Commission and many other independent agencies have called for the benefits of fundholding to be extended as widely as possible: 52 per cent. of the population already have a fundholding general practitioner, and more GPs are planning to join the scheme next year.

Prescription Charges

20. **Mr. Foulkes:** To ask the Secretary of State for Health if he will make a statement on the real terms increase in the prescription charge since 1979. [5629]

Mr. Malone: The annual average increase in the prescription charge in real terms from 1979–80 to 1996–97 was 14.8 per cent., based on the charge at 1 April each year. During the same period, prescribed items attracting a prescription charge, excluding items covered by pre-payment certificates, reduced from 36 per cent. to 11 per cent.

In 1996–97, the income from charges is expected to raise about £310 million additional income for the national health service.

Cossham Hospital, Kingswood

21. **Mr. Berry:** To ask the Secretary of State for Health what representations he has received about the future of Cossham hospital, Kingswood; and if he will make a statement. [5630]

Mr. Horam: Ministers have received nine letters about the future of Cossham hospital. The outcomes of the recent consultation exercise were discussed at a meeting of the Avon health authority on 28 November.

Redbridge Healthcare Trust

22. **Ms Hodge:** To ask the Secretary of State for Health if he will make a statement on the work of the Redbridge Healthcare trust. [5631]

Mr. Horam: Redbridge Healthcare National Health Service trust is providing a comprehensive range of good quality services to more patients than ever before.

NHS Administration

23. **Mr. Sutcliffe:** To ask the Secretary of State for Health what proportion of the NHS budget was spent on administration in *(a)* 1989 and *(b)* at the latest available date. [5632]

Mr. Malone: The information is provided in the table. Changes over the years in the roles and responsibilities of family health service authorities, district health authorities and regional health authorities, and the transfer of funds to national health service trusts, mean that the figures are not comparable.

Administration costs as a percentage of NHS total gross spend

	Administration Expenditure £ million	*NHS total revenue expenditure £ million*	*Percentage of NHS total gross spend on administration*
1989–90	731	18,276	4.0
1995–96	1,303	32,232	4.0

1. Administration expenditure is made up of the administration costs of district health authorities, regional health authorities, family health service authorities, special health authorities, prescription pricing authority, dental practice board.

2. The figures for 1995–96 are provisional.

24. **Mr. Tim Smith:** To ask the Secretary of State for Health what steps Her Majesty's Government are taking to improve the efficiency of the administration of the NHS. [5633]

Mr. Malone: There is a drive to improve efficiency in the national health service through reductions in health authority costs and trust management costs, abolishing the regional health authorities and streamlining the Department of Health. Actions taken by the end of 1997 will release some £300 million from NHS administration costs into direct patient care.

Ambulance Services

25. **Mr. Nigel Evans:** To ask the Secretary of State for Health if he will make a statement on the number of ambulance services which have become NHS trusts. [5634]

Mr. Horam: All 37 ambulance services in England are now national health service trusts.

NHS Expenditure

26. **Mr. Bernard Jenkin:** To ask the Secretary of State for Health if he will make a statement on the level of NHS expenditure in 1989–90 and in 1996–97; and what percentage increase this is in real terms. [5635]

Mr. Horam: The information is in the table.

National health service total gross expenditure

Year	*£ million*	*Real terms growth percentage*
1989–90	21,132	—
1996–97 (estimated outturn)	34,798	25.1

NHS Trusts (Financial Targets)

27. **Mr. Win Griffiths:** To ask the Secretary of State for Health how many NHS trusts are meeting the financial targets set by his Department; and if he will make a statement on the impact of financial targets on medical care. [5636]

Mr. Horam: Trusts currently have three financial targets set by the Department. From the latest estimates available, the number of trusts forecasting to achieve the targets are:

(a) 335 trusts will break even on income and expenditure.

(b) 283 trusts will make a return on capital of 6 per cent.

(c) 416 trusts will meet their external financing limit.

Financial targets in the national health service are making a real contribution to the efficient running of the service. The targets ensure that financial planning is performed effectively to deliver continual improvements in medical care throughout the year.

Health Authority Funding

28. **Mr. Tony Lloyd:** To ask the Secretary of State for Health what assessment he makes of the health needs of different areas in determining funding for health authorities. [5637]

Mr. Horam: The national weighted capitation formula uses forecast resident population figures which are then weighted for relative levels of health need. First, an adjustment is made to take account of the age structure of the population. Secondly, an adjustment is made to take account of residual need over and above that already accounted for by age. This takes the form of two separate needs indices, one for general and acute services, and another for psychiatric services which reflect a number of socio-economic factors associated with the demand for health care.

Ms Jowell: To ask the Secretary of State for Health if he will list the health authorities with a revenue funding surplus at the end of the financial year 1995–96 and those his Department estimates will record a surplus at the end of the current financial year. [4235]

Mr. Malone *[holding answer 25 November 1996]:* The health authorities and family health services authorities which underspent on their cash limits in 1995–96 are listed.

It is too early to make a meaningful estimate for 1996–97.

Bromley DHA
Croydon DHA
East Kent DHA
East Sussex DHA
Grimsby and Scunthorpe DHA
Leeds DHA
Newcastle and North Tyneside DHA
North Nottinghamshire DHA
Northumberland DHA
Wiltshire and Bath DHA
East and North Hertfordshire DHA
East Riding DHA
Eastern Surrey DHA
Kingston and Richmond DHA
Merton Sutton and Wandsworth DHA
North Durham DHA
North Yokrshire DHA
Lambeth, Southwark and Lewisham DHA
Sunderland DHA
West Kent DHA
Western Surrey DHA
Cleveland FHSA
Durham FHSA
Newcastle FHSA
North Tyneside FHSA
Sunderland FHSA
North Yorkshire FHSA
Calderdale FHSA
Leeds FHSA
Derbyshire FHSA
Lincolnshire FHSA
Barnsley FHSA
Rotherdam FHSA
Suffolk FHSA
East Sussex FHSA
Greenwich and Bexley FHSA
Tees DHA
West Yorkshire DHA
Merton, Sutton and Wandsworth FHSA
Cumbria FHSA
Northumberland FHSA
Kingston and Richmond FHSA
Croydon FHSA
West Sussex FHSA
Bradford FHSA
Kirklees FHSA
Wakefield FHSA
Leicestershire FHSA
Nottinghamshire FHSA
Doncaster FHSA
Sheffield FHSA
Surrey FHSA
Kent FHSA
Bromley FHSA.

Mr. William O'Brien: To ask the Secretary of State for Health if he will make a statement on the distribution of additional money to area health authorities indicating the allocations to each area health authority. [6266]

Mr. Horam *[holding answers 26 November 1996]:* Information on initial cash limits for 1996–97 and all additions for health authorities to date has been placed in the Library.

North East Thames Health Authority

29. **Mr. Amess:** To ask the Secretary of State for Health what recent representations he has received about the level of funding for the North East Thames regional health authority. [5638]

Mr. Horam: My hon. Friend the Minister for Health recently met Members of Parliament from south Essex to discuss the level of funding of the South Essex health authority. Since the abolition of regional health authorities on 31 March 1996, national health service funding has been allocated directly to health authorities. In 1997–98, South Essex health authority is to receive £302 million, which is a real terms increase of 2.88 per cent.—the third highest in the country.

South Essex Health Authority

30. **Sir Teddy Taylor:** To ask the Secretary of State for Health if he will make a statement on the relative funding of the South Essex health authority. [5639]

Mr. Horam: In 1997–98, South Essex health authority will receive an integrated allocation of £301,832,000—a cash increase of £14,203,000 (+ 4.94 per cent.). This represents real terms growth of £8,285,000 (+ 2.88 per cent.). This is the third highest increase in the country.

In 1997–98, South Essex HA will receive a general allocation of £288,089,000—the second highest increase in the country.

Details of 1997–98 health authority integrated allocations showing the cash increase and real terms growth, and 1997–98 health authority general allocations showing cash increase and real terms growth and health authority distances from target, have been placed in the Library.

South Essex HA has moved significantly closer to its weighted capitation target from 7.88 per cent. under target in 1996–97 to 4.41 per cent. under target in 1997–98 as a result of this year's allocation process. We will continue to move South Essex closer to target.

NHS Supplies List

Mr. Mullin: To ask the Secretary of State for Health for what reasons the NHS supplies list is not available to the public; and if he will make a statement. [3774]

Mr. Horam: I assume that the hon. Member is referring to the catalogues which list the goods available to national health service bodies through the NHS supplies authority's wholesaling service. Copies of the catalogues are deposited in the Library, where they are freely available. Copies are also distributed to all NHS trusts and special health authorities that make use of the authority's wholesaling service.

Extra-contractual Referrals

Ms Jowell: To ask the Secretary of State for Health further to the recent executive letter issued to trusts and health authorities, what plans he has for reducing the transaction costs relating to secondary and tertiary extra-contractual referrals. [5377]

Mr. Horam: The executive letters issued in July (EL(96)56 and November (EL(96)94) announced significant deregulation measures to reduce transaction costs while retaining clinicians' freedom of referral. Health authorities and general practitioners will implement the changes by harmonising their referral preferences, minimising the need for extra-contractual referrals. Officials will be disseminating examples of good practice to aid implementation.

Patient Treatments

Mr. Robathan: To ask the Secretary of State for Health how many patients were treated in NHS hospitals in *(a)* 1989 and *(b)* 1996. [6546]

Mr. Horam: Information on the number of patient cases treated each year is published annually in "NHS Hospital Activity Statistics, England", copies of which are available in the Library. The number of finished consultants episodes rose from 8.639 million in 1989–90 to 11.224 million in 1995–96.

Bills (Payments)

Ms Armstrong: To ask the Secretary of State for Health if he will list for each national health service trust and hospital in 1995–96 the percentage of bills paid within 30 days or in accordance with agreed terms. [6721]

Mr. Horam: The information requested has been placed in the Library.

Water Fluoridation

Mr. Etherington: To ask the Secretary of State for Health if he will list the original research projects his Department has (i) wholly and (ii) part funded into the long-term health effects of ingesting *(a)* fluoride, *(b)* lead, *(c)* chloride, *(d)* phosphate and *(e)* sulphate in areas of fluoridated water supplies. [6795]

Mr. Malone: Initial studies of water fluoridation were undertaken on behalf of Government Departments, including the Department of Health and Social Security and its predecessor, the Ministry of Health. DHSS also part funded studies of fluoride and cancer and fluoride and mutagenicity. The Department has not funded any studies of the long-term health effects of lead, chloride, phosphate and sulphate in relation to fluoridation of water supplies.

Treatment Statistics

Mr. Martyn Jones: To ask the Secretary of State for Health if he will estimate the annual cost to the national health service of treating (i) obesity, (ii) diabetes mellitus, (iii) coronary heart disease, (iv) appendicitis, (v) haemorrhoids, (vi) varicose veins, (vii) deep vein thrombosis, (viii) intestinal cancer, (ix) diverticular disease of the colon, (x) gallstones, (xi) dental caries, (xii) hypertension, (xiii) angina, and (xiv) constipation for each year since 1979; if he will list these figures as a percentage of the national health service's total gross expenditure for each year; and if he will make a statement. [6814]

Mr. Horam: Information is not available in the form requested. However, a recent publication from the national health service executive entitled "Burdens of Disease: A Discussion Document", copies of which are available in the Library, provides expenditure information for individual diseases and groups of diseases, based on data for 1992–93.

Eye Tests

Dr. Wright: To ask the Secretary of State for Health how many eye tests were carried out on people over 65 years of age in each year since 1989. [7099]

Mr. Malone: The estimated total number of national health service and private sight tests received by people over 65 is:

1993–94: 3.033 million

1994–95: 3.425 million

1995–96: 3.481 million.

Information on private sight tests undertaken between 1989 and 1992 is not available.

Edgware General Hospital

Mr. Dykes: To ask the Secretary of State for Health (1) when he plans to respond to the proposals sent to him recently by the hon. Member for Hendon, North (Sir J. Gorst) and the hon. Member for Harrow, East for the future maintenance of emergency treatment facilities at Edgware general hospital. [5609]

Sir J. Gorst: To ask the Secretary of State for Health if he will make a statement about his further proposals for the development of emergency facilities at Edgware general hospital after the closure of the existing accident and emergency department. [6416]

Mr. Dorrell: Barnet health authority decided on 25 September to submit an application for central funding for a demonstrator project at Edgware general hospital with the following key elements:

The casualty service at Edgware, originally planned as a nurse-led service open 13 hours a day, should instead open 24 hours and be staffed by doctors;

A low-risk maternity unit should be provided to allow mothers to give birth close to home;

A GP-type admissions unit should provide in-patient beds to meet the immediate needs of elderly people living locally.

These proposals are currently being developed, and my right hon. Friend has indicated to Barnet health authority his willingness to support this project at Edgware to ensure that these ideas are properly evaluated in practice.

Single-Sex Wards

Mr. Harry Greenway: To ask the Secretary of State for Health what further steps he is taking to establish more single-sex wards; and if he will make a statement. [5823]

Mr. Horam: It is for trusts and health authorities to manage their local priorities.

Departmental Responsibilities

Mr. Mackinlay: To ask the Secretary of State for Health if he will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England, Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of his Department which exclusively relates to each of the above categories. [5963]

Mr. Horam: The Department of Health is responsible for supporting Ministers in achieving their overall aims, which are to improve the health and well-being of the people of England, and to secure provision of high-quality health and social care for those who need it. My right hon. Friend the Secretary of State's statutory responsibilities include:

Promoting and protecting the health of the nation.

Providing a national health service in England.

Social care, including oversight of personal social services provided by local authorities in England.

The Department works closely with the Scottish, Welsh and Northern Ireland Offices on health and social services issues. This is normally incorporated into its day-to-day activities. The Department does not have the time logging facilities and procedures in place which would allow the proportion of the time and budget which exclusively relates to the categories requested to be identified.

Further details of the responsibilities of the Department of Health may be found in its statement of responsibilities and accountabilities, copies of which are available in the Library.

Liver Disease

Mr. Jim Cunningham: To ask the Secretary of State for Health how many cases of liver disease among children were diagnosed in each year since 1992, indicating the figure as the year on year percentage change. [6961]

Mr. Horam: The information up to 1994–95 (the latest available) is as follows:

Total number of finished consultant episodes[1] in NHS hospitals in England for children aged under 15 at the end of the episode of care—primary diagnosis of liver disease

Year	*Number of cases*	*Percentage change on previous year*
1991–92	383	n/a
1992–93	454	18.5
1993–94	401	−11.7
1994–95	458	14.2

Source:
Hospital episode statistics, Department of Health—copies available in the Library.
Note:
[1] A consultant episode is the period that a patient spends under the continuous care of a specific consultant in a specific health care provider.

Mr. Cunningham: To ask the Secretary of State for Health what funding his Department has given to liver disease research in each year since 1992 indicating the year-on-year percentage change in total funding in real terms; and what plans he has for the future funding of liver disease research. [6963]

Mr. Horam: Funding related to liver disease from the Department's policy research programme from 1992 onwards appears in the table.

	£000
1992–93	60
1993–94	99
1994–95	127
1995–96	134
1996–97	[1]317
1997–98	[1]686

[1] Estimates, which include planned expenditure.

Hepatitis B

Mr. Jim Cunningham: To ask the Secretary of State for Health what plans he has to implement the World Health Organisation's recommendation to introduce a universal vaccination policy to protect children from hepatitis B. [6962]

Mr. Horam: In view of the very low incidence of hepatitis B in the United Kingdom, our current policy is to target immunisation at groups at increased risk of infection. However, the Joint Committee on Vaccination and Immunisation, which provides the Government with independent expert advice on these matters, keeps our immunisation policies under review, taking account of all relevant factors including any recommendations from the World Health Organisation.

Written Answers to Questions

Wednesday 4 December 1996

ENVIRONMENT

Home Energy Efficiency Scheme

Mr. Spring: To ask the Secretary of State for the Environment what plans he has to develop the home energy efficiency scheme. [6897]

Mr. Robert B. Jones: I intend to build on the strengths of the home energy efficiency scheme, on which we have spent about £350 million over almost six years, by making changes based on the proposals we published earlier this year. The scheme is popular and well-regarded, and has improved living conditions for 2 million of the most vulnerable households.

I have taken careful account of the comments made on our proposals. The revised scheme will offer greater benefits and more choice. The present range of basic insulation measures will be extended, allowing the scheme to offer the measures best suited to individual homes. Energy rating techniques will be used to monitor the scheme's overall performance.

Under the changes, the range of energy efficiency measures on offer will be widened. Householders will be able to choose from a list of approved measures, which will include draught-proofing of doors and windows, loft insulation, cavity wall insulation and better heating system controls. Energy-efficient lamps, hot water tank insulation and personal advice about how to increase comfort and save energy in the home will also be available.

Eligibility will remain the same. There will be two rates of grant—a standard rate for householders who qualify because they receive an income-related benefit or a disability allowance; and a 25 per cent. rate for people who qualify because they are aged 60 or more. The amount of grant will depend on the measures chosen, but, as now, the standard rate grant should cover the full cost of the work in all homes except those which are large or unusual.

There will be no changes to the way householders apply for grants. Eaga Ltd., based in Newcastle upon Tyne, will continue to manage the scheme, and it will appoint installers to work throughout the country to high standards of workmanship and customer care. Householders will still be able to install some energy efficiency measures themselves, with grant available towards the cost of the necessary materials.

The changes to the scheme will happen from April 1997. The existing format will continue until then, and transitional arrangements will be made for people aged over 60 who are still eligible for a grant under the scheme as it operated before April 1996.

Recycling

Mr. Meacher: To ask the Secretary of State for the Environment if he will list the percentage of *(a)* glass and *(b)* steel recycled in the United Kingdom in (i) 1994 and (ii) 1995; and if he will list such data as are available on recycling rates for (1) the United Kingdom and (2) other European Union member states. [6995]

Mr. Clappison: No definitive information is held centrally on the amount of glass and steel recycled in the United Kingdom. The latest estimates that my Department has on the amount of glass cullet and ferrous scrap that is recycled as a percentage of consumption in the United Kingdom during 1994 and 1995 are as follows:

Percentage

	1994	*1995*[1]
Glass cullet	28	26
Ferrous scrap	42	40

[1] Provisional

No information is available on the amount of steel or ferrous scrap recycled by other European Union member states. The Organisation for Economic Co-operation and Development includes in its bi-annual "Compendium of Environmental Data" information on the amount of glass a number of EU member states have recycled as a percentage of apparent consumption. Available information is shown in the table, but care must be taken in drawing comparisons of recycling performance between different countries as the data are not collected on a consistently defined bases.

	1994 *Per cent.*
Denmark	67
France	48
Germany	75
Greece	29
Ireland	31
Italy	54
Portugal	32
Spain	31
United Kingdom	28

Local Government Finance

Mr. Congdon: To ask the Secretary of State for the Environment if he will list for each year from 1978–79 in (i) cash and (ii) real terms *(a)* the amount raised by (1) tax on domestic ratepayers and (2) tax on non-domestic ratepayers and *(b)* the amount of rate support grant or its equivalent. [7092]

Sir Paul Beresford: The requested information is available from 1981–82. Amounts raised from domestic householders are gross of rebate or benefit—as detailed in note 1—and the grants supporting these expenditures are excluded from the grants columns. The grants columns include all grants supporting revenue expenditure, as detailed in note 3.

The figures for 1997–98 are based on the provisional settlement, assuming that council tax is set at the council tax for standard spending. Local authorities' budgeted expenditure and council taxes will not be known until they have set their budgets.

£ million

	Domestic rates/community charges/council tax[1]		Non-domestic rates[2]		Government grants[3]	
	Cash	At 1997–98 prices	Cash	At 1997–98 prices	Cash	At 1997–98 prices
1981–82	4,338	8,959	5,013	10,353	10,930	22,574
1982–83	5,020	9,678	5,685	10,961	11,233	21,657
1983–84	5,446	10,034	6,042	11,132	11,520	21,226
1984–85	5,895	10,342	6,361	11,160	11,938	20,944
1985–86	6,388	10,625	6,740	11,210	11,715	19,485
1986–87	7,364	11,889	7,566	12,215	11,950	19,293
1987–88	8,090	12,401	8,088	12,398	12,723	19,503
1988–89	8,957	12,869	8,819	12,671	13,201	18,967
1989–90	9,713	13,044	9,595	12,886	13,481	18,104
1990–91	12,251	15,236	10,429	12,970	12,927	16,076
1991–92	8,533	9,973	12,408	14,502	18,620	21,763
1992–93	9,521	10,678	12,306	13,801	20,968	23,516
1993–94	8,912	9,714	11,559	12,599	21,685	23,637
1994–95	9,239	9,894	10,685	11,443	23,678	25,357
1995–96[4]	9,777	10,222	11,354	11,871	23,317	24,378
1996–97[5]	10,460	10,669	12,736	12,991	22,988	23,448
1997–98[6]	9,655	9,655	12,027	12,027	23,713	23,713

[1] Gross of domestic rate rebates for the years 1981–82 to 1989–90. Gross of Community Charge Benefit Grant and Transitional Relief Scheme Grant (1990–91 to 1992–93). Gross of Council Tax Benefit Grant for 1993–94 to 1997–98 and Council Tax Transitional Relief Scheme Grant for 1993–94 to 1996–97.

[2] For the years 1981–82 to 1989–90, this represents non-domestic rate yields net of rate relief. For the years 1990–91 to 1997–98 this represents the distributable amount from the non-domestic rates pool.

[3] For the years 1981–82 to 1989–90 Government Grants comprise Aggregate Exchequer Grant. For 1990–91 to 1997–98 Government Grants included are Revenue Support Grant, Specific and Special Grants in Aggregate External Finance, Community Charge Grant (1991–92), Teachers Pay Award Additional Grant (1992–93), SSA Reduction Grant (1994–95 to 1997–98), Police Grant (1995–96 to 1997–98).

[4] Provisional outturn.

[5] Budget estimates.

[6] Provisional settlement.

Local Government Finance

Mr. Hardy: To ask the Secretary of State for the Environment what proportion of total Government expenditure in England was met by domestic ratepayers in 1978–79; what proportion of such expenditure was met by domestic council tax payers in *(a)* 1995–96 and *(b)* the current financial year; and what proportion will be so met in the next financial year. [7116]

Sir Paul Beresford *[holding answer 3 December 1996]:* The requested information is available from 1981–82. Figures for the proportion provided by domestic householders are gross of rebate or benefit. The figure for 1997–98 is based on the provisional settlement, assuming that council tax is set at the council tax for standard spending. Local authorities' budgeted expenditure and actual council taxes will not be known until they have set their budgets.

	Domestic rates/council tax as a proportion of local government expenditure[1] (Per cent.)
1981–82	21.6
1995–96 (provisional outturn)	21.4
1996–97 (budget estimates)	22.1
1997–98 (provisional Settlement)	21.3

[1] Gross of domestic rate rebates for the year 1981–82. Gross of council tax benefit grant and council tax transitional relief scheme grant for 1995–96 and 1996–97. Gross of council tax benefit grant for 1997–98.

Leasehold Reform

Dr. Goodson-Wickes: To ask the Secretary of State for the Environment what figures are collated in respect of tenants receiving their leasehold enfranchisement rights under the Leasehold Reform Housing and Urban Development Act 1993. [7016]

Mr. Clappison: The Government do not collate figures on how many leaseholders have exercised the right to buy the freehold of their homes, as the transactions are private. The number of cases coming before leasehold valuation tribunals, where the parties cannot agree terms, is monitored. Fifty-eight such cases, coming within the terms of the 1993 Act provisions for collective enfranchisement, have been determined.

Channel Tunnel

Mr. Meacher: To ask the Secretary of State for the Environment what plans he has to collaborate with his French counterpart in conducting a health, safety and environmental assessment of the channel tunnel with particular reference to assessing the suitability of the transport of flammable toxic materials. [7020]

Sir Paul Beresford: I have no plans to carry out an assessment related to flammable toxic goods. Substances subject to two or more danger labels are not authorised for carriage through the fixed link. Goods classed as flammable and toxic under international agreements are subject to two danger labels, and are therefore not permitted.

Environmental Reform

Mr. Meacher: To ask the Secretary of State for the Environment if he will make a statement on his policy

towards the proposals on environmental reform in the European Union contained in the note prepared by the Irish presidency for the intergovernmental conference (CONF./3958/96), dated 22 October. [7036]

Mr. Clappison: The proposals on the environment put forward by the Irish presidency are being carefully considered by the Government, along with those put forward by other member states.

Regulation Breaches

Mr. Meacher: To ask the Secretary of State for the Environment how many article 169 letters, under the Maastricht treaty, Her Majesty's Government have received in respect of alleged breaches of European Union environment regulations since 1992; and if he will make a statement on the current outstanding article 169 environmental cases. [7034]

Mr. Clappison: Since 1992 my Department has received letters commencing proceedings under article 169 of the treaty of Rome in 29 cases in respect of environmental legislation. Twenty-one cases are currently outstanding.

Ministerial Responsibilities

Mr. Touhig: To ask the Secretary of State for the Environment what initiatives have been proposed by the hon. Member for Monmouth (Mr. Evans) since he was appointed Minister with special responsibilities for Bristol; and if he will make a statement. [7228]

Sir Paul Beresford: The primary role of sponsor Ministers is to promote regeneration and to act as a channel for communicating the local concerns of the city to Government Departments, rather than to promote new initiatives.

Wind Farms

Mr. Maclennan: To ask the Secretary of State for the Environment what plans he has to review the planning policy guidelines on the development of wind farms; and if he will make a statement. [7217]

Sir Paul Beresford: The relevant guidance is contained in planning policy guidance note 22, "Renewable Energy". The Government have no immediate plans to revise that document.

Plant and Machinery Advisory Committee

Mr. Duncan Smith: To ask the Secretary of State for the Environment if he has selected the chairman and membership of the Advisory Committee on the Rating of Plant and Machinery in Prescribed Industries; and if he will make a statement. [7798]

Mr. Curry: My Department received 37 applications for positions on the Advisory Committee on the Rating of Plant and Machinery in Prescribed Industries. Derek Wood, CBE QC, was selected to serve as chairman of the committee. The following were selected as members:

Paul Sanderson Esq.
Duncan Chisholm Esq.
Nigel Woods Esq.
John Stephenson Esq.
John Charman Esq.
Michael Barclay Esq.
Chris Biddle Esq.
Peter Jones Esq.
Ian Tanner Esq.
Elaine Smart
Peter Brown Esq.

I expect the committee to report to me by the end of September 1997.

Local Government Reorganisation (Southport)

Mr. Elletson: To ask the Secretary of State for the Environment when he plans to direct the Local Government Commission to review local government arrangements in Southport. [7930]

Mr. Curry: I have today issued a direction to the Local Government Commission for England for it to carry out a review of local government arrangements in the metropolitan borough of Sefton. The commission should submit its final report to my right hon. Friend the Secretary of State by 25 November 1997. The direction requires the commission to have regard to policy and procedure guidance on the conduct of the review. My Department is also issuing, jointly with the commission, a statement setting out local government arrangements which we consider that the commission could recommend under the law, given the geographical scope of the direction.

We have previously said that, following the end of the structure reviews in England, we would need to be convinced that there was a strong and widespread demand before directing more reviews. It is clear that there is that pressure in Sefton, especially in Southport.

I am depositing copies of the direction, the guidance and the joint statement in the Library.

HOME DEPARTMENT

Police (Pensions)

Mr. Michael: To ask the Secretary of State for the Home Department what estimate he has made of the cost to police authorities in England and Wales in *(a)* 1996–97 and *(b)* 1997–98 of (i) police officers' pensions and (ii) contributions to the local government pension scheme. [7240]

Mr. Maclean: The net cost of police officers' pensions is an estimated £793 million in 1996–97 and £830 million in 1997–98. No estimate has been made specifically of the cost to police authorities of contributions to the local government superannuation scheme.

TREASURY

EU Economic and Finance Council

Mr. Matthew Banks: To ask the Chancellor of the Exchequer if he will make a statement on the recent Council meeting of the Economic and Finance Ministers of the European Union. [7892]

Mr. Kenneth Clarke: I represented the UK at the Economic and Finance Council—ECOFIN—of the European Union in Brussels on 2 December.

The Council considered a report on progress towards economic and monetary union which is to be presented to the European Council meeting taking place in Dublin later this month. I made a statement to the House on the ECOFIN discussions on this report yesterday.

The Council discussed new guarantee arrangements for the European investment bank's lending and new regional lending mandates. Agreement was not reached, so the issue will be discussed again at ECOFIN on 12 December.

Commissioner Gradin presented the report of the high-level group which has been looking at sound and efficient management 2000—the Commission's programme of financial management reforms. The Council agreed conclusions on the report.

The Council took note of a joint ECOFIN and Social Affairs Council report on employment and agreed to present it to the European Council in Dublin.

The Council discussed extending the period during which Denmark, Finland and Sweden can restrict personal imports of alcoholic drinks and tobacco. Agreement was reached on an extension, subject to parliamentary scrutiny reserves put down by myself and France.

The Council agreed to maintain the existing minimum rate of VAT of 15 per cent. throughout the Community, again subject to a UK parliamentary scrutiny reserve.

The Netherlands outlined the priorities for the ECOFIN Council during the first six months of 1997, when it will hold the presidency of the European Union.

European Monetary Union

Mr. MacShane: To ask the Chancellor of the Exchequer what assessment he has made of recent reports by the *(a)* European Commission and *(b)* European Monetary Institute in respect of the United Kingdom's eligibility for entry into the European monetary union. [3902]

Mr. Kenneth Clarke: Recent Commission and EMI reports show a majority of member states, including the UK, not currently meeting the convergence criteria. This makes it clear that European single currency will not start in 1997. Beyond that, the reports have no implications for eligibility of the UK or any other member states for entry into EMU. Interpretation of all the criteria will be for Heads of Government to decide, when the decision is made on which countries have met the necessary conditions to adopt the single currency on the basis of performance against the criteria in calendar year 1997. This decision will be made in 1998 at the earliest.

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer to what extent the United Kingdom currently meets the Maastricht convergence criteria; and if he will forecast United Kingdom performance in respect of each of these criteria for 1 January 1998. [4749]

Mr. Clarke: Updated economic forecasts were published in the "Financial Statement and Budget Report" of 26 November 1996.

Mr. Mitchell: To ask the Chancellor of the Exchequer what is Her Majesty's Government's policy in respect of fulfilment of the Maastricht convergence criteria. [4750]

Mr. Clarke: The Maastricht convergence criteria represent sound economics, whether or not we join EMU. They are fully consistent with the Government's economic policy of achieving permanently low inflation and sound public finance.

Building Society Mergers

Mrs. Maddock: To ask the Chancellor of the Exchequer what plans he has to include, in the final version of the Building Societies Bill, requirements for additional consultation with the staff of building societies prior to boards making a decision to recommend merger to their members. [4962]

Mrs. Angela Knight: None. Building society staff already have the same employment protection as that available to employees in other business sectors.

Self-assessment Computer System

Mr. Cohen: To ask the Chancellor of the Exchequer, pursuant to his answer of 16 October to the hon. Member for Southport (Mr. Banks), *Official Report*, columns *912–13*, if he will list the security arrangements *(a)* in place and *(b)* planned to ensure that taxpayers' records held at Oracle facilities abroad (i) in manual form and (ii) on computer record are not misused. [5284]

Mr. Jack: I refer to the reply I gave to the hon. Member for Bristol, South (Ms Primarolo), on 1 November 1996, *Official Report*, column *280*.

Gold and Foreign Currency Reserves

Mr. Simpson: To ask the Chancellor of the Exchequer if he will list the latest available figures for the percentage of gross domestic product held in gold and foreign currency reserves by each European Union member state. [5678]

Mrs. Angela Knight: The details requested are set out in the table.

	Total reserves[1] $ billion	*Total reserves/ GDP (per cent.)*	*Reserves/EU reserves (per cent.)*	*GDP/EU GDP (per cent.)*
Austria	23.07	10.3	4.6	2.6
Belgium	23.22	8.9	4.7	3.1
Denmark	15.18	8.9	3.0	2.0
Finland	6.84	5.5	1.4	1.5
France	58.57	3.8	11.8	18.0
Germany	94.02	4.1	18.9	27.2
Greece	12.96	10.7	2.6	1.4
Ireland	7.84	12.0	1.6	0.8
Italy	75.20	6.1	15.1	14.4
Luxembourg	0.09	0.5	0.0	0.2

	Total reserves[1] $ billion	Total reserves/ GDP (per cent.)	Reserves/EU reserves (per cent.)	GDP/EU GDP (per cent.)
Netherlands	39.44	10.2	7.9	4.5
Portugal	20.71	19.7	4.2	1.2
Spain	53.94	9.4	10.8	6.8
Sweden	21.51	8.5	4.3	3.0
UK	45.41	4.0	9.1	13.4
Total/Average	497.97	5.8	100.0	100.0

Note:
[1] Gold figures are at national valuations. Because of different valuation conventions for gold throughout the EU, these figures are not *strictly* comparable.
Source:
International Financial Statistics (IMF), September 1996 (June 1996 data for total reserves).
European Monetary Institute, June 1996 forecast for 1996 GDP at market prices.
Bank of England Quarterly Bulletin.

Taxation (Self-assessment)

Mrs. Roche: To ask the Chancellor of the Exchequer, pursuant to his answer of 14 November, *Official Report*, column *311*, in what ways tax inquiry centres and switchboards have been enhanced. [5704]

Mr. Jack *[holding answer 25 November 1996]:* Work undertaken, and planned before April 1997, to enhance the service to taxpayers includes:

Increased access to the computer system for staff in tax inquiry centres, to enable them to view the tax records of taxpayers who request assistance.

The out-reach initiative to take tax to the community, which has been making full use of the mobile advice centres touring the more inaccessible areas, ensuring that taxpayers have access to Revenue staff.

A programme of refurbishment of tax inquiry centres which has improved the general ambience of these centres, and provided increased privacy with the introduction of interview rooms.

The installation of 43 new switchboards

The addition of 190 operator consoles to existing switchboards.

Correspondence

Mr. Pawsey: To ask the Chancellor of the Exchequer when he will reply to the letter of 16 July from the hon. Member for Rugby and Kenilworth addressed to the Department of Trade and Industry and transferred to Her Majesty's Treasury on or about 25 October. [6620]

Mr. Jack: I replied on 29 November.

Mr. Kaufman: To ask the Chancellor of the Exchequer when he intends to reply to the letters dated 21 August, 25 September and 24 October from the right hon. Member for Manchester, Gorton, with regard to Ms E. White, St. Gabriel's hall, 1 Oxford place, Manchester. [7286]

Mr. Kenneth Clarke *[holding answer 3 December 1996]:* A reply was sent on 2 December.

Single European Currency

Sir George Gardiner: To ask the Chancellor of the Exchequer to how many hon. Members he sent his circular letter on the documents relating to the proposed European single currency stability pact. [6663]

Mr. Kenneth Clarke *[holding answer 28 November 1996]:* I wrote to every hon. Member. I understand there were some logistical problems which, unfortunately, resulted in not all hon. Members receiving their copy before my statement to the House on 25 November. However, I did ensure that a large number of copies were deposited in the Whips Office before my statement, and on the day of my statement I arranged for further copies to be deposited in the Libraries of both Houses.

Women

Mrs. Roche: To ask the Chancellor of the Exchequer how many women are currently employed by his Department at each civil service grade. [6442]

Mrs. Angela Knight *[holding answer 28 November 1996]:* The information as at 1 November 1996 for HM Treasury is given in the table. On 1 April 1996, all Treasury staff transferred from their old civil service grades, into new, broad pay ranges.

	Female
Pay range A	46
Pay range B	175
Pay range C	75
Pay range D	91
Pay range E	59
Pay range F	13
Pay range G	4
Pay range H	0
Total	463

Information Technology Projects

Ms Church: To ask the Chancellor of the Exchequer, pursuant to his answer of 11 November, *Official Report*, column *24*, what were the proposed annual savings for the three information technology projects in the bands above and including £1 million to £2 million, undertaken since 1992; and what have been the realised annual savings. [6695]

Mrs. Angela Knight *[holding answer 28 November 1996]:* Two of the projects relate to the Treasury's OASIS office system, and the third to the pensions administration system.

The roll-out of the OASIS office system was completed in July, and replaced an earlier system that was coming to the end of its useful life. The replacement system was designed to improve efficiency and effectiveness by providing all Treasury staff with access to modern office automation facilities. Significant savings are expected as the system beds down and is exploited.

The new principal civil service pension scheme administration system which is being developed will be implemented by user departments over the next two years and will reduce administration costs. How much each user department will save will vary and depend on circumstances prevailing at the time. The new software will make market testing of the pensions administration function particularly effective. Software enhancement and maintenance costs will also be reduced. The project is now the responsibility of the Office of Public Service.

Ms Church: To ask the Chancellor of the Exchequer, pursuant to his answer of 11 November, *Official Report*, column *24*, what are the proposed annual savings for the seven information technology projects planned for 1997–98. [6694]

Mrs. Knight *[holding answer 28 November 1996]:* The proposed projects fall broadly into two categories: those to support new requirements, and those to upgrade and maintain existing systems. In the case of new requirements, the aim is to support them in the most cost-effective way. It is very difficult to attribute quantified savings to upgrading and maintaining existing systems. This is because it is essential to upgrade systems on a regular basis in order to continue to receive support from suppliers, and also because the improvements form part of on-going work to make better use of existing IT systems.

Child Care Facilities

Mrs. Roche: To ask the Chancellor of the Exchequer what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6453]

Mrs. Angela Knight *[holding answer 28 November 1996]:* The Treasury offers staff subsidised places on the Westminster holiday playscheme, makes contributions to additional child care costs when staff are required to work additional or irregular hours, offers paid or unpaid special leave to enable staff to care for sick children or close relatives and since 1994 has been a corporate member of Parents at Work, which offers information and advice on child care issues. Subject to a satisfactory performance and attendance record, staff are also allowed to take a career break of up to five years in addition to the statutory maternity entitlement, and are kept in touch with the organisation during this time.

In 1992 the Treasury also held two places in a Westminster-based nursery for emergency use when staff's normal child care arrangements broke down. However, very low usage meant this arrangement was eventually discontinued.

Records of the number of staff who are allowed special leave for domestic purposes are not held centrally. Records are unable to show career breaks taken for domestic reasons as a separate category from other career breaks. The number of staff claiming contributions to additional child care costs and those using the Westminster holiday playscheme in the years requested are set out in the table.

	1992	*1993*	*1994*	*1995*	*1996*
Staff claiming additional childcare contributions	9	2	7	5	[1]9
Staff using the Westminster Holiday Playscheme	18	19	25	21	[1]19

[1] To date.

Unemployment (Dagenham)

Ms Church: To ask the Chancellor of the Exchequer how many claimants have been recorded as experiencing at least one spell of unemployment in the Employment Service outlets in the constituency of Dagenham since 1992. [6659]

Mrs. Angela Knight *[holding answer 28 November 1996]:* The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Ms Judith Church, dated 4 December 1996:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on how many people have experienced at least one spell of claimant unemployment in all Employment Service Jobcentres within the Dagenham Parliamentary Constituency Area since 1992.

Since January 1992, there have been approximately 18,700 claimants who have experienced at least one spell of claimant unemployment at the Dagenham Employment Service Jobcentre. This reflects in large part the dynamics of the labour market and in particular the significant numbers flowing on and off the claimant count each month. Since January 1992 there have been about 29,000 new claims for unemployment-related benefits which have been made at Dagenham Employment Service Jobcentre and about the same number of claims which have been terminated.

EDS Ltd.

Mr. Hutton: To ask the Chancellor of the Exchequer what payments have been made to EDS Ltd. for consultancy in relation to *(a)* the introduction of self-assessment and *(b)* information technology services for the Inland Revenue since 1993. [5607]

Mr. Jack *[holding answer 29 November 1996]:* The Inland Revenue has paid £5.9 million to EDS for the services of consultants and contractors, of which about £4 million relates to self-assessment and the balance for other IT projects and services.

VAT (Continence Products)

Sir John Hannam: To ask the Chancellor of the Exchequer how many NHS trusts and what proportion of them were accustomed prior to 1 August 1996 to reclaim VAT on continence products under the arrangements then in force. [7035]

Mr. Oppenheim: This information is not held centrally and an answer could be produced only at disproportionate cost.

North Sea Oil (Tax Losses)

Mr. Meacher: To ask the Chancellor of the Exchequer what assessment he has made of the loss to the Exchequer arising from forgone taxation on North sea oil as a consequence of oil spillages from United Kingdom oil operations. [7015]

Mr. Jack: The annual tax loss from oil spillage in the last five years on North sea operations has been estimated at under £10,000 per year.

Budget Papers

Sir Michael Grylls: To ask the Chancellor of the Exchequer what steps he is taking to investigate the theft

of the papers relating to the Budget, and the manner in which, and through whom, they were passed to the *Daily Mirror*. [7091]

Mr. Kenneth Clarke: The investigation of these matters is in the hands of the Metropolitan police.

Private Finance Initiative

Mr. Timms: To ask the Chancellor of the Exchequer if the criteria for including projects in table 5.5 of the 1996 "Financial Statement and Budget Report" were the same as were applied to table 6.5 of the 1995 FSBR. [7221]

Mr. Jack *[holding answer 2 December 1996]:* Yes. Both the tables referred to comprise the best available estimates of capital spending by the private sector resulting from projects under the private finance initiative.

Mr. Timms: To ask the Chancellor of the Exchequer what advice his Department has given to the Department of Health on the need for central collection of information about the long-term revenue commitments arising from private finance initiative projects entered into by NHS trusts. [7225]

Mr. Jack *[holding answer 3 December 1996]:* The Treasury has undertaken to provide aggregate estimates of the long-term revenue commitments arising from private finance initiative projects. It has asked all Departments to provide information sufficient to honour that commitment.

Mr. Timms: To ask the Chancellor of the Exchequer if he will break down the information given in table 5.6 of the "Financial Statement and Budget Report" by Government Department. [7219]

Mr. Jack *[holding answer 2 December 1996]:* Table 5.6 gives the aggregate forward spending commitments arising from signed contracts under the private finance initiative. While the initiative is still relatively new, and the number of signed contracts in each Department is still relatively small, it would not be appropriate to give figures for each individual Department, because this could reveal information about specific contracts which is commercially sensitive—either because a Department currently has only one such contract, or because a Department's figures are dominated by the cost of a single large contract. Giving detailed information, now, about payments expected under individual contracts could make it more difficult for the public sector to secure future contracts on terms that offer best value for money.

Mr. Timms: To ask the Chancellor of the Exchequer if he will provide the information given in table 5.6 of the "Financial Statement and Budget Report" for all agreed PFI projects. [7223]

Mr. Jack *[holding answer 2 December 1996]:* No. Currently making public estimates of the likely forward commitments arising from PFI deals which have been agreed, but for which contracts have not yet been signed, could undermine the public sector's negotiating position on individual contracts, and make it more difficult to secure future contracts on terms which offer value for money.

Written Parliamentary Questions

Mr. Rowlands: To ask the Chancellor of the Exchequer what is his current estimate of the cost of answering a written parliamentary question. [7252]

Mrs. Angela Knight: In April 1996 the average cost of answering a written parliamentary question and an oral parliamentary question were £107 and £249, respectively.

Public Contracts

Mr. Radice: To ask the Chancellor of the Exchequer (1) how many public contracts have been awarded to British suppliers by purchasers in other EU member states between 1993 and 1996; [6414]

(2) what was the value in sterling of the total public contracts awarded to British companies from purchasers in other EU member states between 1993 and 1996. [6415]

Mrs. Angela Knight *[holding answer 3 December 1996]:* Such information is not available. The Green Paper on public procurement in the European Union, adopted by the European Commission on 27 November, suggest that, for EU member states as a whole, the share of cross-border business for public contracts for goods and services has risen from about 5 per cent. in 1987 to 10 per cent. in 1995.

Beer Taxes

Mr. Meale: To ask the Chancellor of the Exchequer what estimate he has made of the revenues from beer taxes not collected because of illegal importation and sale in the United Kingdom in each of the last three years. [7253]

Mr. Oppenheim *[holding answer 3 December 1996]:* Customs' current estimate of revenue evaded by smuggling of beer is £110 million per year. This figure does not include any amount for commercial fraud. The actual loss to the Exchequer will be less than this figure because some smuggling represents additional consumption rather than substitution for similar goods bought in the UK. Customs has no official estimate of the extent of additional consumption of smuggled beer. There was no previous official estimate of revenue evaded by smuggling.

Employers Helpline

Mr. William O'Brien: To ask the Chancellor of the Exchequer what has been the cost of the introduction of the new employers helpline servicing the Inland Revenue, the Contributions Agency and Her Majesty's Customs and Excise; and if he will make a statement. [7258]

Mr. Jack *[holding answer 3 December 1996]:* The employers helpline uses staff from the existing Contributions Agency helpline, the social security advice line to employers and Inland Revenue staff previously located in the employers unit. Staff costs are therefore within existing running costs. Cost of introducing the helpline result mainly from publicity costs which are likely to amount to £650,000 by the end of the campaign. Other setting-up costs of approximately £80,000 are mainly accounted for by expenditure on telephony and information technology.

Mr. O'Brien: To ask the Chancellor of the Exchequer if he will make a statement on the regional organisation of the new employers helpline servicing the Inland Revenue, the Contributions Agency and Her Majesty's Customs and Excise. [7259]

Mr. Jack *[holding answer 3 December 1996]:* The national employers helpline is located at two sites in East Kilbride and Glasgow, housing Inland Revenue and Contributions Agency staff and servicing the whole of the country. There are no staff located in other regions.

Mr. O'Brien: To ask the Chancellor of the Exchequer what representations he has received in respect of problems with the employers helpline set up by the Inland Revenue, the Contributions Agency and Her Majesty's Customs and Excise; and if he will make a statement. [7260]

Mr. Jack *[holding answer 3 December 1996]:* The employers helpline was made available nationally on 7 October 1996 following a successful pilot in Scotland. Evaluation of the pilot by an independent research company showed that 97 per cent. of all callers were satisfied or very satisfied with the service. An evaluation of the national helpline will begin in January. We have not received any representations in respect of problems with the helpline.

Donate-as-you-earn Scheme

Dr. Godman: To ask the Chancellor of the Exchequer what plans he has to raise the annual sum of money an employed person may donate to charities by way of the donate-as-you-earn scheme; what has been the cost of the scheme to public funds since its inception; and if he will make a statement. [7312]

Mr. Jack: The payroll giving limit was raised by a third from £900 to £1,200 in April this year, a tenfold increase since the scheme began in 1987. The limit is kept under review but I have no plans to increase it again at present. The scheme has cost some £25 million up to 1995–96.

Inland Revenue Computers

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer on how many occasions and in what locations mainframe systems of the Inland Revenue have crashed, preventing end-user logging, [1636]

Mr. Jack *[holding answer 11 November 1996]:* The Inland Revenue's mainframe computer systems have on average operated at over 99 per cent. availability over the last 12 months.

Local Tax Offices

Mrs. Roche: To ask the Chancellor of the Exchequer which local tax offices are due for closure in the next 12 months. [3256]

Mr. Jack *[holding answer 12 November 1996]:* Local tax offices in Bexhill, Eastbourne, Bexleyheath, Dartford, Greenwich, Solihull, Gravesend and Workington are due to close in the next 12 months. However, it is planned to retain tax inquiry centres in Eastbourne and Gravesend.

PRIME MINISTER

EU Legislation

Mr. Steen: To ask the Prime Minister who is responsible for Government scrutiny of laws initiated by *(a)* the European Commission and *(b)* the European Council of Ministers, which do not require United Kingdom parliamentary approval before their implementation. [5770]

The Prime Minister: All proposed Community legislation submitted by the European Commission to the Council of Ministers is subject to parliamentary scrutiny before its adoption. Where the Council, in such legislation, delegates powers to the European Commission to make detailed implementing legislation, within a prescribed committee procedure, it is the responsibility of the relevant Government Department to ensure that the implications of draft Commission implementing legislation are fully assessed and taken into account in the negotiations in committee.

Departmental Decisions (Appeals)

Mr. Gordon Prentice: To ask the Prime Minister if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6033]

The Prime Minister *[holding answer 25 November 1996]:* For these purposes, my office is part of the Cabinet Office. I refer the hon. Member to the reply given by my hon. Friend the Paymaster General yesterday.

HOUSE OF COMMONS

Members' Tea Room

Mr. Robert Banks: To ask the Chairman of the Catering Committee who designed the alterations to the counters and food display cabinets in the Tea Room; and what estimate he has made of the cost of putting it back to how it was. [7455]

Sir Colin Shepherd: Cecil Denny Highton was the architect, and Tricon plc was the food service consultant. Their proposals were approved by the Parliamentary Works Directorate's project sponsor, in consultation with the Director of Catering Services and the Catering Committee.

The reasons for the alterations are set out in the Committee's first report of Session 1993–94, which was debated by the House on 12 July 1994, and reflects the need to comply with current health and safety, fire and hygiene regulations.

TRANSPORT

Bridges

Sir Peter Fry: To ask the Secretary of State for Transport (1) when he expects the Government's bridge survey to be finished; [6768]

(2) how many *(a)* bridges and *(b)* roads have been evaluated as unsafe to carry an 11.5 tonne axle weight. [6767]

Mr. Watts: I have asked the chief executive of the Highways Agency to write to my hon. Friend.

Letter from Lawrie Haynes to Sir Peter Fry, dated 4 December 1996:

The Secretary of State for Transport has asked me to reply to your recent Parliamentary Questions asking when he expects the Government's bridge survey to be finished, and how many bridges and roads have been evaluated as unsafe to carry an 11.5 tonne axle weight.

The Highways Agency is making good progress with its programme of assessing the load carrying capacity of trunk road structures in England, ie those for which the Secretary of State is the highway authority. This programme is expected to be complete by March 1998.

Of those that have been assessed, there are three bridges supporting trunk roads which are unable safely to carry an 11.5 tonne axle weight at the present time. These are:

M1 Junction 2 Slip Road Viaduct in North London;

MA13 Movers Lane Flyover in East London; and

MA40 Golden Valley Flyover in Gloucestershire.

The first of these is currently closed to all traffic; the other two have weight restrictions in place. Improvements are planned at each location. A number of bridges carrying local roads is also unable to bear 11.5 tonne axle loading. It is for the local highway authority concerned to decide what action is appropriate in these cases.

A road may deteriorate more rapidly under heavier axle loading, but there is no risk to safety as in the case of a weak bridge. There is, therefore, no comparable programme in place for assessing the load-carrying capacity of roads.

Deregulation

Mr. David Nicholson: To ask the Secretary of State for Transport, pursuant to the letter from the Minister for Railways, Roads and Local Transport of 26 November on the New Roads and Street Works Act 1991, if the development of a national training scheme, with standards of assessment and a certification system, has been subject to scrutiny under the Government's deregulation policy; and with what result. [7250]

Mr. Watts: No. The introduction of the qualifications regime under the Act was preceded by consultation with utilities and highway authorities. We intend to review the arrangements once the system is fully operational—after 5 August 1997.

Road Traffic Accidents

Mr. Thurnham: To ask the Secretary of State for Transport what is the latest annual figure for road traffic accidents involving children; what was the European Union average per kilometre of road; and if he will rank the European Union countries in respect of these figures. [6921]

Mr. Bowis: In 1995 there were 38,775 accidents in Great Britain which involved child casualties. The numbers of accidents involving children are not available for member countries.

Wheel Clamping

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 28 November, *Official Report*, column *351*, if he will list the total fees paid to contractors for the wheel clamping of vehicles evading excise duty. [7654]

Mr. Bowis: The information requested is commercial in confidence.

US-UK Air Service Agreements

Mr. Stewart: To ask the Secretary of State for Transport (1) if he will make a statement on progress in the renegotiation of the US-UK air service agreements (Bermuda II); [7123]

(2) when he expects the renegotiation of the US-UK air service agreements (Bermuda II) to be completed. [7121]

Mr. Bowis: The next round of negotiations with the US on air services will take place on 4 to 6 December. It is not possible to predict when an agreement might be concluded.

Mr. Stewart: To ask the Secretary of State for Transport when he asked the Civil Aviation Authority to conduct a balance of benefits analysis in relation to the renegotiation of the US-UK air service agreements (Bermuda II). [7122]

Mr. Bowis: We have not asked the Civil Aviation Authority to conduct a balance of benefits analysis in relation to the current renegotiation of the UK-US air services agreement. The number of variables which would need to be taken into account, and assumptions which would have to be made, would make it impossible to model results which could be treated with any confidence. We understand, however, that the CAA has contributed to the Office of Fair Trading's analysis of the proposed British Airways-American Airlines alliance.

Wheelchairs

Ms Walley: To ask the Secretary of State for Transport if he will assess the advantages of introducing construction and use regulations in respect of the fitting of wheelchairs with security clamps certified to public service vehicle standards; and if he will make a statement. [6991]

Mr. Bowis: An existing code of practice gives guidance on the safety of passengers in wheelchairs on buses including requirements for securing and clamping the wheelchair. This may be applied on a voluntary basis at the time of initial certification for manufacturers that seek approval to carry restrained wheelchairs in PSVs. We are currently considering the appropriate requirements for the carriage of wheelchair passengers in PSVs generally, including the circumstances where restraints are required. We are also working with wheelchair manufacturers to develop wheelchairs which are designed and tested for comparability with all forms of transport.

Search and Rescue Helicopters

Mr. Waterson: To ask the Secretary of State for Transport what was the outcome of his review of the location of search and rescue helicopters on the south coast; and if he will make a statement. [7847]

Mr. Bowis: We have concluded that the current basing arrangements for coastguard search and rescue—SAR—helicopters on the south coast should continue. The

current temporary arrangements for the Portland helicopter will be replaced with a five-year contract for an upgraded all-weather aircraft. The arrangements for the helicopter based at Lee-on-Solent will continue unchanged.

Our conclusions are based upon the results of consultation with interested parties on national requirements for SAR helicopters and an analysis of the use of helicopters in SAR incidents on the south coast and English channel.

In addition, we are taking forward the recommendations of the interdepartmental review on SAR helicopters through the auspices of the newly formed joint advisory board for SAR provision.

New Airlines

Mr. William O'Brien: To ask the Secretary of State for Transport how many new airlines have commenced flying operations in the United kingdom in the last two years; and if he will list the titles under which they operate. [7257]

Mr. Bowis: *[holding answer 3 December]:* The Civil Aviation Authority, which is responsible for licensing United Kingdom airlines, cannot determine from its records how many new UK airlines have actually commenced flying operations in the UK in the last two years. Since 1 January 1995, the CAA has granted 32 new operating licences to UK airlines. Of these, five are type A licences for larger operators—generally defined as operators of aircraft of more than 10 tonnes maximum take-off weight and/or with 20 or more seats—and 27 are type B licences for minor operators. The names of the airlines and, where known to be different, the names under which they trade, are as follows:

Type A

Airworld Aviation Limited (trading as Airworld)
All Leisure Airlines Limited (trading as All Leisure)
Community Express Airlines Limited[1]
Sabre Airways Limited
South Coast Airways Limited

Type B

Air Cavrel Limited
Air Kilroe Limited
Airlong Charter Limited
Anglo American Airmotive Limited
Atlanta Helicopters (Global) Limited
CB Group Limited
City Air Bus Limited[1]
City Link Airways Limited
Eurojet Aviation Limited
European Airways Limited
Execujet Limited[1]
Executive Jet Charter Limited
Imperial Air Charter Limited
Keenair Charter Limited
Kingair Limited
Leeds Central Helicopters Limited
London Executive Aviation Limited
Lothian Helicopters Limited
Macair Limited[1]
Oxford Air Services Limited
PLM Dollar Group Limited
Poplar Aviation Limited
Pritchard WGT (trading as Mayfair Dove)
Solent Helicopters Limited (trading as Elite Helicopters)
Stevenson Aviation Limited
Surrey and Kent Flying Club (1982) Limited
Widehawk Aviation Limited

[1] Ceased trading.

In addition to the above, two airlines which do not hold their own operating licences—Easyjet and Debonair—have commenced operations under the scope of the air travel organisers' licensing regulations, using services operated by another airline which holds a valid operating licence. Both Easyjet and Debonair have applied to the CAA for their own operating licences.

DEFENCE

Porton Down

Mr. Livingstone: To ask the Secretary of State for Defence if he will list the *(a)* scientific journals and *(b)* other open publications in which staff from the medical division of the Chemical and Biological Defence Establishment, Porton Down, published papers between 1984 and 1990 arising out of their work and research, indicating the date of publication. [6923]

Mr. Arbuthnot: This is a matter for the chief executive of the Defence Evaluation and Research Agency. I have asked the chief executive to write to the hon. Member.

Letter from John Chisholm to Mr. Ken Livingstone, dated 4 December 1996:

I have been asked to reply to your question asking for a list of the scientific journals and other open publications in which staff in the Medical Division of the Chemical and Biological Defence Establishment published papers between 1984 and 1990.

We have checked our records and in the time available have been able to identify the following publications:

Environmental Health Perspectives
(1990) Vol.85(81–87)
British Journal of Pharmacology
(1985) Vol.85 (Suppl.)(301)
Vol.85 (Suppl.)(301)(1990)Vol.101
Vol.86(Suppl.)(729)
Vol.86(Suppl.)(740)
(1986) Vol.87(Suppl.)(119)
Thorax
(1990) Vol.45 Issue 10(802)
Human Experimental Toxicology
(1990) Vol.9 Issue 3 (125–129)
Vol.9 Issue 4 (215–220)
Vol.9 Issue 4 (245–250)
Mutation Research
(1990) Vol.230 Issue 1 (71–80)
Hazardous Materials
(1988) Vol.17 Issue 3 (269–285)
Vol.17 Issue 3 (269–286)
(1989) Vol.21 Issue 1 (1–13)
Vol.21 Issue 1 (73–88)

Vol.22 Issue 3 (269–282)

Archives of Toxicology

(1988) Vol.62 Issue (2–3) (123–32)

Human Toxicology

(1984) Vol.3 Issue 4 (289–308)

(1985) Vol.4 Issue 6 (591–600)

(1986) Vol.5 Issue 5 (295–301)

Vol.5 Issue 5 (295–302)

Vol.5 Issue 5 (303–307)

Vol.5 Issue 5 (303–308)

Vol.5 Issue 6 (413–414)

(1987) Vol.6 Issue 2 (133–138)

Vol.6 Issue 2 (139–145)

Vol.6 Issue 5 (434–435)

(1988) Vol.7 Issue 2 (183–6)

(1989) Vol.8 Issue 1 (64–65)

Vol.8 Issue 1 (65–66)

Toxicology

(1984) Vol.31 Issue 2 (165–173)

Vol.31 Issue 2 (165–174)

(1988) Vol.51 Issue 1 (101–110)

Vol.51 Issue 2–3 (213–222)

(1989) Vol.57 Issue 2 (209–215)

Toxicology Letters

(1984) Vol.21 Issue 2 (141–6)

Vol.23 Issue 3 (359–65)

Vol.23 Issue 3 (359–365)

(1987) Vol.36 Issue 3 (281–7)

Neurology Neurosurgery and Psychiatry

(1987) Vol.50 Issue 4 (471–5)

Royal Army Medical Corps

(1989) Vol.135 Issue 3 (124–130)

Haemoglobin

(1988) Vol.12 Issue 1 (53–60)

Ellis Horwood Series in Biomedicine:

(1989) pg 17–50.

Adverse Drug Reactions Acute Poisoning Review

(1988) Vol.7 Issue 4 (179–206)

Pathology

(1988) Vol.155 Issue 3 (221–224)

Journal of Trauma

(1984) Vol.24 Issue 3 (188–200)

(1988) Vol.28 (Suppl.1) S40–54

Drugs and Driving: First International Symposium on Prescription Drugs and Driving Performance. Published by Taylor and Francis. ISBN 0-85066-290-7.0(O). 1986 pages 291–302.

Comparative Biochemistry and Physiology B Comparative Biochemistry

(1987) Vol.86 Issue 1 (141–148).

Xenobiotica

(1987) Vol.17 Issue 1 (79–84).

British Journal Experimental Pathology

(1986) Vol.67 Issue 2 (259–268).

Journal of Immunology methods

(1984) Vol.70 Issue 1 (75–82).

I hope this information is helpful.

Mr. Livingstone: To ask the Secretary of State for Defence when the study into the effects of soman referred to in his answer of 6 June, *official Report*, column *519*, was carried out. [6932]

Mr. Arbuthnot: This is a matter for the chief executive of DERA. I have asked the chief executive to write to the hon. Member.

Letter from John Chisholm to Mr. Ken Livingstone, dated 4 December 1996:

I have been asked to reply to your question concerning the time when the study involving the nerve agent Soman took place.

From examination of the available laboratory records the majority of the work conducted for this study took place between September 1988 and July 1990.

I hope this information is helpful.

Mr. Livingstone: To ask the Secretary of State for Defence what is the Chemical and Biological Defence Establishment's assessment of the link between short-term exposure to nerve agents and OP-induced delayed neuropathy. [6933]

Mr. Arbuthnot: This is a matter for the chief executive of DERA. I have asked the chief executive to write to the hon. Member.

Letter from John Chisholm to Mr. Ken Livingstone, dated 4 December 1996:

I have been asked to reply to your question concerning the Chemical and Biological Defence Establishment's assessment of the link between short term exposure to nerve agents and OP-induced delayed neuropathy.

Studies have been carried out at Porton Down to assess the potential of the nerve agents tabun (GA), sarin (GB) and soman (GD) and VX to induce delayed neuropathy. In the studies only the nerve agent GB induced delayed neuropathy and then only using well in excess of lethal doses. The results of these studies were published in the British Journal of Pharmacology Vol.31 page 295–299 and Archives of Toxicology Volume 52 pages 71–82.

I hope this information is helpful.

Mr. Livingstone: To ask the Secretary of State for Defence what is the Chemical and Biological Defence Establishment's assessment of whether short-term exposure to mustard gas causes *(a)* chronic bronchitis, *(b)* chronic laryngitis and *(c)* delayed keratitis of the eye. [6928]

Mr. Arbuthnot: This is a matter for the chief executive of DERA. I have asked the chief executive to write to the hon. Member.

Letter from John Chisholm to Mr. Ken Livingstone, dated 4 December 1996:

I have been asked to reply to your question concerning the Chemical and Biological Defence Establishment's assessment of the effects on health of short term exposure to mustard agent.

CBD Porton Down does not make its assessments of the efficacy of chemical warfare agents public. However some observations about mustard agent poisoning during the First World War have been published and indicate that following exposure to very high concentrations of sulphur mustard, delayed keratitis can occur. This effect is referred to in papers published in 1940 by TJ Phillips (Proceedings of the Royal Society of Medicine Vol.33 (229–232) and in 1942 by WF Hughes (Archives of Ophthalmology, Vol.27 (582–601).

We are aware that First World War veterans were awarded disability compensation for respiratory disorders which were believed to have resulted from sulphur mustard poisoning. However other factors such as cigarette smoking, influenza and other

environmental effects were not taken into consideration and a definite causal link between sulphur mustard exposure and chronic respiratory disorders such as bronchitis or laryngitis has not been established.

I hope this information is helpful.

Mr. Livingstone: To ask the Secretary of State for Defence when the Chemical and Biological Defence Establishment concluded its work on the contract into the defeat of attacks by ballistic missiles with chemical and biological warheads; what was the total value of the contract; and if he will make a statement. [6930]

Mr. Arbuthnot: This is a matter for the chief executive of DERA. I have asked the chief executive to write to the hon. Member.

Letter from John Chisholm to Mr. Ken Livingstone, dated 4 December 1996:

I have been asked to reply to your question about work undertaken by the Chemical and Biological Defence Sector (CBD) of the Defence Evaluation and Research Agency (DERA) into the defeat of attacks by ballistic missiles with chemical and biological warheads.

As the reply dated 3 February 1995 from Dr Pearson, the then Director General CBDE to your earlier enquiry indicated, this work is being carried out with US funding under the 1985 US/UK 'SDI' Memorandum of Understanding. The further option year referred to in Dr Pearson's letter was in fact taken up and work under this current Government-to-Government agreement is due to complete at the end of this year, with a total value of $11.2M.

It is possible that a new agreement, to continue work in this area, will be negotiated.

I hope this is helpful.

Mr. Livingstone: To ask the Secretary of State for Defence when the Chemical and Biological Defence Establishment started work on the contract relating to a commercially available anti-emetic drug to protect service men against nuclear radiation-induced nausea; and when this contract ended. [6931]

Mr. Arbuthnot: This is a matter for the chief executive of DERA. I have asked the chief executive to write to the hon. Member.

Letter from John Chisholm to Mr. Ken Livingstone, dated 4 December 1996:

I have been asked to reply to your question concerning the work conducted by the Chemical and Biological Defence Establishment on commercially available anti-emetic drugs.

I am not clear to which contract your question refers. Staff at Porton Down have carried out a number of studies to assess whether some commercially available anti-emetic drugs cause any side effects which might impair the military performance or well-being of service personnel. The studies do not address the efficacy of these drugs. The research programme began in September 1991 and although a major project was completed early this year, we are still carrying out some work.

I hope this information is helpful.

Mr. Livingstone: To ask the Secretary of State for Defence by what methods the Chemical and Biological Defence Establishment, Porton Down, is monitoring and checking the health of its former staff who are exposed to chemical warfare agents during their employment at the establishment after they have left Porton Down. [6922]

Mr. Arbuthnot: This is a matter for the chief executive of DERA. I have asked the chief executive to write to the hon. Member.

Letter from John Chisholm to Mr. Ken Livingstone, dated 4 December 1996:

I have been asked to reply to your question concerning the methods used by the Chemical and Biological Defence Establishment, Porton Down to monitor the health of former staff exposed to chemical warfare agents during their employment.

All work involving the use of chemical warfare agents is conducted following appropriate health and safety guidelines. Members of staff are not therefore generally exposed to chemical warfare agents whilst carrying out their duties at Porton Down. It is not considered necessary to carry out any subsequent health monitoring of individuals after they have left Porton Down.

I hope this information is helpful.

Defence Export Services Organisation

Sir Irvine Patnick: To ask the Secretary of State for Defence what assistance the Defence Export Services Organisation has provided to Sheffield companies in each of the last three years; and if he will make a statement. [7249]

Mr. Arbuthnot: The Defence Export Services Organisation daily provides assistance to British defence equipment companies to help them promote their products and services overseas. This assistance is available to companies in the Sheffield area.

UN Peacekeeping

Mr. David Nicholson: To ask the Secretary of State for Defence what *(a)* representations he has made to and *(b)* discussions he has held with the Governments of (i) Germany and (ii) Japan to encourage them to make a greater contribution to UN peacekeeping forces. [7386]

Sir Nicholas Bonsor: I have been asked to reply.

We welcome the increasing contributions to and participation in UN peacekeeping forces by Germany and Japan. UN peacekeeping is the subject of frequent discussion between our respective Governments at both ministerial and official level.

FOREIGN AND COMMONWEALTH AFFAIRS

Former Yugoslavia

Mr. Jacques Arnold: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the Government's policy on the export of de-mining equipment to the former Yugoslavia. [7641]

Sir Nicholas Bonsor: On 26 February 1996, the European Union adopted a common position on arms exports to the former Yugoslavia which expressly excludes from the EU embargo "transfers of equipment needed for demining activities". The supply of de-mining equipment is vital to the task of detecting and destroying land mines laid during the war in former Yugoslavia.

The Government give sympathetic consideration to applications for the export of de-mining equipment for humanitarian purposes to former Yugoslavia on a case-by-case basis, taking into account the overall situation in the states of the former Yugoslavia and the paramount importance of ensuring the safety of British and other troops deployed in the region.

Lobbying Organisations

Mr. Marlow: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those lobbying organisations in the United Kingdom which receive money from EU institutions and which are actively involved in promoting the benefit of the EU, indicating the amounts of money they receive. [5956]

Mr. David Davis: The European Commission does not publish a detailed list of grants to lobbying organisations. However, chapter A30 of the EC budget provides a broad outline of Community subsidies, including to "bodies and projects advancing the idea of Europe".

These grants are intended to fund information provision, research and other relevant activities. A copy of the EC budget has been deposited in the Libraries of the House.

Ministerial Visits

Mr. MacShane: To ask the Secretary of State for Foreign and Commonwealth affairs which countries he has visited in an official capacity since June. [7657]

Mr. Rifkind: Since the beginning of June I have paid visits in an official capacity to Iceland, Germany, Belgium, France, Italy, Spain, Portugal, Luxemburg, Saudi Arabia, Jordan, Pakistan, India, Sri Lanka, Japan, Mongolia, the Republic of Ireland, Switzerland, the United States of America, Thailand, Vietnam, Israel, the United Arab Emirates and Yemen.

NATIONAL HERITAGE

BBC

Mr. Kaufman: To ask the Secretary of State for National Heritage if she will list the relevant provisions in the BBC charter and licence and agreement which prevent the BBC from investing in its own decoder box for digital television. [7402]

Mr. Sproat: There are no provisions in the BBC's charter or the agreement which prevent the corporation from investing in its own decoder for the reception of digital television and article 3(e) of the charter specifically enables the BBC to do so. However, the corporation would require my right hon. Friend the Secretary of State's approval under article 3(u) of the charter if it sought to establish any joint ventures or partnerships with other companies in relation to the production of set top boxes. My right. hon. Friend will consider any BBC requests to undertake such enterprises.

EDUCATION AND EMPLOYMENT

Pupils

Mr. Pawsey: To ask the Secretary of State for Education and Employment how many children are now educated in *(a)* grant-maintained schools, *(b)* grammar schools, *(c)* city technology colleges, *(d)* specialist schools and *(e)* through an assisted places scheme. [6757]

Mrs. Gillan: A total of 29,900 pupils held assisted places in independent schools in the school year 1995–96.

The latest available information on pupils in grant-maintained, selective and specialist schools and city technology colleges is shown in the following table.

England

	Number of pupils[1]
Grant-maintained schools	718,200
Selective schools	129,600
Specialist schools	183,000
City technology colleges	14,300

[1] Some pupils may be counted in each of more than one type of school.

Project Work

Sir Andrew Bowden: To ask the Secretary of State for Education and Employment if she will provide an age breakdown of the long-term unemployed people who have benefited from the project work pilot programme. [7226]

Mr. Forth: Of the 5,634 people who had entered the project work pilot by mid-November, 16 per cent. were between 18 and 24 years old, 40 per cent. were between 25 and 34 years old, 43 per cent. were between 35 and 49 years old, and 0.5 per cent. were 50 years old on the day they entered the pilot.

Sir Andrew Bowden: To ask the Secretary of State for Education and Employment if she will assess the advantages of extending the project work programme to those aged over 50 years. [7227]

Mr. Forth: We are carrying out a full evaluation of the project work pilots in Hull and Medway and Maidstone. The announced extension of the approach to 28 new areas from February 1997 will enable us to examine its effects and implications in greater detail. If these further examinations confirm the initial indications that the approach is beneficial and cost-effective, we will then consider extending it to groups other than those covered by the current pilots.

Aggregated Schools Budget

Sir Irvine Patnick: To ask the Secretary of State for Education and Employment if she will list for each local education authority, *(a)* the change in overall education standard spending assessment for 1996–97 over 1995–96, *(b)* the change in ASB as reported by section 42 statements for 1996–97 over 1995–96 and *(c)* the change in ASB as a percentage of the change in education standard spending assessment. [7248]

Mr. Robin Squire: The following table covers those authorities which have been unaffected by local government reorganisation. It shows the education SSA and the adjusted ASB figure for each authority for 1995–96 and 1996–97, with the percentage change between each year for each category and the increase in ASB expressed as a percentage of the increase in adjusted Education SSA.

Education SSAs and ASB funding 1995–96 and 1996–97

	Education SSA			Adjusted ASB			
	1995–96 £ million	*1996–97 £ million*	*Change Per cent.*	*1995–96 £ million*	*1996–97 £ million*	*Change Per cent.*	*Increase in ASB as percentage of change in SSA*
Barking	65.688	69.879	6.0	52.397	55.329	5.3	70.0
Barnet	113.666	117.029	2.9	91.280	96.032	4.9	141.3
Barnsley	73.067	76.867	4.9	52.811	54.696	3.4	49.6
Bedfordshire	211.971	220.156	3.7	159.358	165.703	3.8	77.5
Berkshire	273.303	282.308	3.2	201.750	211.899	4.8	112.7
Bexley	84.537	88.646	4.6	61.910	64.916	4.6	73.2
Birmingham	427.157	448.721	4.8	343.842	358.482	4.1	67.9
Bolton	95.727	100.891	5.1	77.164	79.100	2.4	37.5
Bradford	201.941	209.868	3.8	148.087	149.344	0.8	15.9
Brent	106.318	109.692	3.1	76.700	81.900	6.3	154.1
Bromley	99.593	103.845	4.1	81.690	84.503	3.3	66.2
Buckinghamshire	244.491	252.855	3.3	177.083	182.777	3.1	68.1
Bury	57.847	61.635	6.1	48.145	50.730	5.1	68.2
Calderdale	72.840	77.167	5.6	58.321	59.925	2.7	37.1
Cambridgeshire	226.137	237.278	4.7	175.942	180.996	2.8	45.4
Camden	78.775	78.312	–0.6	54.260	57.928	6.3	[1]—
Cheshire	332.027	348.970	4.9	268.542	282.632	5.0	83.2
City	0.783	0.759	–3.2	0.660	0.684	3.5	[1]—
Cornwall	156.189	164.930	5.3	116.360	120.886	3.7	51.8
Coventry	115.727	119.872	3.5	94.473	96.473	2.1	48.3
Croydon	114.342	118.396	3.4	88.229	91.672	3.8	84.9
Cumbria	161.474	170.602	5.4	130.216	136.829	4.8	72.4
Derbyshire	302.839	319.922	5.3	238.313	243.069	2.0	27.8
Devon	328.421	345.862	5.0	247.400	260.300	5.0	74.0
Doncaster	113.687	119.680	5.0	91.492	92.821	1.4	22.2
Dorset	197.952	207.427	4.6	147.019	155.123	5.2	85.5
Dudley	98.869	104.158	5.1	82.736	87.200	5.1	84.4
Durham	206.861	216.644	4.5	154.246	159.569	3.3	54.4
Ealing	108.869	112.151	2.9	79.960	83.872	4.7	119.2
East Sussex	212.497	219.761	3.3	163.927	170.270	3.7	87.3
Enfield	112.192	117.827	4.8	82.756	88.270	6.2	97.9
Essex	540.456	566.981	4.7	429.194	451.469	4.9	84.0
Gateshead	68.177	70.844	3.8	53.512	54.934	2.6	53.3
Gloucestershire	174.502	183.797	5.1	134.833	143.271	5.9	90.8
Greenwich	114.265	114.263	0.0	82.576	84.347	2.1	[1]—
Hackney	92.843	92.084	–0.8	56.838	59.608	4.6	[1]—
Hammersmith	57.213	56.047	–2.1	38.575	39.545	2.5	[1]—
Hampshire	502.556	525.153	4.3	407.624	436.658	6.6	128.5
Haringey	89.054	93.427	4.7	63.498	66.642	4.7	71.9
Harrow	70.409	72.990	3.5	57.075	59.676	4.4	100.8
Havering	84.067	87.183	3.6	67.988	69.774	2.6	57.3
Hereford and Worcester	219.794	229.005	4.0	164.429	172.192	4.5	84.3
Hertfordshire	371.417	387.245	4.1	305.813	318.261	3.9	78.6
Hillingdon	88.939	93.797	5.2	71.060	75.845	6.3	98.5
Hounslow	90.156	94.807	4.9	67.911	71.965	5.6	87.2
Isle of Wight	43.621	45.138	3.4	31.881	33.398	4.5	100.0
Isles of Scilly	1.217	1.233	1.3	0.831	0.842	1.3	68.8
Islington	80.442	81.095	0.8	56.593	55.031	–2.8	[2]—
Kensington and Chelsea	36.603	34.193	–7.0	27.600	28.258	2.3	[1]—
Kent	559.063	581.733	3.9	437.440	462.400	5.4	110.1
Kingston upon Thames	45.852	47.066	2.6	36.025	38.024	5.3	164.6
Kirklees	136.679	141.523	3.4	104.249	106.766	2.4	51.9
Knowsley	69.643	73.138	4.8	52.457	54.623	4.0	62.0
Lambeth	102.068	100.826	–1.2	71.103	67.171	–5.9	[3]—
Lancashire	483.978	510.448	5.2	361.285	386.353	6.5	94.7
Leeds	240.355	252.509	4.8	200.576	209.212	4.1	71.1
Leicestershire	316.437	333.840	5.2	244.266	257.073	5.0	73.6
Lewisham	107.987	108.942	0.9	70.733	74.758	5.4	421.5
Lincolnshire	199.166	213.026	6.5	169.039	175.552	3.7	47.0
Liverpool	202.743	209.232	3.1	147.607	149.311	1.1	26.3
Manchester	182.485	188.261	3.1	130.130	132.258	1.6	36.8
Merton	56.276	58.096	3.1	43.655	45.206	3.4	85.2
Newcastle Upon Tyne	97.287	99.652	2.4	71.894	74.522	3.5	111.1
Newham	123.810	130.381	5.0	76.543	79.818	4.1	49.8
Norfolk	228.084	243.384	6.3	190.287	199.426	4.6	59.7
North Tyneside	65.412	68.757	4.9	52.819	54.406	2.9	47.4
Northamptonshire	209.792	222.270	5.6	171.486	179.817	4.6	66.8
Northumberland	107.600	113.513	5.2	86.301	88.719	2.7	40.9
Nottinghamshire	346.671	365.135	5.1	269.273	270.030	0.3	4.1
Oldham	90.295	94.759	4.7	73.319	76.209	3.8	64.7
Oxfordshire	186.622	192.571	3.1	138.134	141.698	2.5	59.9
Redbridge	94.245	98.258	4.1	69.928	74.764	6.5	120.5
Richmond upon Thames	44.331	45.854	3.3	37.582	38.680	2.8	72.1

Education SSAs and ASB funding 1995–96 and 1996–97

	Education SSA			Adjusted ASB			
	1995–96 £ million	*1996–97 £ million*	*Change Per cent.*	*1995–96 £ million*	*1996–97 £ million*	*Change Per cent.*	*Increase in ASB as percentage of change in SSA*
Rochdale	79.656	82.736	3.7	58.584	61.397	4.6	91.3
Rotherham	96.279	102.425	6.0	74.305	77.361	4.0	49.7
Salford	78.671	82.496	4.6	63.814	65.832	3.1	52.8
Sandwell	113.826	118.096	3.6	89.270	92.365	3.4	72.5
Sefton	102.312	106.847	4.2	81.644	85.339	4.3	81.5
Sheffield	162.779	170.970	4.8	119.429	124.264	3.9	59.0
Shropshire	137.140	145.332	5.6	104.924	113.234	7.3	101.4
Solihull	69.171	73.069	5.3	62.263	64.847	4.0	66.3
Somerset	143.521	150.908	4.9	115.747	120.837	4.2	68.9
South Tyneside	56.343	59.030	4.6	41.545	42.963	3.3	52.8
Southwark	109.934	109.297	–0.6	71.232	73.109	2.6	[1]—
St. Helens	63.280	66.604	5.0	52.066	53.479	2.6	42.5
Staffordshire	348.788	366.019	4.7	268.691	283.219	5.1	84.3
Stockport	86.091	89.804	4.1	73.419	74.736	1.8	35.5
Suffolk	205.854	217.470	5.3	168.349	178.819	5.9	90.1
Sunderland	110.851	114.863	3.5	86.821	89.790	3.3	74.0
Surrey	299.400	307.474	2.6	234.352	243.503	3.8	113.3
Sutton	64.450	67.782	4.9	49.519	52.550	5.8	91.0
Tameside	76.328	80.591	5.3	56.972	59.739	4.6	64.9
Tower Hamlets	120.163	122.839	2.2	80.016	80.242	0.3	8.4
Trafford	72.456	76.735	5.6	54.625	57.378	4.8	64.3
Wakefield	106.389	111.605	4.7	83.348	83.763	0.5	8.0
Walsall	103.691	108.588	4.5	82.930	86.734	4.4	77.7
Waltham Forest	94.112	97.421	3.4	71.480	75.265	5.0	114.4
Wandsworth	86.323	86.304	0.0	67.294	69.273	2.9	[1]—
Warwickshire	156.224	164.025	4.8	126.377	131.492	3.9	65.6
West Sussex	226.770	235.410	3.7	176.536	183.856	4.0	84.7
Westminster	58.975	58.134	–1.4	40.475	41.358	2.1	[1]—
Wigan	104.851	110.133	4.8	92.027	94.780	2.9	52.1
Wiltshire	188.559	197.517	4.5	149.229	156.683	4.8	83.2
Wirral	124.059	132.298	6.2	94.964	100.582	5.6	68.2
Wolverhampton	96.144	99.898	3.8	74.473	76.999	3.3	67.3

Adjusted ASB includes the Annual Maintenance Grant (AMG) for GM schools in each authority.
[1] Indicates that ASB has increased although the Education SSA has decreased.
[2] Indicates that ASB has decreased although the Education SSA has increased.
[3] Indicates decrease in ASB and Education SSA.

University Teachers (Pay)

Mr. Sheerman: To ask the Secretary of State for Education and Employment what is the average level of pay of a university teacher with 10 years' experience; and what it was in 1980 in 1996 prices. [7630]

Mrs. Gillan: The information requested is not available.

Publicity

Mr. Donohoe: To ask the Secretary of State for Education and Employment what promotional and public information campaigns her Department is *(a)* currently running and *(b)* planning to run during the next six months; and for each campaign (i) how much it will cost, (1) in total and (2) to her Department, (ii) what agencies or bodies are undertaking the work and (iii) what is its planned duration. [7419]

Mr. Robin Squire: The Department is currently running or planning to run the following campaigns:

	Estimated cost of project (£000)	*Duration*
Career development loans	[1]605	Current to May 1997
Disability Discrimination Act	[2]700	January to February 1997
Employment service employer campaign	250	January to February 1997
Just the job	823	January to February 1997
Modern apprenticeships	310	January to February 1997
National training awards	[1]250	February to May 1997
Nursery vouchers	2,200	Current to March 1997
Primary school performance tables	[1]2,000	March to July 1997
Small firms training loans	200	Current to March 1997

[1] Contains an estimate of costs from 1997–98 budgets, which are yet to be finalised.

[2] Includes a contribution to the permanent Disability Discrimination Act helpline shared with the Department of Social Security.

Promotional and public information campaigns are defined in this answer as multi-media campaigns containing newspaper, radio, TV or poster advertising in addition to leaflet production and distribution. All the advertising work was placed through the Central Office of Information in accordance with normal practice. A range of other contractors worked on various aspects of the campaigns.

The costs given are the total costs of the campaigns. It would be possible to disaggregate the costs of the Department's own staff in arranging and supervising the campaigns only at disproportionate cost.

Teacher Training

Mr. Kirkwood: To ask the Secretary of State for Education and Employment how many people *(a)* applied for places on teacher training courses in England and Wales and *(b)* successfully completed teacher training courses in each year since 1992; and if he will make a statement. [7295]

Mr. Forth: The available information is given in the following tables.

Applicants to initial teacher training[1] courses
England and Wales

	Courses starting in Autumn of:				
	1992	*1993*	*1994*	*1995*	*1996*
Postgraduate	31,700	34,400	32,400	33,800	33,200
Undergraduate[2]	n/a	n/a	n/a	n/a	34,000
Total	n/a	n/a	n/a	n/a	67,300

[1] Includes School Centred Initial Teacher Training (SCITT) applicants only if applying through the Graduate Teacher Training Registry (GTTR).
[2] Reliable undergraduate information is not available prior to 1996.
n/a = not available.

Numbers of successful completers from initial teacher training[1] courses
England and Wales

	Calendar year				
	1992	*1993*	*1994*	*1995*	*1996[2]*
Postgraduate	13,600	15,100	16,200	17,300	n/a
Undergraduate[2]	7,400	8,300	9,400	10,500	n/a
Total	20,900	23,400	25,600	27,700	n/a

[1] Includes SCITT completers.
[2] Information not yet available.
n/a = not available.

Nursery Education

Mr. Kirkwood: To ask the Secretary of State for Education and Employment (1) how many children under the age of five years have *(a)* full-time and *(b)* part-time places in (i) nursery classes in schools, (ii) nursery schools and (iii) reception classes in schools, by local eduation authority; and if he will make a statement; [7296]

(2) what percentage of children under the age of five years currently have *(a)* full-time and *(b)* part-time places in (i) nursery classes in schools, (ii) nursery schools and (iii) reception classes in schools, by local education authority; and if he will make a statement. [7297]

Mr. Robin Squire: The information requested is shown in the following table.

Number and percentage of children under five years of age in maintained nursery and primary schools in England
January 1996

	Number of pupils					
	Nursery schools		Primary schools			
			Nursery classes		Other classes	
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
Camden	43	34	531	441	984	0
Greenwich	344	334	458	2,208	1,087	16
Hackney	62	88	776	1,316	1,585	12
Hammersmith and Fulham	322	231	621	557	558	1
Islington	159	159	983	607	1,475	0
Kensington and Chelsea	174	76	430	171	368	0
Lambeth	190	260	546	1,437	1,020	36
Lewisham	100	130	417	2,106	1,065	58
Southwark	225	270	734	1,836	2,060	0
Tower Hamlets	446	260	1,763	1,076	1,531	16
Wandsworth	120	86	809	1,372	1,662	6
Westminster	45	150	464	587	529	15
Barking and Dagenham	0	0	3	2,098	1,543	0
Barnet	24	557	1	1,962	2,047	106
Bexley	0	0	9	1,524	2,016	6
Brent	218	2	772	1,608	2,064	2
Bromley	0	0	6	177	2,393	2
Croydon	0	500	0	1,648	2,864	24
Ealing	16	455	0	3,350	2,458	0
Enfield	0	0	0	1,682	2,376	41
Haringey	163	35	503	2,068	1,867	38
Harrow	0	0	0	1,029	1,605	0
Havering	0	0	14	538	1,943	0
Hillingdon	0	120	2	3,261	46	105
Hounslow	0	0	3	2,393	1,691	2
Kingston upon Thames	60	151	6	1,117	504	570
Merton	0	0	0	2,711	763	244
Newham	99	890	79	3,507	1,278	1
Redbridge	0	0	26	1,404	1,319	188
Richmond upon Thames	5	67	0	791	92	1,068
Sutton	0	240	8	1,701	69	5
Waltham Forest	39	286	97	2,395	1,034	17

Number and percentage of children under five years of age in maintained nursery and primary schools in England

January 1996

	Number of pupils					
	Nursery schools		*Primary schools*			
			Nursery classes		*Other classes*	
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
Birmingham	755	1,663	1,883	6,916	9,987	42
Coventry	6	132	39	1,908	2,815	2
Dudley	12	62	104	3,092	2,672	4
Sandwell	71	57	87	4,341	2,845	67
Solihull	0	0	0	1,872	1,989	1
Walsall	43	791	49	3,505	2,395	1
Wolverhampton	1	759	3	3,149	2,224	0
Knowsley	0	0	2	2,955	1,659	14
Liverpool	210	329	946	4,675	4,201	11
St. Helens	0	165	0	1,455	1,599	1
Sefton	0	318	9	2,555	2,531	1
Wirral	20	275	2	1,954	2,910	26
Bolton	28	475	363	2,306	2,500	3
Bury	52	108	219	1,246	1,636	0
Manchester	419	125	4,225	2,538	2,429	3
Oldham	0	0	957	1,495	2,168	0
Rochdale	35	899	142	1,167	2,046	2
Salford	517	592	1,853	701	2,037	15
Stockport	135	741	0	1,312	2,501	4
Tameside	0	236	5	2,355	2,143	0
Trafford	0	0	16	2,624	1,828	0
Wigan	24	157	0	1,986	2,776	2
Barnsley	0	180	0	2,777	1,074	50
Doncaster	0	0	62	3,592	2,756	0
Rotherham	0	397	90	2,860	1,199	1
Sheffield	111	745	237	4,636	2,150	381
Bradford	197	326	153	5,874	4,107	156
Calderdale	0	0	248	1,697	1,780	0
Kirklees	0	558	0	3,917	3,461	11
Leeds	0	53	95	8,832	5,749	22
Wakefield	0	478	16	4,319	1,703	115
Gateshead	4	66	8	1,848	1,686	0
Newcastle upon Tyne	581	37	734	1,447	2,247	3
North Tyneside	53	190	43	2,385	1,671	0
South Tyneside	18	417	0	1,791	1,373	0
Sunderland	75	938	38	2,627	2,628	0
Avon	681	1,165	239	3,182	7,777	5
Bedfordshire	259	1,213	339	3,443	2,043	929
Berkshire	128	2,032	196	4,631	803	119
Buckinghamshire	0	561	37	2,744	1,142	1,880
Cambridgeshire	24	697	4	1,529	5,838	16
Cheshire	31	819	13	4,706	8,518	33
Cleveland	0	145	7	9,865	5,312	12
Cornwall[1]	19	98	0	1,572	1,905	1,679
Cumbria	0	833	1	2,636	4,116	4
Derbyshire	134	1,434	190	8,057	4,617	1,354
Devon	54	253	108	2,738	3,982	84
Dorset	0	0	0	800	1,222	3,653
Durham	0	2,496	0	4,829	5,234	1
East Sussex	1	178	0	1,784	2,559	2,688
Essex	0	297	56	3,036	7,751	1,649
Gloucestershire	0	0	0	22	4,370	18
Hampshire	6	380	2	1,633	10,622	2,689
Hereford and Worcester	0	0	76	2,103	2,846	31
Hertfordshire	33	1,727	20	8,120	4,901	580
Humberside	218	928	740	7,483	5,727	42
Isle of Wight	0	0	0	170	960	0
Kent	0	85	0	2,382	10,421	2,839
Lancashire	5	3,599	28	4,531	12,614	3
Leicestershire	0	50	1,535	3,505	4,793	131
Lincolnshire	52	488	40	1,769	4,854	26
Norfolk	2	412	0	995	3,885	1,606
North Yorkshire	2	356	95	3,475	5,007	191
Northamptonshire	0	731	31	2,570	5,474	17
Northumberland	36	86	2	2,988	2,492	4
Nottinghamshire	2	573	238	13,312	1,952	200
Oxfordshire	60	1,012	85	2,220	849	382
Shropshire	0	176	0	2,149	1,820	263

Number and percentage of children under five years of age in maintained nursery and primary schools in England
January 1996

	Number of pupils					
	Nursery schools		Primary schools			
			Nursery classes		Other classes	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Somerset	0	0	3	604	3,847	26
Staffordshire	554	1,429	1,589	3,764	9,018	57
Suffolk	0	100	3	3,203	2,584	22
Surrey	106	330	16	2,786	4,833	2,653
Warwickshire	0	756	0	1,352	4,176	2
West Sussex	17	443	0	821	2,914	27
Wiltshire	0	0	5	787	3,473	157
England [1,2]	8,645	43,532	28,405	283,689	314,633	29,589

[1] Includes Isles of Scilly.
[2] Includes Corporation of London.
– Negligible (i.e. less than 0.05 per cent.).

January 1996

	Percentage of population					
	Nursery schools		Primary schools			
			Nursery classes		Other classes	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Camden	1.0	0.8	12.5	10.4	23.2	0.0
Greenwich	5.2	5.0	6.9	33.2	16.4	0.2
Hackney	0.9	1.3	11.6	19.6	23.6	0.2
Hammersmith and Fulham	8.1	5.8	15.7	14.1	14.1	—
Islington	3.1	3.1	19.0	11.7	28.4	0.0
Kensington and Chelsea	5.6	2.4	13.8	5.5	11.8	0.0
Lambeth	2.4	3.3	7.0	18.4	13.0	0.5
Lewisham	1.4	1.8	5.6	28.5	14.4	0.8
Southwark	3.0	3.6	9.7	24.3	27.3	0.0
Tower Hamlets	7.6	4.4	30.1	18.4	26.2	0.3
Wandsworth	1.7	1.2	11.2	19.0	23.0	0.1
Westminster	1.1	3.8	11.8	14.9	13.4	0.4
Barking and Dagenham	0.0	0.0	0.1	46.1	33.9	0.0
Barnet	0.3	6.8	—	23.8	24.8	1.3
Bexley	0.0	0.0	0.1	24.9	33.0	0.1
Brent	3.1	—	10.8	22.6	29.0	—
Bromley	0.0	0.0	0.1	2.5	33.4	—
Croydon	0.0	5.4	0.0	17.7	30.7	0.3
Ealing	0.2	5.5	0.0	40.4	29.7	0.0
Enfield	0.0	0.0	0.0	21.6	30.5	0.5
Haringey	2.6	0.6	8.1	33.2	30.0	0.6
Harrow	0.0	0.0	0.0	18.5	28.9	0.0
Havering	0.0	0.0	0.3	10.1	36.3	0.0
Hillingdon	0.0	1.8	—	47.9	0.7	1.5
Hounslow	0.0	0.0	0.0	39.5	27.9	—
Kingston upon Thames	1.7	4.4	0.2	32.5	14.7	16.6
Merton	0.0	0.0	0.0	54.0	15.2	4.9
Newham	1.1	10.2	0.9	40.2	14.7	—
Redbridge	0.0	0.0	0.4	21.7	20.4	2.9
Richmond upon Thames	0.1	1.7	0.0	19.7	2.3	26.6
Sutton	0.0	5.0	0.2	35.2	1.4	0.1
Waltham Forest	0.5	4.0	1.4	33.6	14.5	0.2
Birmingham	2.4	5.2	5.9	21.6	31.2	0.1
Coventry	0.1	1.5	0.5	22.4	33.0	—
Dudley	0.1	0.7	1.3	37.2	32.2	—
Sandwell	0.8	0.7	1.0	50.3	33.0	0.8
Solihull	0.0	0.0	0.0	37.4	39.7	—
Walsall	0.6	10.5	0.7	46.7	31.9	—
Wolverhampton	—	10.5	—	43.7	30.8	0.0
Knowsley	0.0	0.0	—	62.9	35.3	0.3
Liverpool	1.6	2.5	7.1	35.0	31.5	0.1
St. Helens	0.0	3.4	0.0	30.0	33.0	—
Sefton	0.0	4.4	0.1	35.6	35.2	—
Wirral	0.2	3.2	—	22.7	33.9	0.3
Bolton	0.4	6.2	4.8	30.3	32.9	—
Bury	1.0	2.1	4.3	24.7	32.5	0.0
Manchester	3.1	0.9	30.8	18.5	17.7	—
Oldham	0.0	0.0	14.3	22.4	32.5	0.0

January 1996

Percentage of population

	Nursery schools		Primary schools			
			Nursery classes		Other classes	
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Full-time*	*Part-time*
Rochdale	0.5	13.9	2.2	18.1	31.7	—
Salford	7.8	8.9	28.0	10.6	30.8	0.2
Stockport	1.8	9.8	0.0	17.4	33.2	0.1
Tameside	0.0	3.6	0.1	36.1	32.8	0.0
Trafford	0.0	0.0	0.3	45.1	31.4	0.0
Wigan	0.3	1.8	0.0	22.9	32.0	—
Barnsley	0.0	2.9	0.0	44.4	17.2	0.8
Doncaster	0.0	0.0	0.8	43.7	33.5	0.0
Rotherham	0.0	5.6	1.3	40.0	16.8	—
Sheffield	0.8	5.5	1.7	34.2	15.9	2.8
Bradford	1.3	2.2	1.0	39.3	27.5	1.0
Calderdale	0.0	0.0	4.5	30.8	32.3	0.0
Kirklees	0.0	5.1	0.0	35.7	31.5	0.1
Leeds	0.0	0.3	0.5	45.6	29.7	0.1
Wakefield	0.0	5.4	0.2	48.7	19.2	1.3
Gateshead	0.1	1.3	0.2	35.9	32.7	0.0
Newcastle upon Tyne	7.9	0.5	10.0	19.7	30.7	—
North Tyneside	1.1	3.9	0.9	48.9	34.3	0.0
South Tyneside	0.4	10.2	0.0	44.0	33.7	0.0
Sunderland	0.9	11.3	0.5	31.8	31.8	0.0
Avon	2.7	4.7	1.0	12.8	31.3	—
Bedfordshire	1.6	7.4	2.1	21.1	12.5	5.7
Berkshire	0.6	9.4	0.9	21.5	3.7	0.6
Buckinghamshire	0.0	3.0	0.2	14.5	6.0	9.9
Cambridgeshire	0.1	3.7	—	8.1	31.1	0.1
Cheshire	0.1	3.2	0.1	18.2	32.9	0.1
Cleveland	0.0	0.9	—	62.3	33.6	0.1
Cornwall[1]	0.2	0.9	0.0	14.3	17.3	15.2
Cumbria	0.0	6.7	—	21.4	33.3	—
Derbyshire	0.5	5.7	0.8	32.0	18.3	5.4
Devon	0.2	1.0	0.4	11.1	16.1	0.3
Dorset	0.0	0.0	0.0	5.3	8.2	24.4
Durham	0.0	15.9	0.0	30.8	33.4	—
East Sussex	—	1.1	0.0	10.7	15.4	16.1
Essex	0.0	0.7	0.1	7.4	18.9	4.0
Gloucestershire	0.0	0.0	0.0	0.2	31.3	0.1
Hampshire	—	0.9	—	4.0	25.7	6.5
Hereford and Worcester	0.0	0.0	0.4	11.8	16.0	0.2
Hertfordshire	0.1	6.3	0.1	29.5	17.8	2.1
Humberside	0.9	3.9	3.1	31.4	24.0	0.2
Isle of Wight	0.0	0.0	0.0	6.4	30.0	0.0
Kent	0.0	0.2	0.0	5.9	25.7	7.0
Lancashire	—	9.4	0.1	11.8	33.0	—
Leicestershire	0.0	0.2	6.1	14.0	19.1	0.5
Lincolnshire	0.4	3.4	0.3	12.2	33.5	0.2
Norfolk	—	2.2	0.0	5.4	21.1	8.7
North Yorkshire	—	2.0	0.5	19.9	28.7	1.1
Northamptonshire	0.0	4.3	0.2	15.1	32.1	0.1
Northumberland	0.5	1.2	—	41.0	34.2	0.1
Nottinghamshire	—	2.1	0.9	48.5	7.1	0.7
Oxfordshire	0.4	6.0	0.5	13.2	5.1	2.3
Shropshire	0.0	1.6	0.0	19.8	16.8	2.4
Somerset	0.0	0.0	—	5.2	32.9	0.2
Staffordshire	2.0	5.2	5.8	13.8	33.0	0.2
Suffolk	0.0	0.6	—	18.4	14.8	0.1
Surrey	0.4	1.3	0.1	10.6	18.4	10.1
Warwickshire	0.0	6.2	0.0	11.0	34.1	—
West Sussex	0.1	2.6	0.0	4.8	17.1	0.2
Wiltshire	0.0	0.0	0.0	5.0	22.0	1.0
England[1,2]	0.7	3.3	2.2	21.7	24.1	2.3

[1] Includes Isles of Scilly.

[2] Includes Corporation of London.

— Negligible (i.e. less than 0.05 per cent.).

EU Social Affairs Council

Mr. Peter Bottomley: To ask the Secretary of State for Education and Employment if she will make a statement on the outcome of the EU Social Affairs Council on 2 December. [7797]

Mr. Paice: The UK was represented by the UK deputy permanent representative to the European Union at the Social Affairs Council on 2 December. No votes were taken.

The Joint Social Affairs Council, ECOFIN and Commission report on employment was approved for submission to the Dublin European Council. The proposal for the establishment of an employment and labour market committee was agreed unanimously and agreement in principle was reached on a number of amendments to directive 1408/71 on social security for migrant workers, although final adoption will await the opinion of the European Parliament. The directive on the implementation of the principle of equal treatment for men and women in occupational social security schemes was agreed unanimously.

A recommendation on the balanced participation of women and men in the decision-making process and resolutions on mainstreaming equal opportunities for men and women into the European social funds, equality of opportunity for people with disabilities and on the role of social protection in the fight against unemployment were all agreed unanimously.

There was a political discussion, but no agreement, on a draft directive amending the 1976 equal treatment directive to take into account the judgment of the European Court of Justice in the Kalanke case.

There were a series of presentations: on the proposed chemical agents directive; the conclusions on lifelong learning adopted at the Education Council; a Commission communication on information and consultation of workers; a Commission communication on the social dialogue; a French paper on initiatives to follow up President Chirac's memorandum on a European social model; and on a Commission report on cohesion.

The other member states discussed, but did not reach agreement on, the draft directive on the reversal of the burden of proof in sex discrimination cases, which is being taken forward under their agreement on social policy and which will not apply in the UK.

OVERSEAS DEVELOPMENT ADMINISTRATION

World Food Summit

Mrs. Dunwoody: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has for implementing the targets and commitments agreed by the recent world food summit; and if he will make a statement. [6100]

Dr. Liam Fox: We will participate fully in the international follow-up to the world food summit. The Overseas Development Administration is ready to assist developing countries in their efforts to implement the world food summit plan of action. We will also encourage United Nationals and other international organisations to take co-ordinated and effective action to help developing countries to meet the summit's goals.

WALES

Grant-maintained Schools

Mr. Barry Jones: To ask the Secretary of State for Wales how many applications for grant-maintained status are currently being considered at *(a)* primary and *(b)* secondary level. [7238]

Mr. Jonathan Evans: I refer the hon. Member to the reply I gave him on Tuesday 3 December, *Official Report* column *604*.

Teachers (Early Retirement)

Mr. John Morris: To ask the Secretary of State for Wales what is the estimated cost of the Government's proposals for changes to early retirement provisions for teachers *(a)* to local education authorities in Wales and *(b)* in the Neath Port Talbot county borough area; and what compensation is proposed for the additional costs to local education authorities. [5769]

Mr. Jonathan Evans: Under our proposed changes to early retirement provisions, the employers' contribution rate to the teachers' superannuation scheme will be reduced. That will release funds so that employers can pay directly for those premature retirements that they believe to be necessary. Our proposals envisage a reduction of 40 per cent. in premature retirements in schools in England and Wales over the next three years. If employers in Wales provide for this reduced level of premature retirements there will be savings. The precise level of those savings in Wales, and in individual local authority areas, will depend on decisions of employers and cannot be quantified in advance.

LORD CHANCELLOR'S DEPARTMENT

Fishing Vessels

Mr. Steen: To ask the Parliamentary Secretary, Lord Chancellor's Department when he plans to reply to the letter from the hon. Member for South Hams of 15 November about the case involving the duty of care of Marine Safety Agency surveyors of fishing vessels. [7264]

Mr. Streeter: The question concerns a matter which has been assigned to the Court Service under the terms of its framework document. I have therefore asked the chief executive to write to the hon. Member.

Letter from M. D. Huebner to Mr. Anthony Steen, dated 4 December 1996:

The Parliamentary Secretary, Lord Chancellor's Department has asked me to reply to your Question about your letter of 15 November.

As you know, your letter to the Lord Chancellor was transferred to me, as Chief Executive of the Court Service, to reply as it concerned an operational aspect of the Court of Appeal. The Parliamentary Secretary's Private Office wrote to you on 20 November to inform you of the transfer.

My enquiries into your constituent's case are currently underway and I hope to be in a position to reply to you by 9 December.

Young Offenders

Mrs. Anne Campbell: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his answer of 7 November, *Official Report*, columns *610–11*, on the arrest and conviction of young offenders, if the figures cited referred to working days. [6544]

Mr. Streeter: The figures cited in the answer in question count all days of the week, not working days alone. All figures published in the Department's information bulletins on magistrates courts time intervals also count all days of the week.

HEALTH

East London and the City Health Authority

Mr. Spearing: To ask the Secretary of State for Health, pursuant to his answer of 20 November, *Official Report*, columns *597–98*, concerning application of his latest weighted capitation formula, what is the current formula and where it is set out; what sums were made available to the East London and the City health authority for 1996–97; what sums are planned for 1997–98; and what was the basis of calculation for such sums with particular reference to the base population used. [6622]

Mr. Malone: Details of the weighted capitation formula used to determine the 1996–97 allocations to health authorities can be found in the 1996–97 health authority revenue cash limits exposition booklet, copies of which are available in the Library.

East London and the City health authority received a general allocation of almost £337.2 million in 1996–97, an increase of £1.6 million, 0.5 per cent. in real terms.

In 1997–98, East London and the City health authority will receive an integrated allocation of £365.4 million, which will include a general allocation of £348 million, an increase of £7.4 million, 2.2 per cent. in real terms.

Details of the formula used to calculate the general allocation will be included in the 1997–98 health authority revenue cash limits exposition booklet, copies of which will be placed in the Library shortly.

Mr. Spearing: To ask the Secretary of State for Health what is *(a)* the population within the area of the East London and the City health authority on which that authority's capitation grant is calculated, *(b)* the total number of persons registered with general practitioners within that area, *(c)* the estimates he or others have made of the evidence of double registrations, *(d)* the estimates he or others have made of the number of persons not registered and *(e)* what action he has taken to adjust his capitation formula accordingly. [5091]

Mr. Malone *[holding answer 20 November 1996]:* Resources are allocated on the basis of health authority resident population. The population forecasts used for resource allocation are updated annually.

The 1997–98 weighted capitation target for East London and the City health authority was calculated using the forecast population figures for 1997, based on 1995 population estimates, of 613,172.

The number of patients registered with general practitioners within the former City and East London family health services authority on 29 March 1996 was 718,849.

The national population figure provided by the Office for National Statistics, the department responsible for providing population data to government, is lower than the total number of patients registered with general practitioners, which implies a level of double counting. Areas from which GPs draw their patients are not coterminous with health authority boundaries.

There are even greater variations between the two data sets when sub-national populations are considered, where there is evidence of both under and double counting. Double counting is known to be particularly prevalent in inner cities because of the transient nature of their populations. In the case of East London and the City, the estimate of double counting is around 18 per cent.

We are not aware of any estimates of the number of persons not registered with general practitioners.

The data used in the weighted capitation formula are updated annually, but not in relation to the number of persons registered with general practitioners as this would not be relevant.

Abortion

Mr. Alton: To ask the Secretary of State for Health (1) if he will list the changes to the compendium of guidance for private abortion clinics made in 1994; with which bodies he discussed these changes; and what parliamentary scrutiny they received; [6810]

(2) what factors underlay his Department's modifications to the compendium of guidance on procedures for approval of private sector places for termination of pregnancy under 1(3) of the Abortion Act 1967, as amended, and for registration of pregnancy advice bureaux, in 1994. [6809]

Mr. Horam: The compendium of guidance was first published in 1994 following a review of the procedures for approval and monitoring of the provision of abortion services in non-national health service premises and the conditions governing such provision. The compendium provides a single source for this information and brought up to date departmental requirements and guidance.

The following requirements were removed:

- Questions about the hospital/clinic premises which were already collected by health authorities under their Registered Homes Act 1994 responsibilities.
- Control of fees for abortion at specialist clinics.
- Issue of timed receipts to patients.
- Control of advertising in this country.
- Control of advertising abroad.
- Personal declaration form.

Changes were also made to the assurances governing day care provision.

The results of the review were announced in response to a question from my hon. Friend the Member for Monmouth (Mr. Evans) on 20 July 1994, at columns *367–68*. The then Under-Secretary of State for Health, the hon. Member for Bolton, West (Mr. Sackville), announced that

copies of the compendium were being placed in the Library. The Government continue to keep under review the requirements set out in the compendium of guidance.

Mr. Alton: To ask the Secretary of State for Health what factors led him to remove the requirement for private abortion clinics to give an assurance that they would not advertise their services overseas. [6811]

Mr. Horam: Assurances relating to advertising abroad were introduced in the early days of the Abortion Act to counter abuses at that time. Subsequent upon a 1991 European Court of Human Rights judgment, the assurances in relation to touting and diversion of patients were no longer appropriate. The number of foreign women coming here for abortion fell from a peak of 56,000 in 1973 to 12,000 in 1991 and has continued to fall to 10,337 in 1994.

Health Inequalities

Mr. Llew Smith: To ask the Secretary of State for Health what plans he has to commission a follow-up study to those conducted by Sir Douglas Black into inequalities in health published in 1980 and 1987. [6994]

Mr. Horam: Since the publication of the report of the working group on inequalities and health in 1980—known as the Black report after its chairman, Sir Douglas Black—and the review "The Health Divide: Inequalities in Health in the 1980s", published by the then Health Education Council in 1987, the Department of Health has commissioned, and published on 23 October 1995, the report of the sub-group of the chief medical officer's "Health of the Nation" working group on variations in health.

The Department is taking forward recommendations contained in the report and I refer the hon. Member to the replies I gave him on 14 November 1996 at column *335*.

NHS Doctors

Dr. Goodson-Wickes: To ask the Secretary of State for Health, pursuant to his answer of 26 November, *Official Report*, column *224*, on doctors needed in the NHS, if he will list the years of intake for the 500 medical students and the number to be accepted in each year. [7129]

Mr. Malone: Further to the reply of 26 November, the medical work force standing advisory committee recommended an increase in the number of medical students from 4,470 in 1995 to 4,970 in 2000. Target intakes for individual medical schools and the pacing of the increase are a matter for the higher education funding councils. The target set for 1996–97 was 4,736. I understand a decision has yet to be made on the 1997–98 target.

Creutzfeldt-Jakob Disease

Mr. Tim Smith: To ask the Secretary of State for Health if he will make a statement on the transmission of CJD via blood donation. [7681]

Mr. Horam: I refer my hon. Friend to the reply I gave to the hon. Member for Stockton (Mr. Cook) on 1 April at column *46*.

Further to this reply to the hon. Member for Stockton, I would like to clarify of my statement that

"as a precautionary measure, individuals with central nervous system diseases or risk factors for CJD, including a family history are excluded from giving blood."

Instructions came into force nationally on 1 August providing that all blood donors must be directly asked about any family history of CJD. Until then, under national blood service guidelines potential donors would have been told not to give blood if they mentioned a family history of CJD, but they may not specifically have been asked the question.

All potential blood donors should now be directly questioned about any family history of CJD, as well as about their own health, and any people found to have risk factors in their own personal health history or with a family history of CJD are excluded from giving blood. I should emphasise that these remain only precautionary measures, as there is no evidence of any risk of transmission of CJD through blood or blood products.

General Practitioners (Drugs Expenditure)

Mr. Kirkwood: To ask the Secretary of State for Health what was the average amount spent on drugs and pharmaceutical products by *(a)* fundholding general practitioners and *(b)* non-fundholding general practitioners in each of the last three years; and if he will make a statement. [7289]

Mr. Malone: The available information is given in the table. Partly because of restrictions on which general practitioners can become fundholders, fundholding GPs have much bigger list sizes than non-fundholding GPs. This means that their average expenditure on drugs is higher than that of non-fundholding GPs. However, spend on drugs and pharmaceutical products by fundholding general practitioners tends to be less per patient than the spend by non-fundholding general practitioners. The difference is about 6 per cent. on average.

Data on prescribing per patient are available in the Health Select Committee evidence, question D3, copies of which are available in the Library.

Average expenditure on drugs per GP (£000, net ingredient cost)

	1993–94	*1994–95*	*1995–96*
Fundholding GPs	121	130	138
Non-fundholding GPs	109	117	123

1. The data are from the prescribing analysis cost system generated by the Prescription Pricing Authority, and include drugs and appliances dispensed in the community. All the figures are in net ingredient cost per GP.

2. The data take no account of changes of status of GPs (from non-fundholding to fundholding) between years.

Mr. Kirkwood: To ask the Secretary of State for Health what was the amount spent on drugs and pharmaceutical products by general practitioners in each regional health authority in each year since 1992; and if he will make a statement. [7292]

Mr. Malone: Information for the areas covered by the eight regional offices of the national health service executive is shown in the table:

Expenditure by region (£ million net ingredient cost)

	1992–93	*1993–94*	*1994–95*	*1995–96*
Northern and Yorkshire	428.4	468.1	505.0	541.4
Trent	285.3	317.0	346.6	372.8
Anglia and Oxford	263.9	292.[illegible]	319.2	338.7
North Thames	405.3	450.[illegible]	493.0	518.3
South Thames	388.5	430.9	472.5	500.9
South and West	385.5	421.6	459.6	495.1
West Midlands	319.0	348.8	378.7	399.5
North West	425.5	463.1	499.3	538.7

The data are from the prescribing analysis cost system generated by the Prescription Pricing Authority, and include drugs and appliances dispensed in the community. Data for the former regional health authorities have been adjusted to the new regional office areas.

Hospital Staff Meetings

Mr. Kirkwood: To ask the Secretary of State for Health what research his Department has *(a)* commissioned and *(b)* evaluated into the amount of time spent by hospital staff in meetings; what is the estimated cost of such meetings in terms of lost man hours; what were the findings of this research, broken down where possible by region; and if he will make a statement. [7290]

Mr. Malone: Information on research commissioned by the Department of Health is contained in "The Centrally Commissioned Research Programme" and "The Centrally Commissioned Research Programme: Commissions in 1994–95", copies of which are available in the Library.

Hospitals (Safety)

Mr Kirkwood: To ask the Secretary of State for Health if he will list the hospitals which failed to meet statutory safety requirements for *(a)* waste incineration, *(b)* fire precautions, *(c)* control of hazardous substances and *(d)* prevention of legionnaire's disease, in each of the last five years; if they have since met these requirements; and if he will make a statement. [7291]

Mr. Horam: The information requested is not held centrally. The responsibility for complying with statutory requirements on health and safety issues lies with individual national health service trusts. Enforcement of relevant legislation is a matter for the Health and Safety Executive, the Environment Agency and the Home Office.

Regional Health Authority Consultants

Mr. Kirkwood: To ask the Secretary of State for Health how many consultants were employed by each regional health authority in each year since 1985; and if he will make a statement. [7293]

Mr. Malone: In 1985, the regional health authorities employed all medical consultants working in non-teaching hospitals and regional consultants in public health medicine. Special health authorities and teaching districts held the contracts for the remaining consultants. Since the onset of the national health service reforms, in April 1992, contracts have been transferred to trusts as they became established. Only a small number of consultant contracts were held by regional health authorities when they became part of the NHS executive in April 1996 and these were all contracts of regional consultants in public health medicine.

The table gives the whole-time equivalents of hospital medical consultants employed within previous regional health authorities boundaries. Figures on consultants in public health medicine are also given.

Hospital medical consultants in England whole-time equivalents for each region—30 September 1985 to 1995

	1985	*1986*	*1987*	*1988*	*1989*	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*
Northern	840	860	880	890	940	940	970	1,030	950	880	1,150
Yorkshire	860	880	910	940	1,020	970	1,000	1,130	1,190	1,220	1,260
Trent	1,010	1,060	1,110	1,160	1,200	1,230	1,250	1,330	1,360	1,420	1,540
East Anglian	510	520	530	550	580	630	650	630	660	830	880
North West Thames	890	890	890	860	940	1,040	1,060	960	930	1,100	1,160
North East Thames	1,200	1,180	1,090	1,180	1,180	1,240	1,240	1,340	1,310	1,360	1,520
South East Thames	1,000	1,030	1,050	1,070	1,100	1,130	1,160	1,170	1,190	1,290	1,360
South West Thames	720	750	760	770	780	820	850	820	890	930	1,000
Wessex	680	690	730	740	770	780	810	840	880	910	960
Oxford	590	610	630	650	660	670	690	710	760	790	820
South Western	730	750	770	780	820	850	870	900	930	960	1,050
West Midlands	1,260	1,310	1,340	1,370	1,410	1,460	1,500	1,530	1,550	1,600	1,740
Mersey	600	620	630	640	690	720	730	750	810	840	870
North Western	1,120	1,160	1,170	1,180	1,220	1,290	1,310	1,300	1,350	1,440	1,530
SHAs and Special Hospitals	380	390	380	390	400	420	440	410	460	70	80
England	12,400	12,680	12,860	13,200	13,670	14,190	14,500	14,850	15,210	15,640	16,930

Source:

The Department of Health Medical and Dental Workforce census.

Notes:

1. All figures are rounded to the nearest 10.
2. The England total may not agree with the sum of the regions due to rounding.

Consultants' in public health medicine by region as at 30 September each year whole time equivalents

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Northern	30	30	30	30	30	40	40	40	20	10	30
Yorkshire	40	30	30	40	40	30	40	50	40	50	30
Trent	40	40	40	40	30	30	30	30	40	30	40
East Anglian	30	30	20	20	20	20	30	30	30	40	40
North West Thames	40	30	30	30	20	30	30	20	20	40	40
North East Thames	30	30	30	30	30	30	20	20	30	10	30
South East Thames	30	30	30	30	30	30	20	20	20	30	30
South West Thames	40	30	30	30	30	20	20	20	30	30	30
Wessex	20	20	20	20	20	20	20	20	20	30	30
Oxford	20	20	20	20	20	20	20	10	10	10	20
South Western	30	30	30	30	30	30	30	10	10	30	30
West Midlands	50	40	50	50	50	50	50	50	50	50	60
Mersey	20	30	20	20	20	20	20	20	30	30	30
North Western	50	50	40	40	40	50	50	50	60	50	50
England total	480	440	420	420	420	410	420	390	400	440	500

NB all figures are rounded to the nearest ten. Due to rounding the sum of the individual regions may not equal the England total

' Includes Regional/District Directors in Public Health.

The majority of census data are now collected directly from trusts and health authorities and this has identified some under-reporting of doctors in 1994 and some previous years.

Operations

Mr. Kirkwood: To ask the Secretary of State for Health what was the average cost of *(a)* an endoscopy, *(b)* a hernia operation, *(c)* a vasectomy, *(d)* a cataract operation, *(e)* a mastectomy, *(f)* a varicose vein operation, *(g)* a tonsillectomy, *(h)* an adenoid operation and *(i)* a gall bladder operation (i) in each regional health authority and (ii) in each hospital trust; and if he will make a statement. [7294]

Mr. Horam: The information relating to these specific procedures is not collected centrally on a routine basis. No national or regional database exists for this information currently.

Private Health Care

Mr. Kirkwood: To ask the Secretary of state for Health what was the expenditure on private health care, excluding long-term care, (i) as a proportion of gross domestic product and (ii) cash terms for each year since 1979; and if he will make a statement. [7298]

Mr. Horam: This information is not collected by the Department.

Infant Mortality

Mr. Kirkwood: To ask the Secretary of State for Health what was the survival rate of babies born weighing under 3lb 4oz for each regional health authority in the last year for which figures are available; and if he will make a statement. [7299]

Mr. Horam: The information for 1994, the latest year available, is as follows:

Percentage of babies weighing less than 1500 gm surviving the first four weeks of life by regional health authorities

RHA	Percentage
Northern	82
Yorkshire	82
Trent	77
East Anglian	81
North West Thames	85
North East Thames	81
South East Thames	82
South West Thames	87
Wessex	87
Oxford	80
South Western	82
West Midlands	76
Mersey	85
North Western	83

Source:
Office for National Statistics.

Hospital Volunteers

Mr. Kirkwood: To ask the Secretary of State for Health how many registered hospital volunteers there were in each regional health authority area in each year since 1985; and if he will make a statement. [7300]

Mr. Horam: This information is not available centrally.

Water Fluoridation

Mr. Etherington: To ask the Secretary of State for Health what estimate he has made of the amount of fluoride required annually by a water company artificially to fluoridate public water supplies for a population of 300,800. [6794]

Mr. Clappison: I have been asked to reply.

On the assumption that the total water supply amounts to about 60 million litres per day, the drinking water inspectorate has estimated that it would require each year approximately 150 tonnes of 20 per cent. by weight hexafluorosilicic acid, the chemical which is normally used to fluoridate water supplies.

Water Consumption

Mr. Etherington: To ask the Secretary of State for Health (1) what estimate he has made of the daily average consumption of water by (i) children aged *(a)* zero to five years, *(b)* six to 12 years and *(c)* 13 to 18 years and

(ii) adults aged (1) 19 to 65 years and (2) over 65 years; and in each case what is the figure as a percentage of the daily public water supply; [6796]

(2) what estimate he has made of the percentage of public water for household consumption; and what percentage of this figure is used for drinking purposes. [6797]

Mr. Clappison: I have been asked to reply.

Household usage constitutes approximately 70 per cent. of the volume of public water supplies in England and Wales. Approximately 0.63 per cent. of the average household supply is used for drinking purposes as tap water, or as tap water-based beverages.

The latest research into drinking water consumption habits, published by MEL Research does not report against the exact age bands requested. However, extrapolation from published data indicates that the approximate total water consumptions in litres per day are as follows: zero to five years, 0.75 litres (0.5 per cent.); six to 12 years 1.1 litres (0.7 per cent.); 13 to 18 years 1.4 litres (0.9 per cent.); 19 to 65 years 1.7 litres (1.1 per cent.); and over 65 years 1.7 litres (1.1 per cent.). Figures in parentheses represent consumption expressed as a percentage of the average per capita usage of 160 litres per day.

The survey of drinking water consumption was funded by my Department. Copies of the report "Tap Water Consumption: Findings from the 1995 National Survey" have been placed in the Library of the House.

DUCHY OF LANCASTER

Administrative Decisions (Appeals)

Mr. Gordon Prentice: To ask the Chancellor of the Duchy of Lancaster if he will list those administrative decisions of his Department affecting *(a)* United Kingdom citizens and *(b)* non-citizens where there is no right of appeal. [6023]

Mr. Willetts *[holding answer 25 November 1996]:*

The work of the Cabinet Office is directed to the servicing of Cabinet and its Committees. The Cabinet Office also provides staff and support services for the Prime Minister's Office at 10 Downing street, for the offices of the Government Whips, and for the Parliamentary Counsel Office, the function of which is to draft Government Bills and advise Departments on parliamentary procedure. Within the Cabinet Office, the Office of Public Service has responsibilities for improving the efficiency of government and public services and the competitiveness of business.

Apart from management decisions concerned with the staffing of his Department, my right hon. Friend the Chancellor of the Duchy of Lancaster is not called upon to take administrative decisions directly affecting individual United Kingdom citizens or non-citizens.

SCOTLAND

Public Appointments

Mr. Donohoe: To ask the Secretary of State for Scotland how many vacancies for non-executive directors currently exist on *(a)* NHS trusts and *(b)* health boards; and if he will list (i) the bodies involved and (ii) how long these vacancies have been left open. [6368]

Lord James Douglas-Hamilton: Of the 325 non-executive appointments made by the Secretary of State to the 15 health boards and 47 NHS trusts in Scotland, there are currently 10 vacancies. Information on these vacancies is set out in the table:

Health body	*Date of vacancy*
Ayrshire and Arran Health Board	1 April 1996
Forth Valley Health Board	24 February 1996
Grampian Health Board	1 November 1996
Lanarkshire Health Board	11 November 1996
Lothian Health Board	31 October 1996
Argyll and Bute NHS Trust	1 April 1996
Dundee Healthcare NHS Trust	1 April 1996
Edinburgh Healthcare NHS Trust	1 November 1996
Grampian Healthcare NHS Trust	1 April 1996
Yorkhill NHS Trust	14 May 1996

An announcement on the filling of a number of these appointments will be made shortly.

Local Authority Debt

Mr. Stewart: To ask the Secretary of State for Scotland what comparison he has made of the level of indebtedness per head of population of Scottish local authorities relative to local authorities in *(a)* England and *(b)* Wales in respect of (i) general capital fund and (ii) housing. [6996]

Mr. Kynoch: The available information, giving the position at 31 March 1996, is given in the table. There are significant differences in the sources of information used for Scotland, England and Wales. In particular, the information for English local authorities is based on estimates and distinguishes only housing and non-housing capital debt.

While exact comparisons cannot be made because of the differences in the ways that outstanding debt has been measured, the table shows that the overall debt per head of Scottish local authorities is around 2.5 times the debt per head of English local authorities and some 70 per cent. higher than that of Welsh local authorities.

Local authority debt outstanding at 31 March 1996

	England (i)	*Wales (ii)*	*Scotland (iii)*
Total debt outstanding	£37 billion	£3.2 billion	£9.7 billion
of which			
General fund services (iv)	n/a	£1.9 billion	£5.4 billion
Housing revenue account (v)	£20 billion	£1.2 billion	£4.1 billion
Other services (vi)	n/a	£0.02 billion	£0.2 billion
Total debt per head (vii)	£760	£1,080	£1,880
of which			
General fund services (iv)	n/a	£640	£1,050

Local authority debt outstanding at 31 March 1996

	England (i)	*Wales (ii)*	*Scotland (iii)*
Housing revenue account (v)	£410	£430	£800
Other services (vi)	n/a	£10	£30

1. The figures for English authorities are estimates, based on information from local authority borrowing inquiries.
2. The figures for Welsh authorities are for loan debt, as supplied in the Capital Outturn Return form 5 completed annually by all Welsh local and police authorities. These figures may change once the accounts of the pre-reorganisation authorities are finalised.
3. The figures for Scottish local authorities are for loan debt, as supplied in the Capital Debt Outstanding return supplied by all Scottish local authorities. Debt on transferred services, water and sewerage and the childrens reports service, has been excluded.
4. No separate analysis is available for general fund services and other services in England. The Scottish figures for general fund services exclude services, such as Urban Programme, which are not relevant for loan and leasing charges, and include debt on housing general fund service.
The figures for general fund services for Wales include debt on housing general fund services and debt incurred under the SDA Housing Acts.
5. Debt on authorities' Housing Revenue Accounts only. The figure for England is an estimate.
6. For Scottish local authorities this includes debt on non-relevant services such as the Urban Programme, and debt on trading services. For Welsh local authorities, this is debt on trading services only.
7. Debt per head is based on 1995 mid year population estimates, and all figures shown have been rounded to the nearest £10. The debt per head figures for England are approximate as they are based on estimated total debt outstanding figures accurate only to the nearest £1 billion.

Private Finance Initiative (Health)

Mr. Donohoe: To ask the Secretary of State for Scotland what projects NHS health trusts and health boards in Scotland are undertaking under the private finance initiative; what is the value of each and which private sector bodies are involved. [7023]

Lord James Douglas-Hamilton *[holding answer 2 December 1996]:* There are currently 18 projects being procured by NHS health trusts and health boards under the private finance initiative of which the Scottish Office is aware. The information requested on these projects is set out in the table. There are other smaller projects developed on the same principles which fall within trust and health board delegated limits and for which information is not held centrally.

NHS health trust	*Nature of project*	*Capital value £ million*	*Preferred bidder*
Royal Infirmary of Edinburgh NHS Trust	Relocation of a major acute teaching hospital to a greenfield site on the outskirts of Edinburgh	237.0	Consort Healthcare
Law Hospital NHS Trust	Construction of new hospital with certain non-clinical services	120.0	McAlpine Healthcare, British Linen Bank and Scottish Hydro Electric
Western General Hospitals NHS Trust	Redevelopment of the Western General Hospital	95.0	Miller Group, Property Facilities Management and Scottish Hydro Electric
Hairmyres and Stonehouse Hospitals NHS Trust	New District General Hospital	56.0	Kier Build and ISS Mediclean
Southern General Hospital NHS Trust	Provision of Geriatric Assessment Facility	9.0	Tarmac
Ayrshire and Arran Community Health Care	Health Services for East Ayrshire Community Hospital	8.6	GA Construction
Greater Glasgow Community and Mental Health Services NHS Trust	Replacement of out-dated facilities for the delivery of in-patient mental health services at Stobhill	7.5	McAlpine, SERCO and British Linen Bank
Western Isles Health Board	Build Community Hospital for the Southern Isles	6.0	GA Construction
Grampian Health Board	Build Community Hospital in Kincardineshire	3.8	Grampian Healthcare NHS Trust
Yorkhill NHS Trust	New building for the provision of maternity services	14.0	Preferred Bidder to be selected
Orkney Health Board	Reprovision of Balfour Hospital, Kirkwall	12.0	Preferred Bidder to be selected
Highland Communities NHS Trust	Provision of a Psychiatric Unit	10.0	Preferred Bidder to be selected
Dundee Healthcare NHS Trust	Provision of a Psychiatric Unit	9.0	Preferred Bidder to be selected
Renfrewshire Healthcare NHS Trust	Provision of Geriatric Assessment Facility at Larkfield	8.5	Preferred Bidder to be selected
Dumfries and Galloway Acute and Maternity Hospitals NHS Trust	Provision of day care and maternity unit	6.0	Preferred Bidder to be selected
Yorkhill NHS Trust	Installation of a hospital information system	2.5	Preferred Bidder to be selected
Perth and Kinross Healthcare	Installation of a hospital information system	2.3	Preferred Bidder to be selected
Victoria Infirmary NHS Trust	Provision of Geriatric Beds	2.0	James Walker (Leith) Ltd.

Local Enterprise Companies

Dr. Godman: To ask the Secretary of State for Scotland if he will list those local enterprise companies which publish lists of approved contractors and suppliers; and if he will make a statement. [7218]

Mr. Kynoch: This is an operational matter for Scottish Enterprise and Highlands and Islands Enterprise. I have asked the chairmen to write to the hon. Member.

Stone of Destiny

Mr. Donohoe: To ask the Secretary of State for Scotland how much it cost to transfer the Stone of Destiny back to Scotland; and how much it is estimated it will cost to have it installed in Edinburgh castle. [6364]

Mr. Michael Forsyth *[holding answer 28 November 1996]:* The cost incurred by Historic Scotland in transferring the Stone of Destiny from Westminster to Edinburgh is estimated at £4,737. The cost incurred in installing the Stone of Destiny in Edinburgh castle is estimated at £5,100.

Ayrshire and Arran Health Board

Mr. Donohoe: To ask the Secretary of State for Scotland when he expects to make an announcement about the filling of the vacancy for a non-executive director on the Ayrshire and Arran health board; and what have been the reasons for the delay in making this appointment. [6412]

Lord James Douglas-Hamilton: My right hon. Friend has now given careful consideration to the advice which he has received from the chairman of the Ayrshire and Arran health board and the independent Health Appointments Advisory Committee and expects to be able to appoint a new non-executive member to the health board in early December.

TRADE AND INDUSTRY

European Legislation

9. **Mr. Steen:** To ask the President of the Board of Trade if he will estimate the additional cost to businesses in the United Kingdom from *(a)* directives and *(b)* rules and regulations made by (i) the Commission and (ii) the Council of Ministers in each of the last five years. [5788]

Mr. Ian Taylor: I can give reliable figures for my Department only from 1994. Non-recurring costs for 1994, 1995 and 1996 respectively are: £36 million, £2 million and £48 million; recurring costs are £49 million, £2 million and £3 million.

These figures need to be set against the considerable benefits to UK business of opening up the single market.

Business Links

24. **Mr. Hunter:** To ask the President of the Board of Trade if he will make a statement on the development and level of activity of business links in Hampshire. [5804]

Mr. Page: My right hon. Friend the Deputy Prime Minister formally opened Business Link Hampshire on 18 September 1996. Its four access points and two information points are handling some 700 inquiries per month.

Fuel Reserves

25. **Mr. Eric Clarke:** To ask the President of the Board of Trade what estimate he has made of oil, gas and coal reserves in the United Kingdom. [5805]

Mr. Page: Remaining reserves in present discoveries of oil on the UK continental shelf at the end of 1995 are estimated to be up to 1,890 million tonnes. For gas the estimate is 1,915 billion cu m. Allowing for the full potential from as yet undrilled structures could raise this to 6,714 million tonnes of oil and 3,665 billion cu m of gas.

For coal the remaining reserves at existing mines were estimated to be around 1 billion tonnes at the end of 1994.

Competition Law

26. **Mr. Keith Hill:** To ask the President of the Board of Trade if he will make a statement on his Department's draft Bill to reform competition law entitled "Tackling Cartels and the Abuse of Market Power", published on 8 August. [5806]

Mr. John M. Taylor: The Government are committed to reforming United Kingdom competition law. Working is continuing on developing the proposals set out in the draft Bill. We will be publishing a revised version of the Bill, taking into account the many high-quality comments we have received, in the new year.

Manufacturing Production

27. **Mr. Austin Mitchell:** To ask the President of the Board of Trade if he will make a statement on the change in manufacturing production between 1973 and 1996. [5807]

Mr. Greg Knight: In the third quarter of 1996 manufacturing output was 7½ per cent. higher than in the third quarter of 1973.

Regional Policy

28. **Mr. Turner:** To ask the President of the Board of Trade if he will make a statement on the impact of the European Commission's first cohesion report on the regional policy of the United Kingdom. [5808]

Mr. Greg Knight: The European Commission's cohesion report demonstrates the United Kingdom's success on unemployment, and in combining economic growth and job creation—unlike much of the rest of Europe. The report also shows that the UK is one of the few countries where regional unemployment differences have decreased, and that since 1989 there has been a narrowing of relative GDP between UK regions.

Pembroke Power Station

29. **Mr. Ainger:** To ask the President of the Board of Trade when he expects to make an announcement on the application by National Power under section 36 of the Electricity Act 1989 to convert Pembroke power station to burn orimulsion. [5810]

Mr. Page: There are still a number of matters to be resolved before my right hon. Friend the President of the Board of Trade is in a position to make any decision on National Power's application.

Utility Regulation

30. **Sir Jim Lester:** To ask the President of the Board of Trade what plans he has to alter the present structure of utility regulation. [5811]

Mr. John M. Taylor: The regulatory regimes have worked well. They have brought substantial benefits for consumers, and they are flexible and adaptable. My right hon. Friend the President of the Board of Trade keeps under review the regulatory regimes for which he is responsible, but has no present plans for structural change.

Women in Business

31. **Mr. Bayley:** To ask the President of the Board of Trade what measures his Department is taking to assist women. [5812]

Mr. Page: My Department has various measures to assist small businesses, which are open to all, irrespective of gender, race or disability. These include business counselling and planning, management best practice, exporting advice and financial help. The majority of these services are delivered through the business link network in England. Scottish business shops provide similar services in Scotland and Business Connect serves Wales.

Former Coal Mining Areas

32. **Mr. John Evans:** To ask the President of the Board of Trade what new initiatives he has to promote employment in former coal mining areas. [5813]

Mr. Page: A range of measures are in place to promote regeneration and economic growth in former coal areas.

Working Time Directive

33. **Mr. David Nicholson:** To ask the President of the Board of Trade what representations he has received on the European Court of Justice's ruling on the working time directive. [5814]

Mr. Lang: My Department has received a wide range of representations, including representations from employers and employers organisations concerned about the directive's potential implications for industry.

Strikes

34. **Sir Anthony Grant:** To ask the President of the Board of Trade what measures he is taking to protect the public from strikes in essential services. [5815]

Mr. John M. Taylor: On 19 November, the Government published a Green Paper, "Industrial Action and Trade Unions", containing proposals to protect the public and the economy from industrial action which inflicts disproportionate or excessive damage on third parties. The proposals are also designed to ensure that strikes are called only as a genuine last resort.

Manufacturing Industry

36. **Sir David Knox:** To ask the President of the Board of Trade when he next expects to meet the president of the Confederation of British Industry to discuss manufacturing industry. [5817]

Mr. Greg Knight: My right hon. Friend the president of the Board of Trade and other DTI Ministers regularly meet the Confederation of British Industry to discuss a range of issues. In 1997 the CBI expects manufacturing output to grow by 4 per cent. and manufacturing investment to grow by 7½ per cent.

Manufacturing Output

37. **Mrs. Helen Jackson:** To ask the President of the Board of Trade what is the percentage change in manufacturing output for the latest three months; and what it was 12 months ago. [5818]

Mr. Greg Knight: In the third quarter of 1996 manufacturing output was 0.7 per cent. higher than in the previous quarter. In the equivalent period a year earlier manufacturing output grew by 0.5 per cent.

EC Regulations

Mr. Bernard Jenkin: To ask the President of the Board of Trade what measures he will take to protect the United Kingdom from EC regulations which his Department assesses to be damaging to United Kingdom interests. [5816]

Mr. Nelson: The Government resist all legislative proposals from the EC which would in any way damage United Kingdom interests. All proposals are subject to a rigorous scrutiny, assessing the extent to which they might pose burdens on business.

The opt-out from the social chapter which my right hon. Friend the Prime Minister secured at Maastricht has already protected the UK from a number of potentially damaging social policy measures. As the House was told on 12 November, we shall insist that the intergovernmental conference addresses the issues raised by the European Court of Justice judgment on the working time directive. That means both ensuring that the directive itself no longer affects the United Kingdom and securing measures to prevent any other "social engineering" directives being forced on the United Kingdom by similar manoeuvres.

Arms Exports

Mrs. Clwyd: To ask the President of the Board of Trade if he will ensure that all companies involved in the sale, transportation and brokering of arms shipments register with the Department of Trade and Industry. [5886]

Mr. Lang: My Department's consultative document, "Strategic Export Controls", Cm 3349, presented to Parliament in July, sought views on all aspects of strategic export control procedures and policy, including the possibility of new legislation. Among the specific issues raised was the extent to which any new legislation should seek to control trafficking in undesirable goods or the brokering of such deals. The consultation period closed at the end of October and the Department is currently considering the responses and follow-up action to the consultation. Current procedures in relation to trafficking in arms are also being examined by the interdepartmental committee set up in response to the allegations that UK companies have been linked to the selling of arms to Rwandan extremists in Zaire. The committee's work on this area will contribute to the wider review of strategic export controls already under way.

Newspaper Publishers

Mrs. Clwyd: To ask the President of the Board of Trade what assessment he has made of the recent report of the committee for diversity and pluralism into newspaper publishers' margins. [7401]

Mr. John M. Taylor: There is no knowledge in my Department of the report of the committee for diversity and pluralism into newspaper publishers' margins.

Newspapers

Mrs. Clwyd: To ask the President of the Board of Trade (1) when he last met representatives from the Multiple Newsagents Association; what was discussed; and if he will make a statement; [7389]

(2) when he last met representatives from the National Publishers Association; what was discussed; and if he will make a statement; [7370]

(3) if he will request the Director General of Fair Trading to refer the newspaper distribution system to the Monopolies and Mergers Commission. [7368]

Mr. Dafis: To ask the President of the Board of Trade (1) when he last met representatives from the National Publishers Association; what was discussed; and if he will make a statement; [7128]

(2) when he last met representatives from the Multiple Newsagents Association; what was discussed; and if he will make a statement. [7127]

Mr. John M. Taylor: I refer the hon. Members to my reply to the hon. Member for Birmingham, Sellyoak, (Dr. Jones) on 2 December 1996, *Official Report*, column *495*.

Corporate Governance

Mr. Evennett: To ask the President of the Board of Trade what plans his Department has to introduce reforms to corporate governance; and if he will make a statement. [5791]

Mr. John M. Taylor: Good corporate governance is essential to the competitiveness and high standing of industry. The Government keep the need for reforms in this area under review and will consider carefully any recommendations made by the Hampel committee.

Industrial Disputes

Mrs. Fyfe: To ask the President of the Board of Trade on how many occasions, in the last year for which figures are available, strikes have occurred following management's refusal to negotiate or refer the dispute to binding arbitration. [5826]

Mr. John M. Taylor: The Government do not collect the information requested.

British Citizens

Mr. Harvey: To ask the President of the Board of Trade what assessment he has made of the value to the United Kingdom economy of British citizens working abroad. [3778]

Mr. John M. Taylor: This Department has not made such an assessment. The Office for National Statistics publishes in "United Kingdom Balance of Payments" an estimate of private transfers from abroad, reflecting the savings of UK nationals temporarily resident abroad as well as pension and other transfers from abroad. In total, these transfers contributed £2,438 million to the balance of payments in 1995. Residence abroad can also benefit the economy directly or indirectly in other ways: for example, through the acquisition of new skills and experience, consultancy and maintenance contracts, export promotion and the effective management of UK overseas direct investment.

Coal Mining Industry

Mr. William O'Brien: To ask the President of the Board of Trade if he will make a statement on the application by the mining unions to pay full pensions at the age of 50 years to mineworkers who were made redundant. [4785]

Mr. Page: I understand that, at present, pensions from the mineworkers' pension scheme are payable from age 50 on a reduced basis to cover the cost of early payment. This option is available only to members who left British Coal's employment after 1 March 1992.

The MPS trustees will be recommending to the Secretary of State, as guarantor to the scheme, benefit improvements arising out of beneficiaries' 50 per cent. share of any surplus which the valuation of the scheme—as at September 1996—currently under way reveals as available for distribution. It is for the trustees to consider whether to recommend in this context any extension to the existing provision for early pensions.

Airline Alliance

Mr. Andrew Smith: To ask the President of the Board of Trade, pursuant to his answer of 14 November, *Official Report*, column *316*, if his Department's practice, on the consultation of interested parties, has been followed in the case of the proposed British Airways/American Airlines alliance. [7452]

Mr. John M. Taylor: Yes, the Department's practice has been followed in this case. Since receipt of the Director General of Fair Trading's advice there have been no discussions nor consultations between the Department and British Airways or American Airlines on the substance of the decision to be taken by my right hon. Friend the President of the Board of Trade.

Mr. Smith: To ask the President of the Board of Trade what consultations he has had with the Office of Fair Trading on further consultations with British Airways, American Airlines and third parties since his receipt of the Director General of Fair Trading's report. [7451]

Mr. Taylor: It is not the practice of my right hon. Friend the President of the Board of Trade to comment publicly on a competition case between receiving advice from the Director General of Fair Trading and the announcement of my right hon. Friend's decision.

Company Directors

Mr. Byers: To ask the President of the Board of Trade which companies had directors against whom the then

Minister for Corporate Affairs considered bringing disqualification proceedings; and if he will indicate for each if the Minister determined that such proceedings should be taken for *(a)* 1993 and *(b)* 1994. [6329]

Mr. John M. Taylor *[holding answer 2 December 1996]:* In 1993 and 1994 reports were received which alleged aspects of unfit conduct in 7,489 and 5,462 companies respectively. The Insolvency Service, acting on behalf of the Secretary of State, commenced disqualification proceedings against 422 directors in 1993 and 747 directors in 1994. The names of the individual respondents to those proceedings could be provided only at disproportionate cost.

In the years in question Ministers took no decisions on the commencement of individual proceedings.

Bird's Eye Walls

Mr. Caborn: To ask the President of the Board of Trade when he expects the Office of Fair Trading to announce the findings of its investigation into the use by Bird's Eye Walls of ice cream wholesaler exclusivity. [6843]

Mr. John M. Taylor *[holding answer 3 December 1996]:* I understand that the investigation by the Director General of Fair Trading into Bird's Eye Walls' exclusive concessionaire system is still in progress. I have asked the DGFT to let the hon. Gentleman know the outcome when the investigation is completed.

Riot Control Equipment

Mr. Fatchett: To ask the President of the Board of Trade if he will list those countries to which water cannons have been exported from Britain in the last 10 years; and if he will make a statement. [2481]

Mr. Lang *[holding answer 6 November 1996]:* Details of deliveries of equipment exported are not held by my Department.

Departmental Responsibilities

Mr. Mackinlay: To ask the President of the Board of Trade if he will list those departmental responsibilities which relate to *(a)* England, *(b)* England and Wales, *(c)* England Wales and Scotland and *(d)* the whole of the United Kingdom of Great Britain and Northern Ireland and the approximate proportion of the time and budget of his Department which exclusively relates to each of these categories. [5959]

Mr. Lang *[holding answer 3 December 1996]:* The responsibilities of the Department of Trade and Industry apply to the whole of the United Kingdom of Great Britain and Northern Ireland, except where indicated as follows:

Corporate and consumer affairs

Company law
Northern Ireland has its own company law.

Companies House
Northern Ireland has separate legislation for the administration of registration functions, but maintains close links with Companies House.

The Registrar for Scotland comes within the Companies House structure, but there are differences in the Scottish law of property and the legal system.

Consumer affairs
DTI does not fund the Northern Irish General Consumer Council or Association of Citizens' Advice Bureaux.

Nor is it responsible for Northern Irish legislation on misleading price indications, weights and measures, product liability and specific safety regulations.

Some consumer legislation has specific sections which apply only to Scotland and Northern Ireland.

Insolvency Service
The Insolvency Service has no responsibility in relation to Northern Ireland.

Its responsibilities are limited to England and Wales for preliminary administration and investigation of compulsory insolvencies; acting as trustee or liquidator; reporting criminal offences; undertaking banking and investment services for bankruptcies and liquidations; and policy advice to Ministers.

Industrial Relations Directorate (IRD)
Most of DTI's industrial relations work does not cover Northern Ireland, although industrial relations legislation is adopted almost in its entirety there.

IRD is responsible for the whole of the UK, however, for the negotiation of certain EU directives; policy and practices on pay; industrial disputes and public funding; and interest in trades unions.

Most IRD related NDPBs, including the industrial tribunal and employment appeals tribunal, and ACAS, do not cover Northern Ireland. The Office of Manpower Economics does, however, cover the whole of the UK.

Investigations
Various investigations powers in the Companies Acts 1985 and 1989, the Insurance Companies Act 1982 and the Financial Services Act 1986 do not cover Northern Ireland. In addition, in view of the differences between English and Scottish law, and where it is appropriate to use external investigators, the Department frequently uses accountants practising in Scotland to undertake investigations in cases with a Scottish dimension.

ENERGY PROMOTION

Export promotion
DTI has overall responsibility for export promotion policy throughout the UK in collaboration with the Foreign and Commonwealth Office. Delivery of export promotion services in Scotland, Wales and Northern Ireland is the responsibility of the relevant Department.

ENERGY

Energy policy
DTI has responsibility for establishing the framework of UK energy policy, but implementation of that policy lies partly with the Scottish Office and the Northern Ireland Department of Economic Development (NIDED).

Nuclear industries
The Scottish Office has responsibility for the safety and licensing of civil nuclear installations in Scotland. There are no civil nuclear sites in Northern Ireland.

The Welsh Office is involved in any emergency at a civil nuclear site in Wales.

Responsibility for reporting incidents at civil nuclear sites to DTI Ministers is confined to England and Wales, although DTI would act on the Scottish Office's behalf in notifying nuclear emergencies to the European Union and other countries.

Coal
The principal provisions of the Coal Industry Nationalisation Act 1946 do not extend to Northern Ireland.

Energy technologies
Overall policy is dealt with by the DTI, including orders for renewable energy under the non-fossil fuel obligation for England and Wales. Separate arrangements exist in Scotland and Northern Ireland for the non-fossil fuel obligation.

Electricity
The Electricity Act 1989 does not cover Northern Ireland.

Regulatory issues, entailing liaison with OFFER, relate to England and Wales only.

EU directive negotiations are undertaken on behalf of the UK, but both the Scottish Office and NIDED are consulted, and they have responsibility for implementation.

Section 34 directions relating to fuel stocks for security purposes are for England and Wales only; Scotland and Northern Ireland make their own arrangements.

Pension regulations made by the former Secretary of State for Energy do not cover Scotland or Northern Ireland.

DTI's electricity emergency provisions do not cover Scotland or Northern Ireland.

The DTI does not sponsor the electricity industry in Northern Ireland.

Engineering inspectorate

DTI's responsibility for the conduct and reporting of public inquiries and hearings into the contested proposals of the electricity and gas supply industries (e.g. overhead lines and underground cables) does not extend to Scotland and Northern Ireland.

Oil and gas

The principal provisions of the Gas Act do not extend to Northern Ireland. The Northern Ireland Office has separate responsibility for gas policy in the province.

REGIONAL DEVELOPMENT

Government Offices

The network of Government Offices covers the English regions only and is jointly run by DTI, DoE, DfEE and DOT.

Regional development

On regional industrial policy, DTI takes the lead for the development and targeting of industrial policy, but works closely in consultation with the Scottish and Welsh offices. (In Northern Ireland these subjects are dealt with separately by the Northern Ireland Office.)

Powers to provide regional selective assistance (RSA) in Scotland and Wales are exercised by the Secretaries of State for Scotland and for Wales. RSA is not available in Northern Ireland which has a separate arrangement.

DTI is responsible for the co-ordination of UK policy on the EU structural and cohesion funds. However, decisions on the implementation and allocation of funds in Scotland, Wales and Northern Ireland are generally made by the relevant Department.

Business links

Business links are established in England only, as is the local competitiveness challenge.

Innovation, technology and design services are delivered within England through business links. DTI also funds the provision of innovation and technology counsellors in Wales through their similar Business Connect service.

Small and Medium Enterprise (SME) policy

On SME issues, DTI works closely with the Scottish, Welsh and Northern Ireland Offices in developing policies. Any action arising is the responsibility of the separate departments. The small firms loan guarantee scheme operated by the DTI is available throughout the United Kingdom.

Invest in Britain Bureau

The Invest In Britain Bureau (IBB) is responsible for inward investment promotion for the whole of the UK. It operates through a network of regional development organisations and Government offices in England; national agencies in Scotland, Northern Ireland and Wales; and overseas through the Foreign and Commonwealth Office.

Management best practice

DTR's management best practice programme extends to England, Wales and Scotland. Academic/industry programmes cover all the UK with the Scottish Office, Welsh Office and Northern Ireland Office contributing additional funds to allow extra activity in their areas. The international technology programmes also cover the whole of the United Kingdom.

Small and Medium Enterprise technology

DTI funds SMART in England and Northern Ireland. DTI funds SPUR in England and SPUR for further development of SMART projects in Northern Ireland. The Scottish and Welsh Offices are responsible for SMART and SPUR arrangements in Scotland and Wales.

DTI funds focus technical in England.

INDUSTRY

Engineering, automotive and metals sectors

The Department of Economic Development in Northern Ireland administers and pays for its own shipbuilding intervention fund and shipbuilding grants, within the context of a policy laid down for the UK as a whole, on which DTI leads.

Innovation

The Scottish Office has responsibility for the funding and operation of innovation measures in Scotland. The Welsh Office has responsibility for the operation of design services and the SMART and SPUR schemes in Wales, although DTI retains responsibility for the funding of other innovation measures in Wales.

Responsibility for technology and innovation in Northern Ireland is handled by the Northern Ireland Office.

Radiocommunications Agency

In the Radiocommunications Agency, regional licensing and forcement action is carried out through a network of Regional Offices. Implementation is uniform throughout the UK and representative local offices exist in Cardiff for Wales, Falkirk for Scotland and Belfast for Northern Ireland, as well as several offices in England.

Relevant information on the approximate proportion of the time and budget of the Department devoted to its main responsibilities is contained in MINIS, which is published annually by the DTI.

NORTHERN IRELAND

Public Order

Mr. Worthington: To ask the Secretary of State for Northern Ireland on what occasions the Public Order (Northern Ireland) Order 1987 has been used in response to incitement to racial hatred. [1494]

Sir John Wheeler: There is no offence of incitement to racial hatred in Northern Ireland. Article 9(1) of the Public order (Northern Ireland) Order 1987, however, states:

"a person who uses threatening, abusive or insulting words or behaviour, or displays any written material which is threatening, abusive or insulting, is guilty of an offence if—

(a) he intends thereby to stir up hatred or arouse fear; or

(b) having regard to all the circumstances, hatred is likely to be stirred up or fear is likely to be aroused thereby."

The term hatred is defined as

"hatred against a group of persons in Northern Ireland defined by reference to religious beliefs, colour, race, nationality (including citizenship) or ethnic or national origins".

Since 1993, six people have been proceeded against under this article. It is not possible to identify those which relate specifically to racial hatred.

Public Appointments

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland if he will advise hon. Members and

local political parties of public appointment vacancies on the same lines as the Irish Republic's Government representative at the Maryfield Secretariat is advised.[6384]

Sir John Wheeler: Under the terms of article 6 of the Anglo-Irish Agreement, the Irish Government can put forward views and proposals on the role and composition of public bodies in Northern Ireland. I welcome suggestions from Members of Parliament and political parties on public appointment vacancies at any time. My right hon. and learned Friend the Secretary of State and Northern Ireland Ministers have invited local political parties on a number of occasions to put forward names of individuals suitable for public appointments. In addition, major public appointments are now advertised in line with the requirements of the Northern Ireland Commissioner for Public Appointments.

Mr. McCartney: To ask the Secretary of State for Northern Ireland what requirements he makes where nominations to public appointments are made by *(a)* hon. Members, *(b)* political parties and *(c)* the Government of the Irish Republic, that any such suggested nominees have their name and proposer so specified to him on the departmental submission when deciding on the appointment. [6383]

Sir John Wheeler: Submissions to Ministers on public appointments identify individuals proposed by the Irish Government. In cases where names have originated from the other sources mentioned, the source is normally drawn to the Minister's attention.

Coronary Heart Disease

Mr. McGrady: To ask the Secretary of State for Northern Ireland what steps he plans to take to ensure that the same level of medical and drug treatment is available throughout Northern Ireland to patients suffering from coronary heart disease. [6400]

Mr. Moss: Government policy remains that all patients should receive the level of medical care and the drugs appropriate to their coronary heart disease—CHD—condition.

Although my Department understands that most cardiologists currently use the same criteria to determine the most suitable treatment for their patients, greater consistency should be achieved by the publication next January of guidelines for angiography, angioplasty and coronary artery bypass grafting.

The Department is aware that there may be variations in the prescribing of drugs used in the treatment of CHD. The Department asked the four health and social services boards in August this year to use their medical prescribing advisers, whose responsibility includes monitoring the prescribing pattern of the GPs in their area, to investigate the matter.

Rickets

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland how many cases of rickets have been reported in each of the last five years. [6551]

Mr. Moss: There is no requirement for the number of cases of rickets to be reported centrally in Northern Ireland. However, the following table shows the numbers of in-patients, with a primary diagnosis of rickets, who were treated in hospital in Northern Ireland in each of the last five years.

Type of rickets	*1991–92*	*1992–93*	*1993–94*	*1994–95*	*1995–96*
Active rickets	1	0	1	0	0
Disturbance of amino-acid transport	1	2	4	2	2
Vitamin D resistant rickets	0	0	0	2	1
Coeliac rickets	70	75	94	92	89
Renal rickets	1	0	0	1	0
Fetal congenital rickets	6	4	2	6	2
Total	79	81	101	103	94

Source:
Hospital Inpatients System. (Figures for 1995–96 are provisional.)

Assaults and Robberies

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many assaults and robberies on the homes and businesses of *(a)* ethnic minority families and *(b)* Northern Ireland business men have been reported during the last 12 months; and how many of these have resulted in the apprehension and prosecution of those responsible. [6549]

Sir John Wheeler: *(a)* The numbers of reported offences against ethnic minority families in the last 12 months are:

1 armed robbery

11 robberies including one which resulted in murder

10 aggravated burglaries

14 burglaries

7 attempted burglaries

Extensive inquiries have been continuing into all of these offences. A number of persons have been arrested and interviewed. To date four persons have been charged in connection with these offences.

On the directions of the then Deputy Chief Constable (Operations) a special team of CID officers, under the command of the serious crime squad, was set up in May of this year. It was formed to conduct investigations into offences at the homes of Chinese business people.

On 28 May Mr. Flanagan, together with representatives from community affairs, crime prevention and the serious crime squad, attended a Chinese crime conference in Belfast. The fullest co-operation of those attending the conference was sought, to assist in bringing those responsible to justice.

(b) The current recording of crime does not permit the RUC to distinguish between attacks on business persons and other members of the general population.

The information given at *(a)* is available only because the special team was set up.

Life Sentences

Mr. Hunter: To ask the Secretary of State for Northern Ireland how many people in Northern Ireland are currently awaiting trial on charges which carry a life sentence. [6752]

Sir John Wheeler: The information requested is not centrally collected and could be obtained only at disproportionate cost.

Terrorism Offenders

Mr. Hunter: To ask the Secretary of State for Northern Ireland (1) how many prisoners convicted for offences related to republican terrorist activity have been transferred from Northern Ireland to the Republic of Ireland since 9 February; [6748]

(2) how many people in Northern Ireland involved in republican or loyalist terrorist activity have been sentenced to life imprisonment for offences committed since 31 August 1994; [6750]

(3) how many prisoners convicted for offences related to republican terrorist activity are currently applying to be transferred under international agreement to prisons in the Republic of Ireland; [6753]

(4) how many prisoners convicted for offences related to republican and loyalist terrorist activity are currently held in prisons in Northern Ireland. [6747]

Sir John Wheeler: Responsibility for the subject of these questions has been delegated to the Northern Ireland Prison Service under its chief executive, Mr. Alan Shannon. I have asked him to arrange for a reply to be given.

Letter from B. R. D. White to Mr. Andrew Hunter, dated 3 December 1996:

In the absence of the Chief Executive of the Northern Ireland Prison Service, the Secretary of State has asked me to reply to the four Parliamentary questions you have tabled.

Your questions concerned prisoners convicted in Northern Ireland of offences relating to republican and loyalist terrorist activity. You sought information on the number of such prisoners currently in custody in Northern Ireland; the number who had applied for or had been successfully repatriated to the Republic of Ireland since 9 February 1996; and the number who had been sentenced to life imprisonment for offences committed since 31 August 1994.

The Prison Service does not hold centrally statistical information on the number of prisoners convicted of offences related to republican and loyalist terrorist activity. This information could only be made available at disproportionate cost.

The Convention on the Transfer of Sentenced Persons was ratified by the Republic of Ireland in November 1995. Since that date no prisoner for whom the Secretary of State for Northern Ireland has responsibility has been repatriated to the Republic of Ireland. The Northern Ireland Prison Service is not in receipt of any applications for repatriation.

No prisoner given a life sentence has been convicted of offences related to republican or loyalist activity committed since 31 August 1994.

Targeting Social Need Initiative

Mr. McGrady: To ask the Secretary of State for Northern Ireland what guidance and training programmes have been implemented by the cross-community relations unit in respect of the targeting social need initiative. [6782]

Mr. Ancram: In 1991 the central community relations unit—CCRU—conducted a formal series of briefing seminars for senior officials in all Northern Ireland departments on the TSN initiative and its underlying concepts. Similar seminars were subsequently organised for other public sector organisations. CCRU continues to provide departments with general guidance on the implementation of TSN and advice on specific aspects.

Mr. McGrady: To ask the Secretary of State for Northern Ireland what has been the impact of the targeting social need initiative on public expenditure in the last five years. [6783]

Sir John Wheeler: Targeting social need is a public expenditure priority which has had an important influence on spending allocations in Northern Ireland over the past five years. TSN is reflected, for example, in the funding formulae for allocations to schools, the differential rates of industrial development grants and the provision of social housing. A significant proportion of public expenditure is directly related to meeting social need.

Scheduled Offences

Mr. Hunter: To ask the Secretary of State for Northern Ireland how many people in Northern Ireland are currently awaiting trial for scheduled offences. [6751]

Sir John Wheeler: As of 29 November there are 67 defendants who had been committed for and were awaiting trial at the Crown court for scheduled offences.

Young Offenders

Ms Mowlam: To ask the Secretary of State for Northern Ireland what percentage of convicted youths aged 16 or 17 years were unemployed on the date of their sentence in each of the last five years. [6919]

Sir John Wheeler: Information on the employment status of offenders is not routinely collected and could be obtained only at disproportionate cost.

Teachers

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland how many teachers left superannuable employment in the last five years; on what grounds; and what were the criteria for establishing eligibility for each ground. [7185]

Mr. Ancram: Available data are as follows:

Grounds for retirement	*1991–92*	*1992–93*	*1993–94*	*1994–95*	*1995–96*
Age	153	167	183	158	189
Infirmity	86	115	136	159	200
Redundancy	174	149	142	173	169
E/D[1]	208	131	106	85	60

[1] Efficient discharge of employers function.

Eligibility is determined in accordance with the relevant provisions of the Teachers' Superannuation Regulations (Northern Ireland) 1977.

Royal Ulster Constabulary

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many homes of RUC officers were *(a)* attacked, *(b)* temporarily vacated and *(c)* subject to purchase under the special purchase of evacuated dwellings scheme in each RUC divisional area during (i) July and (ii) August. [6095]

Sir John Wheeler: The information is as follows:

Division	Homes attacked	Homes vacated	SPED	Threats
July 1996				
A	0	0	0	0
B	2	1	1	2
D	4	1	3	1
E	7	2	1	1
G	3	1	2	10
H	6	1	1	30
J	6	4	6	16
K	2	1	1	3
L	1	1	1	2
N	1	0	2	0
O	1	0	0	2
P	6	0	10	8
Total	39	12	28	75
August 1996				
A	0	0	0	0
B	0	0	0	0
D	0	0	0	5
E	0	0	1	6
G	0	0	0	4
H	0	0	0	1
J	0	0	0	0
K	0	0	0	0
L	0	0	0	0
N	0	0	0	1
O	0	0	0	2
P	0	0	1	3
Total	0	0	2	22

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many people have been *(a)* interviewed and *(b)* charged in connection with intimidation or attacks at the homes of RUC personnel and their families in each RUC divisional area during (i) July and (ii) August. [6096]

Sir John Wheeler: During the months of July and August a total of 12 people were interviewed in connection with intimidation or attacks at the homes of RUC personnel. Four people were subsequently charged.

Plastic Baton Rounds

Mr. McNamara: To ask the Secretary of State for Northern Ireland when the Police Authority for Northern Ireland will publish its submission to Her Majesty's inspector of constabulary about the use of plastic baton rounds. [6097]

Sir John Wheeler: During a recent annual inspection of the RUC, the Police Authority had two meetings with Her Majesty's inspector of constabulary at which the issue of plastic baton rounds was discussed in detail. In the light of these discussions the authority concluded that it would not be necessary to provide a written submission to the inspector given the nature of his inquiry into plastic baton rounds.

Mr. McNamara: To ask the Secretary of State for Northern Ireland when he expects to *(a)* receive and *(b)* publish the findings of Her Majesty's inspector of constabulary about the use of plastic baton rounds in Northern Ireland. [6098]

Sir John Wheeler: The Secretary of State expects to receive Her Majesty's inspector of constabulary's report on the 1996 inspection of the Royal Ulster Constabulary, which will include his scrutiny of the use of plastic baton rounds by the RUC, shortly. It will be published as soon as practicable.

Parades and Marches

Mr. McNamara: To ask the Secretary of State for Northern Ireland when the Police Authority for Northern Ireland will publish its submission to the North inquiry into the conduct of parades and marches in Northern Ireland. [6099]

Mr. John Wheeler: The Police Authority will be publishing its submission to Dr. North this month.

Child Care Facilities

Mrs. Roche: To ask the Secretary of State for Northern Ireland what child care facilities his Department provides for its employees; what facilities were provided in 1992; and how many employees have used child care facilities in each year since 1992. [6462]

Sir John Wheeler *[holding answer 28 November]:* The Northern Ireland Office, London, has purchased four permanent full-time places at a nursery for its employees since 1992. Since that time all four places have been used. The Department of the Environment and the Child Support Agency offer subsidised places at registered nurseries and pre-school nursery schemes. The numbers using these facilities in the period 1993 to 1996 is as follows:

1993: 6

1994: 48

1995: 65

1996: 76

No subsidised places were offered in 1992.

Holiday play schemes cater for children of staff of the Northern Ireland departments and Northern Ireland Office, Belfast during school holidays. The number of play schemes operated during the period 1992 to 1996 is as follows:

1992: 4

1993: 5

1994: 8

1995: 8

1996: 8

Details of the number of staff using the play schemes are not held centrally, are not readily available and could be obtained only at disproportionate cost.

Information Technology Projects

Ms Church: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 11 November, *Official Report*, column 69, what are the proposed annual savings for the 10 IT projects planned for 1997–98. [6710]

Sir John Wheeler *[holding answer 28 November 1996]:* One of the 10 projects currently has an estimated annual saving of £2 million which will be re-appraised

when the business case is completed. The annual savings of the remaining projects are not available as business cases are in preparation.

SOCIAL SECURITY

Invalidity Benefit

Mr. Alan Howarth: To ask the Secretary of State for Social Security how many people were found to be not incapable of work for the purposes of invalidity benefit in each of the years 1991–92 to 1994–95 as a result of a Benefits Agency medical services examination. [6047]

Mr. Burt: The information is in the table.

Claims for sickness and invalidity benefits, referred to regional medical services, where the claimant was considered not incapable of work

Period	*Number of claimants found not incapable of work in normal occupation*	*Numbers of claimants found not incapable of suitable alternative work*
April 1991–March 1992	35,000	49,800
April 1992–March 1993	38,800	62,400
April 1993–March 1994	21,900	100,200
April 1994–March 1995	16,900	104,900

Source:

Regional Medical Services. Includes a small number of examinations made in relation to claims to severe disablement allowance.

Incapacity Benefit

Mr. Alan Howarth: To ask the Secretary of State for Social Security how many incapacity benefit appeals against refusal of benefit on the grounds of failing the all work test have been superseded or withdrawn because of an award of benefit. [6051]

Mr. Burt: The information is not available in the format requested. Such information as is available is in the table.

	Total
Appeals superseded	4,074
Appeals withdrawn	4,179

[1] The reason for the cases being superseded or withdrawn is not known.

[2] Information as at 31 October 1996.

Closed File

Mr. Livingstone: To ask the Secretary of State for Social Security what progress has been made by his Department in reviewing the file with the classmark PIN59/19 with a view to opening *(a)* all and *(b)* part of it. [6947]

Mr. Heald: This file has been reviewed with a view to accelerated opening. An application for the opening of the file, via Lord Chancellor's instrument, will be made at the next available opportunity in February 1997.

Child Support Agency

Ms Lynne: To ask the Secretary of State for Social Security what plans he has to extend the advertising campaign for the Child Support Agency; what complaints were made to him about the accuracy of the advertisements for the test campaign in the Greater Manchester area; and if he will ensure that those claims in the advertisements against which complaints are upheld by the Advertising Standards Authority are not repeated. [7109]

Mr. Andrew Mitchell: This Department is currently in correspondence with the Advertising Standards Authority about one aspect of the Manchester publicity campaign. I regard the complaints made as wholly without foundation. There are no current plans to extend the advertising campaign to other areas.

Mr. Kevin Hughes: To ask the Secretary of State for Social Security (1) what proposals his Department has to improve the efficiency of the Child Support Agency; [6603]

(2) what assessment he has made of the efficiency of the Child Support Agency. [6604]

Mr. Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Mr. Kevin Hughes, dated 3 December 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about the efficiency of the Child Support Agency.

Every year the Secretary of State for Social Security sets the Agency targets against which its performance and effectiveness can be measured. Negotiations over the 1997/98 targets are already well under way and once agreed by Ministers will be made public in the Agency Business Plan, published in March 1997.

The Agency Business Plan for 1996/97 set out the main issues that would face the Agency in the year ahead. We were determined to continue the improvement in our performance by balancing our efforts across the full range of our business.

It is worthwhile to note some recent achievements.

The Agency recorded its best ever monthly performance in a number of areas in October 1996. £21.50 million in maintenance was collected; each Child Support Agency Centre collected in excess of £3 million in maintenance; 3,931 second tier reviews were cleared; 20,210 good cause cases were cleared.

Achieving this year's key Secretary of State target of £380 million—£400 million of maintenance to be collected or arranged for direct payment between parents will entail an increase of 27%—33% on the collected/arranged figure required last year, but the Agency is on course to succeed. During the current financial year, the total amount of maintenance collected and arranged reached almost £217 million at 31st October.

Payments of maintenance to parents with care (PWCs) made through the Agency collection service have increased significantly. Already this year, £48.6 million has been paid. Payments received are passed on very quickly; at the end of 1995/96, 97% of payments had been made within 10 working days of receipt from the absent parent (AP), exceeding the target of 90%. The 1996/97 target is to make 95% of payments within 10 working days. The target continues to be exceeded this year, with 98% of payments in October being made within 10 days.

The Agency is also contributing fully to the Department of Social Security Change Programme. We are committed to achieve 25% efficiency savings over the next 3 years and to help us do this we will take full advantage of the relevant experience and skills of the private sector.

I believe the progress made so far will be sustained throughout the rest of the year and look forward to continued improvements in performance across all areas of our business.

I hope this is helpful.

Mr. Hughes: To ask the Secretary of State for Social Security how many cases being dealt with by the Child Support Agency are currently undergoing a review of the maintenance assessment made in the case. [6605]

Mr. Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Mr. Kevin Hughes, dated 3 December 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency reviews.

An important part of the Agency's day-to-day business is dealing with requests from our clients to review their current maintenance assessment. This can take the form of a request that another Child Support Officer looks at their assessment (a Second tier review), an appeal against the final decision reached by the Child Support Officer, or simply where a client reports that their circumstances have changed.

At the 31st October 1996, the number of cases being dealt with by the Agency where such reviews had been requested were as follows:

Second tier reviews: 8,744 cases

Appeals: 1,553 cases

Change of circumstance reviews: 14,277 cases

In dealing with each of these categories, I am pleased to be able to tell you that the performance of the Agency is improving, against the background of an increasing caseload. The work-on-hand total for Second tier reviews has fallen by 22 per cent. from an April 1996 figure of 11,243, and the figure for appeals has fallen by 20 per cent. In the same period, the change of circumstance work-on-hand figure has fallen by almost 10%. This is indicative of the priority which is attached to these important areas of the Agency's work.

I hope this is helpful.

Mr. Hughes: To ask the Secretary of State for Social Security how many people who contracted the Child Support Agency in the last *(a)* six and *(b)* 12 months waited more than 10 working days to receive a reply from the Child Support Agency to their correspondence. [6606]

Mr. Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Mr. Kevin Hughes, dated 3 December 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency correspondence.

Under the terms of the Agency's Charter, we aim to reply to general enquiries within ten working days. We also aim to acknowledge written complaints within two working days, and to issue a full reply within ten working days.

In the case of general enquiries, total numbers are not recorded, and we measure our achievement using a sample of the correspondence received. In the period from May 1996 to October 1996, just over 40% of enquiries were answered within ten working days. In the twelve months up to 31st October 1996, the figure was 42%.

We do collate data on the number of complaints handled. Between May and October 1996, the Agency received 12,376 written complaints; of these, 5,098 did not receive a full response within ten working days. The corresponding figures for the last twelve months were 25,557 and 12,126.

The time taken to respond to written complaints is improving. In November 1995, 40% of complaints received a full response within ten working days; this figure had risen to 60% in October 1996. In addition, around 90% of complaints are acknowledged within two working days.

It is worth noting that not all correspondence received by the Agency from clients requires a written response; it is often the case that letters are received which report changes in circumstances or request action to be taken. Where this occurs, the Agency takes whatever action is appropriate and no written response is necessary.

I hope this is helpful.

Mr. Hughes: To ask the Secretary of State for Social Security how many maintenance assessments made by the Child Support Agency are initially incorrectly assessed. [6600]

Mr. Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Ann Chant to Mr. Kevin Hughes, dated 3 December 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about the accuracy of Child Support Agency maintenance assessments.

Information is not collected in such a way to enable me to give you precisely the information that you have requested. However, I am able to tell you that, based on a sample of cases, the Agency assessment accuracy rate for October 1996 was 77 per cent.

The Agency remains on course to meet the Secretary of State target of achieving a continuing improvement so that in at least 85 per cent. of cases checked in March 1997 the assessment value will be for the correct amount, to the last penny.

I hope this is helpful.

Invalidity Payments

Mr. Alfred Morris: To ask the Secretary of State for Social Security, pursuant to his answer of 11 November, *Official Report*, column 90, what have been the annual savings to his Department in constant prices of ending the link between average earnings and *(a)* invalidity allowance, *(b)* attendance allowance, *(c)* non-contributory invalidity pensions and its successor benefit and *(d)* invalid care allowance. [7049]

Mr. Burt: The information requested is in the table.

Net savings derived from uprating in line with growth in prices only from 1980 as compared to uprating in line with the higher of the growth in prices or average earnings

Year	Invalidity allowance (IVA)	Attendance allowance (AA)	NCIP/severe disablement allowance (SDA)	Invalid care allowance (ICA)
1980–81	5	20	[1]—	[1]—
1981–82	10	25	5	[1]—
1982–83	5	55	5	[1]—
1983–84	5	90	5	[1]—
1984–85	15	110	10	[1]—
1985–86	15	150	10	[1]—
1986–87	20	[2]20	20	15
1987–88	30	305	25	30
1988–89	35	360	30	30
1989–90	45	420	40	30
1990–91	50	465	50	35

Net savings derived from uprating in line with growth in prices only from 1980 as compared to uprating in line with the higher of the growth in prices or average earnings

Year	Invalidity allowance (IVA)	Attendance allowance (AA)	NCIP/severe disablement allowance (SDA)	Invalid care allowance (ICA)
1991–92	55	615	60	50
1992–93	65	840	75	60
1993–94	75	1,010	85	75
1994–95	80	1,185	95	95

1. Estimates are rounded to nearest £5 million.

2. Estimates converted to 1996–97 prices using GDP deflator.

3. Estimates for IVA exclude savings from individuals not currently entitled to IVA since it is entirely offset against additional pension, but who might become entitled if the earnings uprating link was restored.

4. Estimates take account of offsetting costs in the income related benefits.

5. It is assumed that attendance allowance is attendance allowance and DLA (care) highest and middle rate. The lowest rate of disability living allowance (care) has been excluded from the calculation as it was introduced in 1992 and was, therefore, never linked.

' Denotes negligible savings.

Benefit Savings Targets

Mr. Austin-Walker: To ask the Secretary of State for Social Security if he will list for each local authority *(a)* the weekly benefits savings targets and *(b)* the weekly benefit savings achieved, in each year from 1992–93 to 1995–96. [7403]

Mr. Heald: The information has been placed in the Library.

Before April 1993 there was no incentive scheme for local authorities so no central records were kept of any savings achieved in 1992–93.

National Insurance

Mr. Duncan Smith: To ask the Secretary of State for Social Security what plans he has to act against avoidance of national insurance contributions. [7943]

Mr. Heald: We are committed to acting against exploitation of the national insurance system by employers who undermine the contributory principle by avoiding paying their proper share of contributions on the earnings they pay to their employees.

I have today laid regulations (SI 1996/3031) which tighten the rules for contributions where employers pay their staff in shares and share options. Earnings paid in the form of shares provided under schemes not approved by the Inland Revenue and using shares or options for shares which are capable of being traded on a recognised investment exchange as defined in the Financial Services Act 1986, or which are provided in circumstances where "trading arrangements" exist within the meaning of the Fiance Act 1994, will be subject to national insurance contributions. They will be treated in the same way as income provided in cash or in the form of other non-cash assets such as gold bullion and diamonds.

The regulations will come into effect from midnight tonight. Shares acquired under options granted before midnight today will not be affected.

These provisions are expected to save NICs of about £30 million annually.

Benefit Fraud Hotline

Mr. Denham: To ask the Secretary of State for Social Security, pursuant to his letter of 5 November, if he will list the poster sites used in publicising the national benefit fraud hotline indicating their location. [4631]

Mr. Heald: The information has been placed in the Library.

Jobseeker's Allowance

Mr. Jim Cunningham: To ask the Secretary of State for Social Security how many cases in respect of the jobseeker's allowance are taking longer to process than recommended. [6984]

Mr. Burt: The administration of jobseeker's allowance is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Jim Cunningham, dated 3 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many cases in respect of the jobseeker's allowance are taking longer to process than recommended.

The processing arrangements for jobseeker's allowance (JSA) are necessarily complex during the transitional stages. Claims to JSA are being processed on the JSA Computer System (JSAPS), the Income Support Computer System (ISCS) and the National Unemployment Benefit System (NUBS2). ISCS provides data on processing times but does not differentiate between JSA and other claims. NUBS2 does not provide this data. There will be a gradual transfer of claims onto the JSAPS. This will be completed by October 1997.

For a variety of reasons, including the cost of obtaining the data, the JSA performance targets are based solely on cases processed via JSAPS. Between 7 to 31 October 1996 a total of 188,841 JSA claims were received and a total of 96,308 were processed on the JSAPS. Of these, 72.8% were processed within 10 working days, against an operational aim of 65% set for our managers for the transitional period. There is also a secondary aim of 90% of JSA claims to be processed within 21 working days. As there were only 19 working days between the introduction of JSA on 7 October and the 31 October, this target was not applicable, for this period. These figures are subject to amendment.

As these figures cover only the cases actually processed, there are limits to the interpretation that can be placed on one month's data in isolation—especially in the transitional phase of a new benefit when a number of claims are still awaiting clearance. The forthcoming months should produce a more meaningful analysis and provide the Secretary of State with a robust base for setting 1997–98 targets in this area.

I hope you find this reply helpful.

Mr. Cunningham: To ask the Secretary of State for Social Security (1) what feedback from staff his Department has had regarding the effectiveness of the information technology system that is being used in processing the payments of the jobseeker's allowance; [6986]

(2) what feedback from staff his Department has received regarding the effectiveness of the training that was provided for staff dealing with jobseeker's allowance. [6985]

Mr. Burt: The administration of jobseeker's allowance is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Jim Cunningham, dated 3 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking what feedback from staff his Department has had regarding the effectiveness of the information technology system that is being used in processing the payments of the job seeker's allowance (JSA); and what feedback from staff his Department has received regarding the effectiveness of the training that was provided for staff dealing with JSA.

Bringing together three main computer systems has been a massive and complex undertaking. Inevitably, there have been some teething problems and some refinements have had to be made to the computer systems. The effectiveness of the refinements continues to be monitored as they are made. The IT systems are working satisfactorily. An advice line is in operation for staff and issues which are identified are being quickly resolved. We are monitoring the position closely and are confident that it is improving.

Initial feedback from staff who have attended the Jobseekers Allowance training events has been positive. Inevitably staff need time to absorb and consolidate their training; facilities and resources have been provided to enable them to build confidence and expertise. Generally, people have said the events were effective in equipping them to carry out their jobs. Initial evaluation results show that 97 per cent. of staff felt the training met its objectives and 80 per cent. felt they had learned a lot as a result of the training. A review of the training, which is independent of the JSA Project, is being carried out. It will be producing an interim report in the new year.

I hope you find this reply helpful.

Claimant Interviews

Mr. Sheerman: To ask the Secretary for Social Security what assessment he has made of the advantages of the interviewing of clients seeking benefits by both his Department and the Benefits Agency. [6208]

Mr. Roger Evans: The administration of income support is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Barry Sheerman, dated 3 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking what assessment he has made of the advantages of interviewing clients seeking benefits by both his Department and the Benefits Agency.

BA customers are not routinely interviewed at the new claim stage or when seeking benefits. Postal claim forms are used for all BA benefits. If the customer requests an interview or the office identify a particular problem an appointment may be arranged.

Since 1 July 1995, to improve customer service, accuracy, verification and validation of Income Support (IS) claims, certain new or repeat claims have been selected for an immediate home visit. During the interview the customer's circumstances are fully checked. This ensures that the customer receives the correct entitlement and any other benefits, to which the customer may be entitled, are identified.

Since 7 October 1996, all claimants to Jobseekers Allowance are initially interviewed at the Employment Service Jobcentre (ESJ) about Labour Market issues. Whilst the customer is in the ESJ the JSA claim form is examined to ensure it is fully and accurately completed and any necessary enquiries are made of the customer.

I hope this reply is helpful.

Benefits Agency (Wales)

Mr. Hanson: To ask the Secretary of State for Social Security what were the number of customer visits to each of the current Benefits Agency offices in Wales in each of the past three years. [5949]

Mr. Roger Evans: This is an operational matter for Peter Mathison, chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. David Hanson, dated 3 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions asking what were the number of customer visits to each of the current Benefit Agency offices in Wales in each of the past three years.

The information requested is shown in the attached table.

I hope you find this reply helpful.

District/site	*1994–95*	*1995–96*	*1996–97 year to October*
Cardiff and Vale			
Barry	50,862	51,660	32,594
Cardiff Cowbridge Road	65,478	69,987	41,516
Cardiff Heron House	81,496	97,149	61,938
Cardiff Southgate House	71,432	66,019	36,084
Gwent Borders			
Abergavenny	4,837	5,012	2,770
Blaenavon	2,068	2,291	621
Chepstow	3,331	3,588	2,238
Cwmbran	45,408	49,928	24,160
Monmouth	4,147	4,194	3,724
Newport Sovereign House	88,838	86,114	50,874
Pontypool	5,529	5,636	3,523
Gwyneddigion Maldwyn			
Aberystwth	23,013	24,148	12,112
Bangor Ty Glyder	7,256	8,835	6,227
Blaenau Ffestiniog	2,129	1,992	1,067
Caernarfon	28,143	29,850	21,153
Cardigan	9,794	9,546	5,345
Dolgellau	3,229	2,911	1,553
Holyhead	14,456	14,450	8,717
Knighton	1,051	905	514
Lampeter	5,494	5,453	3,046
Llandrindod Wells	6,870	6,462	4,217
Llandysul	1,625	1,543	1,085
Llangefni	16,748	18,625	10,346
Machynlleth	1,132	1,365	759
Newtown	19,859	22,248	13,168
Porthmadog	14,210	16,552	11,225
Pwllheli	2,843	2,627	1,710
Welshpool	5,414	5,804	3,464
South Wales Valleys			
Aberdare	[1]84,099	64,546	26,735
Abertillery	19,940	15,594	5,162
Bargoed High Street	[1]43,191	33,149	21,836
Blackwood	30,405	36,339	31,983
Brecon	5,614	7,420	4,146
Bridgend	[1]75,012	71,828	41,397
Caerphilly	[1]69,222	53,128	29,201
Ebbw Vale	29,568	31,360	22,269
Ferndale	[1]2,868	2,785	1,272
Maesteg	[1]14,339	13,730	7,277
Merthyr Tydfil	[1]90,106	69,156	42,018
Mountain Ash	[1]19,824	15,215	5,649
Pontlottyn	[1]4,026	3,090	1,462
Pontypridd	[1]39,583	38,431	25,748
Porth	[1]30,281	29,400	17,258

District/site	1994–95	1995–96	1996–97 year to October
Tonypandy	[1]39,153	38,013	23,978
Tredegar	6,474	6,195	2,027
Treorchy	[1]6,193	6,013	2,939
Ystradgynlais	[1]5,420	5,210	2,175
South-west Wales			
Ammanford (41)	33,521	26,540	15,307
Carmarthen Ty Myrddin	19,709	17,273	9,604
Gorseinon	8,783	8,970	5,071
Haverfordwest	21,006	22,629	13,637
Llandeilo	2,010	2,176	1,269
Llanelli	41,111	38,430	23,159
Morriston	52,447	50,413	32,085
Neath	37,008	43,941	26,998
Pembroke Dock	24,927	22,337	12,648
Pontadawe	2,178	2,434	1,542
Port Talbot	38,670	44,554	38,181
Swansea	104,031	108,215	64,328
Tumble	2,667	2,324	1,224
Wrexham and north-west coast			
Colwyn Bay	40,879	33,591	22,995
Denbigh	3,168	5,272	1,825
Flint	24,730	25,241	15,059
Holywell	10,915	15,732	5,584
Llandudno	7,377	8,354	3,972
Llangollen	738	1,079	577
Llanrwst	453	452	191
Mold	3,758	3,304	1,603
Rhyl	64,362	63,273	33,748
Ruthin	720	1,050	319
Shotton	5,156	4,724	2,489
Wrexham	33,569	49,080	26,823
Grand total	1,785,903	1,756,884	1,040,520

[1] The 1994–95 caller figures were unavailable at site level. For this exercise the District figure has been extrapolated using the 1995–96 site by site data.

Figures are provisional and subject to change.

Income Support

Mr. Frank Field: To ask the Secretary of State for Social Security what would be the total cost of abolishing the 16-hour rule in income support; and if he will break this down into its constituent parts. [6268]

Mr. Forth *[holding reply 2 December 1996]:* I have been asked to reply.

We estimate that the cost in benefit expenditure of abolishing the 16 guided learning hours limit for people undertaking education and training while receiving jobseeker's allowance could be between £500 million and £1,250 million a year. This is based on the assumption that any student other than those undertaking full-time courses in higher education could be eligible for JSA.

AGRICULTURE, FISHERIES AND FOOD

Environmental Auditing

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 25 November, *Official Report*, column *98*, regarding examples of improving efficiency through environmental auditing, if he will list the principal elements in his Department's green housekeeping strategy; and if he will make a statement. [7183]

Mr. Boswell: The principal elements of the Department's green housekeeping strategy cover recycling, waste management, pollution prevention, vehicles, energy efficiency, water conservation, procurement, heritage conservation, the built environment and the natural environment on the MAFF estate. The strategy also provides for a management structure, for monitoring and for raising staff awareness on green housekeeping issues.

Mr. Jones: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 25 November, *Official Report*, column *98*, regarding examples of improving efficiency through environmental auditing, if he will list *(a)* those departmental sites where a specific environmental audit will shortly take place and *(b)* the expected start and completion dates of the audit; and if he will make a statement. [7184]

Mr. Boswell: The audits will concentrate on the Department's laboratories. Officials are preparing tender documents as part of the competitive tendering process. It is not expected that a contract will be let until the spring and the results should be available in the autumn of 1997.

BSE and CJD

Mr. Barron: To ask the Minister of Agriculture, Fisheries and Food (1) what assessment he has made of the risks of transmission to humans of BSE or its human Creutzfeldt-Jakob disease variant through *(a)* milk, *(b)* cheese, *(c)* butter, *(d)* yoghurt and *(e)* cream. [7138]

(2) what evidence he has evaluated that BSE or its human Cruetzfeldt-Jakob disease variant cannot be transmitted to humans through dairy products; and if he will make a statement; [7139]

(3) what assessment he has made of the relative risks of transmission to humans of BSE or its human Creutzfeldt-Jakob disease variant through *(a)* dairy products, *(b)* muscle meat and *(c)* animal offal. [7137]

Mrs. Browning: Links between nvCJD and CSE have not yet been scientifically established. Nevertheless, in considering issues of public health, we have always proceeded on the precautionary principle that BSE could pose a risk to public health.

In the case of dairy products, the primary perceived source of infectivity would be the raw material, milk, or any additional material of bovine origin used in the manufacture of the product. Experiments to detect infectivity in milk of clinically affected cows have been carried out using either intracerebral or oral exposure of susceptible mice. All results, which were negative, have been published in scientific journals and in information provided to the House from time to time.

The information has been made available to the Spongiform Encephalopathy Advisory Committee—SEAC— and other expert groups—the World Health Organisation and OIE—who concluded that there was no justification for additional measures beyond the exclusion of milk from a known BSE suspect from the human and animal food chains. In March this year, and subsequently,

when it has reviewed the measures in place to protect public health, SEAC has not considered it necessary to extend measures relating to milk and milk products.

In the context of additional materials used in the manufacture of milk products, SEAC has also considered the safety of rennet, and did not believe that it presented a risk to human health.

Sir Ralph Howell: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 11 November, *Official Report*, columns *47–8*, if he will set out the factors which led him to conclude that exposure to BSE was the most likely explanation for the new variant of Creutzfeldt-Jakob disease. [6988]

Mr. Horam: I have been asked to reply.

I refer the hon. Member to the statements made by me and my right hon. Friend the Minister of Agriculture, Fisheries and Food on 20 and 25 March 1996, accepting advice from the Spongiform Encephalopathy Advisory Committee—SEAC. The advice from SEAC is set out in its statements of 20 and24 March 1996, copies of which are available in the Library.

Butter

Mr. Austin Mitchell: To ask the Minister of Agriculture, Fisheries and Food what representations he received from the New Zealand Government in respect of the European Commission's definition of butter; and what representations he made to the Commission on this subject. [7303]

Mr. Baldry: The Government have received no official representations from the New Zealand Government about the Commission's decision in June this year that spreadable butter does not conform with the definition of butter for the purposes of administering the preferential access quota for imports from New Zealand. We have made no representations to the Commission on this subject.

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food what consultations he had with the New Zealand Government before the latest EC definition of butter was agreed. [7274]

Mr. Baldry: None. The definition of butter for the purposes of administering the preferential access quota for New Zealand butter imports into the EU was agreed by the Agriculture Council in April 1981. It has not changed since then.

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food when was the latest EC definition of butter agreed; and when his Department first imposed the increased tariffs on spreadable butter. [7276]

Mr. Baldry: The current definition of butter for the purposes of administering the preferential access quota for New Zealand butter imports into the EU was adopted by the Agriculture Council in April 1981. Following the Commission's decision in June 1996 that spreadable butter did not conform with this definition, HM Customs and Excise applied the increased tariff on imports of spreadable butter from 25 July 1996.

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food what consultations were undertaken with British consumers in the process of agreeing the definition of butter which excludes spreadable butter. [7275]

Mr. Baldry: There is no record of British consumers having been consulted prior to the adoption by the Agriculture Council in 1981 of the definition of butter for the purposes of administering the preferential access quota for New Zealand butter imports into the EU.

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food to what extent he has discretion on whether to apply the European Commission definition of butter. [7302]

Mr. Baldry: The Government have no discretion as regards the application of the definition of butter in Commission regulation 1600/95 for the purposes of administering the preferential access quota of New Zealand butter imports into the EU.

Mr. David Smith

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food on what date Mr. David Smith was suspended from his appointment as a Government-appointed local veterinary inspector, for what reasons and on what date he was reinstated. [6327]

Mrs. Browning *[holding answer 27 November 1996]:* This information will not be disclosed under paragraph 12 of section II of the code of practice on access to government information, which protects individuals from unwarranted invasion of privacy.

Live Animal Exports

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food if he will list the animal welfare, animal health and identification deficiencies observed during the course of the special operation recently carried out at Stranraer and Cairnryan; and if he will make a statement. [6325]

Mrs. Browning *[holding answer 27 November 1996]:* The disclosure of information relating to recent inspections at the ports of Stranraer and Cairnryan may prejudice legal proceedings. The information will not therefore be disclosed under paragraph 4b of part II of the code of practice on access to government information.

Written Answers to Questions

Thursday 5 December 1996

TRANSPORT

US-UK Air Service Agreements

Mr. Stewart: To ask the Secretary of State for Transport if he will make statement on his objectives in the renegotiation of the US-UK air service agreements (Bermuda II). [7120]

Mr. Bowis: The Secretary of State's objective is to secure a liberal aviation agreement with the USA, to the benefit of the UK.

Traffic Area Offices

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 25 November, *Official Report*, column *59*, if he will list the cost of overtime hours worked in the traffic areas. [6973]

Mr. Bowis: Staff submit their overtime claims weekly, and overtime is paid monthly in arrears. Therefore, the full overtime costs for staff in the north eastern and north western traffic areas have not yet appeared on the Department's staff payroll. During September and October 1996, overtime payments in the two offices were £1,830. It is estimated, however, that the total cost of the hours worked will be approximately £9,000.

Mrs. Dunwoody: To ask the Secretary of State for Transport what direct payment will be required to be made by Her Majesty's Government to their landlords to relinquish the lease of the north west traffic area office, Portcullis house. [7668]

Mr. Bowis: The Department has exercised a break clause in the current lease for Portcullis house, which means that the only payment to be made to the landlord under the terms of the lease will be to cover dilapidations. The amount to be paid is still the subject of negotiation between the landlord and the Department.

National Road Transport System

Mr. Hunter: To ask the Secretary of State for Transport what have been the three largest new roads projects within his investment programme for the provision and maintenance of the national road transport system in each year since 1992–93. [6741]

Mr. Watts: I have listed the three largest new road projects in terms of cost, started in each year since 1992–93.

1992–93

Second Severn crossing[1]

Second Severn approach roads

A46 Leicester western bypass

1993–94

M66 Denton–Middleton contract 4

M65 Blackburn southern bypass

A50 Blythe Bridge-Queensway phase 1, Stoke on Trent

1994–95

A564 Derby southern bypass and Derby spur

M25 J8–10 widening

M6 J20–21A bridge renewal

1995–96

M66 Denton–Middleton contract 1

A1(M) Alconbury to Peterborough DBFO[2] project

M1–A1 Yorkshire link DBFO[2] project

1996–97

A34 Newbury bypass

A13 west of Heathway—Thames avenue improvement (LB Barking and Dagenham)

A30/A35 Exeter to Bere Regis DBFO+ project (including A35 Honiton to Exeter improvement and A35 Tolpuddle to Puddletown bypass)

[1]Privately financed.

[2]Design, build, finance and operate.

Second Tamar Crossing

Sir Robert Hicks: To ask the Secretary of State for Transport what is the status of the proposed A38 second Tamar crossing; and if he will make a statement. [8091]

Mr. Watts: In the light of a recently completed economic study on the impact of the second Tamar crossing on Plymouth and south-east Cornwall, I have decided to abandon the proposed scheme announced in May 1994.

This will remove the present uncertainty about the proposals and lift the planning blight from this area of Saltash. A number of properties have been acquired under the blight provisions, and these will be put back on the market as soon as possible.

The study report has concluded that the effects would be mixed, but that there was no clear case for a second crossing. A copy of the report has been placed in the Library.

MV Cap Afrique

Mr. Morley: To ask the Secretary of State for Transport if all necessary statutory marine notice and logging requirements were properly completed for a sailing of the MV Cap Afrique from Dover on 30 November. [7717]

Mr. Bowis: I have asked the chief executive of Marine Safety Agency to write to the hon. Member.

Letter from R. M. Bradley to Mr. Elliot Morley, dated 5 December 1996:

The Secretary of State for Transport has asked me to reply to your Question relating to the sailing of the MV CAP AFRIQUE on 30 November 1996.

The CAP AFRIQUE is a French registered cargo ship. It is only possible to give assurances concerning the compliance of such vessels with regulations when they are inspected. The vessel was last inspected by the Marine Safety Agency under the port state control system on 9 August this year, on which date all the necessary documentation was in order and no deficiencies were identified. No information has been made available to the MSA to suggest that the CAP AFRIQUE did not comply with the requirements on 30 November 1996.

Metrolink

Mr. Alfred Morris: To ask the Secretary of State for Transport when he expects to announce a decision on the Manchester airport–Wythenshawe loop of Metrolink; and if he will make a statement. [7673]

Mr. Watts: We hope to announce a decision shortly.

PRIME MINISTER

Correspondence

Mr. Barnes: To ask the Prime Minister when he plans to reply to the letter from the hon. Member for Derbyshire, North-East reference GK/HB/311096, which was acknowledged on 4 November. [7512]

The Prime Minister: The letter will be replied to shortly.

Engagements

Mr. Harry Greenway: To ask the Prime Minister if he will list his official engagements for Thursday 5 December. [6334]

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Thursday 5 December. [6335]

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

AGRICULTURE, FISHERIES AND FOOD

Land Management Schemes

Dr. Strang: To ask the Minister of Agriculture, Fisheries and Food if he will list the *(a)* planned expenditure in 1996–97 following the 1995 public expenditure settlement, *(b)* estimated outturn expenditure in 1996–97 and *(c)* planned expenditure in 1997–98 on the (i) moorland scheme, (ii) countryside access scheme, (iii) habitat scheme, (iv) organic aid scheme, (v) countryside stewardship scheme, (vi) nitrate sensitive areas, (vii) farm and conservation grant scheme and (viii) farm woodland premium scheme. [7688]

Mr. Douglas Hogg: Details are contained in the table, which relates to payments to land managers in England.

Scheme	*1996–97 planned estimated expenditure*	*1996–97 current (1996 PES provision)*	*1997–98 planned (1996 PES provision)*
Moorland scheme	0.35	0.10	0.25
Countryside access scheme	2.50	0.08	0.12
Habitat scheme	2.00	1.42	1.82
Organic aid scheme	0.46	0.41	0.85
Countryside stewardship scheme	12.22	12.20	17.65
Nitrate sensitive areas	6.10	3.65	4.74
Farm and conservation grant scheme	4.00	8.89	2.43
Farm woodland premium scheme[1]	6.16	4.23	5.55

[1] Includes payments on the farm woodland scheme.

Directorate of Fisheries Research

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what are his plans for converting the directorate of fisheries research into an agency. [8176]

Mr. Baldry: Work is in hand for the management and organisational changes to convert the directorate of fisheries research into an agency of the Ministry with effect from 1 April 1997. In anticipation of the changes of status, and to reflect more fully the range of work done, the directorate will be known as the Centre for Environment, Fisheries and Aquaculture Science—CEFAS—with effect from 13 January 1997.

Intervention Board (Recruitment)

Sir Donald Thompson: To ask the Minister of Agriculture, Fisheries and Food what arrangements are in place in the Intervention Board executive agency for recruitment; on what basis these are drawn; how many staff have been appointed at each level during 1995–96; if he will indicate the proportion of *(a)* women, *(b)* members of ethnic minorities and *(c)* disabled people successful at each level; and what exceptions were made to the recruitment rules to allow appointments to be made. [8177]

Mr. Baldry: I can confirm that there are systems in place in the Intervention Board to ensure that recruitment is carried out on the basis of fair and open competition and selection on merit, in accordance with the recruitment code laid down by the civil service commissioners, and that these systems are subject to internal check.

During the 1995–96 financial year, the Intervention Board conducted three recruitment campaigns to appoint staff at administrative assistant, administrative officer, and higher executive officer (auditor) levels. These exercises were conducted on the basis of fair and open recruitment and selections were made on merit in each case. The following statistical information on the competitions may help to put the exercise into context:

Administrative assistant competition

	There were 37 applicants of which:		
	Applicants	*Interviewees*	*Successful candidates*
Gender			
Male	21 (57 per cent.)	20 (67 per cent.)	16 (69 per cent.)
Female	16 (43 per cent.)	10 (33 per cent.)	7 (31 per cent.)
Totals	37 (100 per cent.)	30 (100 per cent.)	23 (100 per cent.)
Ethnic origin			
White	31 (84 per cent.)	25 (83 per cent.)	19 (83 per cent.)
Black	1 (3 per cent.)	1 (3 per cent.)	1 (4 per cent.)
Asian	2 (5 per cent.)	2 (7 per cent.)	2 (9 per cent.)
Unknown	3 (8 per cent.)	2 (7 per cent.)	1 (4 per cent.)
Totals	37 (100 per cent.)	30 (100 per cent.)	23 (100 per cent.)

There were no disabled applicants for this competition.

Also, from the successful candidates, eventually only eight accepted appointments of which one was a part-time appointment. Of these six were male and two female, and of this group, seven classified themselves as white and one as black.

Administrative officer competition

	There were 69 applicants including one disabled, of which:		
	Applicants	*Interviewees*	*Successful candidates*
Gender			
Male	37 (54 per cent.)	24 (62 per cent.)	20 (61 per cent.)
Female	32 (46 per cent.)	15 (38 per cent.)	11 (39 per cent.)
Totals	69 (100 per cent.)	39 (100 per cent,)	31 (100 per cent.)
Ethnic origin			
White	56 (82 per cent.)	33 (84 per cent.)	26 (84 per cent.)
Black	1 (1 per cent.)	1 (3 per cent.)	1 (3 per cent.)
Asian	11 (16 per cent.)	4 (10 per cent.)	3 (10 per cent.)
Unknown	1 (1 per cent.)	1 (3 per cent.)	1 (3 per cent.)
Totals	69 (100 per cent.)	39 (100 per cent.)	31 (100 per cent.)

Of the successful candidates, 11 accepted appointments. Included among these was the disabled candidate. Also, of the 11, eight were male and three female, and all classified themselves as white.

Higher executive officer (auditor) competition

	There were 19 applicants of which:		
	Applicants	*Interviewees*	*Successful candidates*
Gender			
Male	16 (84 per cent.)	3 (60 per cent.)	0 (0 per cent.)
Female	3 (16 per cent.)	2 (40 per cent.)	2 (100 per cent.)
Totals	19 (100 per cent.)	5 (100 per cent.)	2 (100 per cent.)
Ethnic Origin			
White	14 (74 per cent.)	5 (100 per cent.)	2 (84 per cent.)
Black	3 (16 per cent.)	—	—
Asian	1 (5 per cent.)	—	—
Unknown	1 (5 per cent.)	—	—
Totals	19 (100 per cent.)	5 (100 per cent.)	2 (100 per cent.)

One application was received from a disabled individual for this competition. This applicant did not meet the minimum qualification criteria and, therefore, was not invited for interview. The two successful candidates were subsequently appointed, both were female, and both classed themselves as white.

Finally, I can confirm that no exceptions to the recruitment rules were made during the period to allow appointments to be made.

Butter

Mr. Austin Mitchell: To ask the Minister of Agriculture, Fisheries and Food how much spreadable butter was imported in 1995; and from which countries. [7231]

Mr. Baldry: Official UK statistics on imports of butter in 1995 do not distinguish between spreadable and other types of butter. Total UK imports of butter, including spreadable butter, 1995 were 104,762 (provisional).

Live Animal Exports

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food (1) if the ear tag UK YK 0737 has been used on more than one ovine animal destined for export; [7732]

(2) if the ear tag identification UK YK 0737 was the sole means of identification for a sheep destined for export on 2 November. [7730]

Mrs. Browning: UK YK 0737 is the country and flockmark part of the identification mark and, as such, has been used on more than one animal. The ear tag applied to exported sheep also included an individual animal identification number.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food if the ear tags on sheep identify the place of final loading on to a vehicle as the holding of origin. [7731]

Mrs. Browning: Not necessarily: the Sheep and Goats (Records, Identification and Movement) Order 1996 provides, where sheep are to be consigned for export, for an ear tag or tattoo to show the flockmark either of the consignor of the sheep for export or of a previous keeper of the animal. The tag or tattoo must also show the individual identification number of the animal as shown by its accompanying health certificate.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food in what circumstances a local veterinary inspector may sign an export health certificate when he has not visited the premises at which the sheep are inspected. [7733]

Mrs. Browning: Veterinary surgeons should certify only those matters which are within their own knowledge, can be ascertained by them personally or are the subject of a supporting certificate from another veterinarian who does have personal knowledge of the matters in question and is authorised to provide such a supporting document. It would therefore be permitted for a local veterinary inspector to sign an export health certificate when he or she had not inspected an export consignment, provided that he or she signed the certificate on the basis of an attestation provided by a local veterinary inspector who had inspected the consignment.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 25 November, *Official Report*, column *102*, concerning consignments of sheep, where the supervision of the loading of 16 consignments took place, and by whom it was supervised. [7736]

Mrs. Browning: The 16 supervised loadings referred to in the answer of 25 November were carried out by Ministry staff at various locations in Sussex, Devon, Essex, Herefordshire and Worcestershire.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 21 November, *Official Report*, column *708*, what assessment he has made of the practice of not recording communications between inspectors at the port and headquarters at Tolworth and of its implications for accountability. [7720]

Mrs. Browning: There is no need to record every one of the many communications between Dover and Tolworth, but significant matters are recorded.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food if his Department is able to trace every ovine animal back to the holding on which the animal was born. [7738]

Mrs. Browning: The Sheep and Goats (Records, Identification and Movement) Order 1996 provides for a system of identification and movement records to assist the tracing of sheep.

Hedley Lomas (Ireland) Ltd.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 25 November, *Official Report*, column *103*, what steps his Department will take to settle the claim by Hedley Lomas (Ireland) Ltd. [7734]

Mrs. Browning: In advance of a formal claim, I cannot speculate what action might occur.

MV Cap Afrique

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food if the inspector at Dover who telephoned the State Veterinary Service and the animal health and welfare sections at Tolworth on 6 November expressed concern regarding the MV Cap Afrique sailing in rough weather carrying livestock. [7718]

Mrs. Browning: No.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food if *(a)* the necessary journey plans had been approved, *(b)* export health certificates had been issued for the four consignments of livestock that boarded the MV Cap Afrique on 30 November and *(c)* the four consignments of sheep had benefited from at least 10 hours rest and had been fed and watered before being loaded at the point of departure. [7722]

Mrs. Browning: We have no evidence to suggest that there were any infringements of the Welfare of Animals during Transport Order 1994, as amended.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 19 November, *Official Report*, column *474*, if the inspector who boarded the MV Cap Afrique registered concern to the master of the vessel about the sailing on 6 November. [7719]

Mrs. Browning: No. The purpose of boarding the vessel was to ascertain if the master had exercised his judgment in accordance with article 11 of the Welfare of Animals during Transport Order 1994, as amended.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of whether the sailing of the MV Cap Afrique on 6 November was likely to cause unnecessary suffering, injury or death to the animals on board the vessel, owing to the weather and sea conditions at the time of sailing. [7721]

Mrs. Browning: I have no reason to believe that the Department's inspectors did not exercise their judgment properly.

Food Poisoning

Mr. Salmond: To ask the Minister of Agriculture, Fisheries and Food what was the incidence of *(a)* E. coli 0157 and *(b)* campylobacter in animals in England in each year sine 1990 and from 1 January to date. [7211]

Mrs. Browning *[holding answer 2 December 1996]:* Escherichia coli 0157 is not associated with disease in livestock and there is therefore no definitive information on the number of cases each year. However since 1990 staff at veterinary investigation centres of the Veterinary Laboratories Agency have taken samples from various livestock species during on-farm investigations following the identification of disease in humans that has been associated with individual farms. Some samples, mainly from cattle, have proved positive for E. coli 0157, but insufficient samples have been examined to give meaningful figures for the prevalence of E. coli 0157 infection in these herds. A survey of bovine faeces samples routinely submitted to VICs in England and Wales in 1995 found E. coli 0157 in 0.86 per cent. of 6,495 samples.

Campylobacter jejuni and Campylobacter coli, the campylobacters most commonly associated with human food poisoning, are commonly found inhabitants of the gastrointestinal tract of a wide variety of animals and birds and are rarely associated with disease in animals. Because they are not significant animal pathogens, they are rarely looked for during animal disease investigations. The prevalence of the organisms within flocks and herds is very variable with, on occasions, all animals in individual flocks or herds carrying the organism.

DEFENCE

Animal Welfare (Unclassified Reports)

Mr. Livingstone: To ask the Secretary of State for Defence by what mechanisms the unclassified versions of the Animal Welfare Advisory Committee's substantive reports are made public; and if he will assess the advantages of making public the annual reports and minutes of the independent ethics committee of the Chemical and Biological Defence Establishment, Porton Down, in the same way. [6929]

Mr. Arbuthnot: My Department's chief scientific adviser awaits the initial report from the Animal Welfare Advisory Committee, which is expected to be delivered before the end of the year. The precise mechanism by which this will subsequently be published has not yet been decided. As regards the publication of the annual reports and minutes of the ethics committee for Porton Down, the position remains as given in my reply to the hon. Member of 18 July 1995, *Official Report*, column *1162*.

RAF St. Athan

Mr. Morgan: To ask the Secretary of State for Defence what has been the cost to date of the "Competing for Quality" market test exercise at RAF St. Athan. [7435]

Mr. Arbuthnot: The cost to the Ministry of Defence to date of the "Competing for Quality" market test exercise at RAF St. Athan is £2.78 million.

Cyprus

Mr. MacShane: To ask the Secretary of State for Defence what contacts he has had with officers of the *(a)* Greek Cypriot defence forces and *(b)* Turkish Cypriot defence forces since 1 January. [7655]

Mr. Soames: None.

RAF Scampton

Mr. Tipping: To ask the Secretary of State for Defence what representations he has received about the future use of RAF Scampton; when arrangements will be made for it to be placed on the market; and if he will make a statement. [7265]

Mr. Soames: There have been 17 inquiries concerning alternative non-defence uses for this station all of which have been taken into account in the preparation of a planning brief for the site in conjunction with the local authority. Subject to the adoption of this brief, which will be considered by the local planning authority in early 1997, it is intended to commence marketing the site during the summer of 1997.

Stone of Destiny

Mr. Home Robertson: To ask the Secretary of State for Defence what costs were incurred by his Department in respect of events associated with the return of the Stone of Destiny to Scotland. [7714]

Mr. Soames: The return of the Stone of Destiny to Scotland was an accepted task under state ceremonial and routine public duties, the costs of which were absorbed within existing budgets. Additional costs relating to the ceremony on 30 November will be met by the Scottish Office.

MV Cap Afrique

Mr. Morley: To ask the Secretary of State for Defence for how many days during July, August, September and October the MV Cap Afrique was contracted by the Ministry of Defence. [7716]

Mr. Soames: The MV Cap Afrique was chartered twice in July 1996 for a total of six days: from 9 July to 11 July inclusive and 23 July to 25 July inclusive. On both occasions she was employed to transport military vehicles and stores equipment between Marchwood military port and Antwerp. Those were the only occasions on which she was chartered by the Ministry of Defence since 1 July 1996.

Contracts

Mr. Cohen: To ask the Secretary of State for Defence what is the total value of contracts placed by his Department with *(a)* subsidiaries of foreign companies and *(b)* British companies working in partnership with foreign companies in each of the last five years. [7740]

Mr. Arbuthnot: The management data held centrally covering MOD headquarters contracts do not provide details about whether the contractor is a subsidiary of a foreign company or a British company working in partnership with a foreign company. Consequently, with some 8,000 to 10,000 businesses receiving contracts each year, research to answer such a general question could be undertaken only at disproportionate cost.

NATIONAL HERITAGE

Ministerial Visits

Mr. Simon Hughes: To ask the Secretary of State for National Heritage what is her Department's procedure for advising hon. Members of ministerial visits to their constituencies. [3977]

Mrs. Virginia Bottomley: My office is instructed to write notifying right hon. and hon. Members of all official visits to their constituencies.

Mr. Hughes: To ask the Secretary of State for National Heritage if she will list each official visit which she has made to the London borough of Southwark since her appointment and the date in each case of the notification of the visit to the hon. Member whose constituency she visited. [2921]

Mrs. Bottomley *[holding answer11 November 1996]:* Official visits to the London borough of Southwark since my appointment include:

29 August 1995: A rehearsal for British Youth Opera at South Bank university

27 September 1995: A site visit to Bankside, Summer street

3 October 1995: A visit to GMTV Studios, London TV Centre, South Bank

26 October 1995: A visit to South Bank Centre, Royal Festival Hall

26 October 1995: Attend the launch of "Centenary of Cinema", at the Museum of the Moving Image, South Bank

9 November 1995: Visit to the Globe theatre, Bankside and the Rose theatre site

8 January 1996: Attend AA and Power Exhibition, at the Hayward gallery, South Bank

12 March 1996: Open the headquarters of Groundwork Southwark, and visit Burgess Park

30 July 1996: Attend the Arts Review launch at the Royal Festival Hall

31 July 1996: Visit Butler's Wharf Chef School

19 September 1996: Attend a lunch to launch stage 2 of "Making more of music", at The Warehouse, Theed street

23 October 1996: Open "Charlotte Perriand: Modernist Pioneer" Exhibition, at the Design museum

30 October 1996: Launch of The Human Resources Document at Butler's Wharf Chef School

21 November 1996: Launch of English Heritage annual report at the Oxo tower

It was not previously the practice in my Department routinely to maintain records of notification of visits. However, details exist of letters of 16 July, 29 October and 18 November to the office of the hon. Member for Southwark and Bermondsey (Mr. Hughes) regarding the events on 30 July, 30 October and 21 November respectively.

Mr. Hughes: To ask the Secretary of State for National Heritage when she next plans to visit the London borough of Southwark to discuss the operation of the national lottery. [4298]

Mrs. Bottomley *[holding answer18 November 1996]*: I have no immediate plans to do so.

Film Industry Finance

Mr. Yeo: To ask the Secretary of State for National Heritage what is the Government's response to the report of Sir Peter Middleton's advisory committee on film finance. [8044]

Mrs. Virginia Bottomley: I have today announced the Government's response to the report of the advisory committee on film finance. Copies of the press release have been placed in the Libraries of both Houses.

The Government are grateful to Sir Peter Middleton and his committee for their expert analysis of the obstacles to raising investment finance of British film making and for their recommendations on how these obstacles might be overcome.

The Government have accepted most of the committee's recommendations. Specifically:

the Government intend to work with the film industry and financial sector to establish a new forum to promote better understanding of each other's activities. The new body, which will be chaired by Sir Peter Middleton, will be called the Film Finance Forum;

the Government will consult the film industry and other interested parties on the statutory definition of a British film and will consider, in the light of comments received, whether changes to the existing definition are necessary;

the Government welcome the announcement by the Arts Council of England that it intends to apply national lottery money more strategically to the film industry to help create the market-focused film making structures recommended in the report;

the Government will continue to negotiate in Brussels for a European audiovisual guarantee fund which is entirely commercial in its approach and private sector led from the outset.

The Government did not accept the recommendations made by the committee regarding improvements to the tax regime for the film industry or staying in the Council of Europe's Eurimages co-production programme.

Broadcasting

Mr. David Nicholson: To ask the Secretary of State for National Heritage what proposals she has to extend the provisions of the Broadcasting (Channel 3 Transmission and Shared Distribution Costs) Order 1991. [8045]

Mrs. Virginia Bottomley: The Broadcasting (Channel 3 Transmission and Shared Distribution Costs) Order 1991 expires on 31 December 1996. I intend shortly to lay a statutory instrument under section 66 of the Broadcasting Act 1990 to extend the provisions of the 1991 order until 31 December 2002. The Government will review the provision of transmission facilities to the channel 3 network in the course of 2000 and decide at that point whether the order should be further renewed beyond 2002.

DUCHY OF LANCASTER

Master of Business Administration Course

Mr. McAvoy: To ask the Chancellor of the Duchy of Lancaster how many civil servants are undertaking the recently introduced master of business administration course for public servants; and what are *(a)* the grades and *(b)* the respective Departments of those undertaking the course. [7041]

Mr. Freeman: There are currently 45 civil servants undertaking the public sector MBA course on full and part-time programmes. A further 16 civil servants finished full-time programmes in September 1996. This total of 61 are distributed between Departments as detailed in the table. A number of students will begin part-time programmes in January 1997. Information on the grades of participating students is not held centrally, and has not been collected on the grounds that the variation in grading systems across Departments and agencies makes such data of limited value.

Department	*Full-time 1995–96*	*Part-time 1995–97*	*Full-time 1996–97*	*Total*
MAFF	2	—	1	3
Cabinet Office	—	—	1	1
Central Statistical Office	—	1	—	1
Crown Prosecution Service	—	1	—	1
HM Customs and Excise	—	1	1	2
Ministry of Defence	1	2	6	9
Department for Education and Employment	3	4	—	7
Department of the Environment	—	2	1	3
Foreign and Commonwealth Office	1	—	1	2
GCHQ	—	—	2	2
Department of Health	3	—	1	4
Health and Safety Executive	—	1	—	1
Home Office	—	3	2	5
Inland Revenue	—	2	—	2
Overseas Development Administration	1	—	—	1
Department of Social Security	—	4	—	4
OFSTED	—	1	—	1
Scottish Office	—	1	—	1
Department of Trade and Industry	2	—	3	5
Department of Transport	1	1	2	4
Her Majesty's Treasury	2	—	—	2
Total	16	24	21	61

FOREIGN AND COMMONWEALTH AFFAIRS

Turkey

Mr. Jon Owen Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the measures he has taken to encourage the Turkish Government to honour their international human rights obligations. [7680]

Mr. David Davis: We regularly raise our concerns over Turkey's human rights record in our bilateral contacts with the Turks at all levels. My right hon. and learned Friend the Foreign Secretary did so when he met the Turkish Foreign Minister in September and the subject

will of course be on the agenda at their next meeting on 5 December. We also take action with our partners through the European Union and in international forums such as the UN Commission on Human Rights in November.

Japanese Pupils (Visas)

Mr. Garnier: To ask the Secretary of State of Foreign and Commonwealth Affairs what type of visa is required by Japanese citizens intending to study at British boarding schools between the ages of 11 and 18 years. [7279]

Mr. Kirkhope: I have been asked to reply.

A national of Japan does not need to obtain a visa before travelling to the United Kingdom as a student. However, he may apply for an entry certificate should he wish to do so. The criteria for entry as a student are set out in paragraph 57 of the "Statement of Changes in the Immigration Rules", HC 395, as amended, a copy of which is in the Library.

LORD CHANCELLOR'S DEPARTMENT

Courts and Legal Services Act

Mr. Etherington: To ask the Parliamentary Secretary, Lord Chancellor's Department how many representations he has received regarding the delay in implementing section 13 of the Courts and Legal Services Act 1990. [6792]

Mr. Streeter: According to our records, six representations have been received by Ministers, two in the form of parliamentary questions and four letters from Members of Parliament. In addition, in the course of work on revising the administration order procedure and assessing the feasibility of implementing section 13, views have been sought and received from many bodies and organisations.

Mr. Etherington: To ask the Parliamentary Secretary, Lord Chancellor's Department when the section 13 monitoring group last met; and what issues were discussed. [6793]

Mr. Streeter: The monitoring group last met on 29 November 1993. It discussed the objectives of the administration order procedure, secured and unsecured debts, and non-payment under an administration order.

ENVIRONMENT

River Thames (Nitrates)

Mr. Martyn Jones: To ask the Secretary of State for the Environment what assessment he has made of changes in the *(a)* source and *(b)* quantities of nitrates in the River Thames over the last six years; and if he will make a statement. [6815]

Mr. Clappison: Nitrate concentrations in surface waters, including the River Thames, and in groundwaters are monitored by the Environment Agency as required by various European directives. The resulting data enable us to identify, and review as necessary, when action is needed to comply with the requirements of these directives in relation to nitrate pollution. For example, in the context of the nitrate directive, assessment of 1992 data on nitrate concentrations in surface waters led to the designation of nitrate vulnerable zones covering nine river catchments. The River Thames did not meet the criteria for designation in the first round. We shall be reviewing the vulnerable zone designations in 1997, as required by the directive, based on monitoring data currently being collected by the agency and available on their public registers in the usual way. The latest data on trends in river nitrate concentrations in the Thames region and in other parts of Great Britain are presented in the Department's 1996 Digest of Environmental Statistics, No. 18.

City Pride Initiative

Mr. Vaz: To ask the Secretary of State for the Environment what assessment he has made of the likely benefits to be received by the seven new areas challenged to join the city pride initiative. [7176]

Mr. Curry: Ministers have had a number of discussions with the partners involved to date in city pride. Birmingham, London and Manchester, the three cities invited to pilot the city pride initiative in November 1993, have demonstrated the benefits by forging partnerships and, after extensive local consultation, producing detailed prospectuses setting out clear and deliverable visions for the future of their cities. The pilot cities are now implementing the proposals set out in these prospectuses. The seven new areas challenged to join the city pride initiative have an opportunity to demonstrate they can achieve the same excellent results.

City Challenge

Mr. Vaz: To ask the Secretary of State for the Environment how many applications for city challenge funding in the last financial year were unsuccessful; and what estimate he has made of the cost of submitting the bids. [7175]

Mr. Curry: There were no applications for city challenge funding in the last financial year; 329 final bids were received in respect of the second round of the single regeneration budget challenge fund, for which the deadline was 18 September 1995. Some 172 bids were successful—over 52 per cent. of the total of final bids received. The Government have made no estimate of the cost of submitting bids. We have, however, commissioned independent research from the department of land economy, Cambridge university, into the single regeneration budget challenge fund. As part of that research, a report in the form of a working paper has been prepared on a sample of 10 unsuccessful SRB challenge fund bids. Copies of this paper have been placed in the Library of the House. This working paper estimated on page 28 that the cost of preparing unsuccessful bids varied from £10,000 to £23,000. The evidence from the unsuccessful bids studied in the report suggested that the challenge fund programme strengthened the formation and effectiveness of local partnerships, and that inter-agency co-operation had been enhanced. The report also concluded that there was no suggestion that the costs of preparing SRB bids were necessarily greater than preparing proposals under other funding regimes.

Offshore Installations (Pollution)

Mr. Meacher: To ask the Secretary of State for the Environment if he will place in the Library copies of all reports prepared by Government laboratories or consultants to his Department on the monitoring of pollution arising from offshore oil installations since 1979. [7021]

Mr. Clappison: The directorate of fisheries research of the Ministry of Agriculture, Fisheries and Food regularly produces reports in the aquatic environment monitoring reports series on this subject, which are placed in the Library. Similar reports are produced by the Scottish Office. My Department has commissioned no recent reports from consultants for this purpose.

Private Finance Initiative

Mr. Vaz: To ask the Secretary of State for the Environment if he will make a statement on his Department's proposals for the use of the private finance initiative in respect of local government expenditure. [7306]

Sir Paul Beresford: On 31 October we relaxed the capital finance rules to promote the private finance initiative in local government. We also issued guidance on those relaxations and associated arrangements for revenue support for PFI projects.

Development Land Values (Taxation)

Mr. Nicholas Winterton: To ask the Secretary of State for the Environment on how many occasions in the past five years schemes have been brought forward by the Government for the introduction of taxes on development land values; in what years those schemes were brought forward; in what years they were abolished and for what reasons; and if he will make a statement. [7713]

Mr. Gummer: The Government have brought forward no such schemes in the past five years.

Mr. Winterton: To ask the Secretary of State for the Environment what assessment he has made of the advantages of imposing new taxes on the development for residential purposes of green-field sites; and if he will make a statement. [7712]

Mr. Gummer: I have not proposed such taxes, and have no intention of doing so.

Private Sector Housing Renewal

Mr. Booth: To ask the Secretary of State for the Environment when he intends to give local authorities guidance on the private sector housing renewal provision in part I of the Housing Grants, Construction and Regeneration Act 1996. [8088]

Mr. Clappison: DOE circular 17/96 "Private Sector Renewal: A Strategic Approach" is being sent to local authorities today. I have arranged for copies to be placed in the Library of each House.

The circular takes account of changes to the system of house renovation grants made by part I of the Housing Grants, Construction and Regeneration Act 1996 which will come into force on 17 December. The circular updates and consolidates in one document all previous guidance on private sector renewal and emphasises the need for local authorities to develop strategies to make the best use of the powers and resources that they will have for promoting private sector renewal. The guidance was prepared with the help of an advisory group of local authority practitioners and has been subject to consultation with the local authority associations and other interested organisations.

National Forest

Mr. Booth: To ask the Secretary of State for the Environment when he intends to report on progress in implementation of the national forest. [8090]

Mr. Clappison: I have today arranged for copies of the National Forests Company's 1996 annual report and accounts to be available in the House Library.

Valuation Tribunal Service

Mr. Hawkins: To ask the Secretary of State for the Environment if he will make a statement about the forthcoming finance, management and policy review of the valuation tribunal service. [8089]

Sir Paul Beresford: As part of the Government's programme of regular five-yearly finance, management and policy reviews of non-departmental public bodies, my Department will conduct a thorough review of the valuation tribunal service beginning on 5 December. The first stage of the review will take the form of a prior options study. This will assess the extent to which the functions that the valuation tribunal service performs are necessary for the achievement of the Government's policies, and whether there is scope for privatising, contracting out or transferring all, or part, of its functions to another body.

The progress made by the valuation tribunal service since the previous review in 1992 will be examined and the results of that examination and of the prior options study will inform a detailed review of the service's policy and financial management systems. To minimise the uncertainty that the prior options study will cause, I expect this part of the review to be completed within six months. The time required for the more detailed review cannot be foreseen, but I would expect it also to last no longer than six months.

In carrying out the study, my Department will consult widely with all parties with an interest in the work of the valuation tribunal service.

ATTORNEY-GENERAL

Environmental Auditing

Mr. Martyn Jones: To ask the Attorney-General, pursuant to his answer of 25 November, *Official Report*, column 82, regarding examples of improving efficiency through environmental auditing, if he will list the occasions on which environmental considerations have been taken into account in respect of procurement and accommodation management matters. [7198]

The Solicitor-General: All four Law Officers' Departments keep environmental aspects of their accommodation and procurement activities under regular review. Examples of action already taken in one or more of the Departments are: the fitting of new controls on

heating and air conditioning plant to reduce energy consumption; the use of energy efficient lamping; the installation of modern flushing systems and rapid response arrangements for reported leaks; furniture purchase contracts which specify that wood should be from sustainable resources; and the stipulation in cleaning contracts that only environmentally friendly cleaning products should be used.

EDUCATION AND EMPLOYMENT

National Vocational Qualifications

Mr. Bryan Davies: To ask the Secretary of State for Education and Employment how many national vocational qualifications awarded by the end of December 1995 were achieved by *(a)* private sector and *(b)* public sector employees. [6942]

Mr. Paice: Data are not available on the number of national vocational qualifications awarded to private sector and public sector employees.

Open University

Mr. Byers: To ask the Secretary of State for Education and Employment what plans she has to introduce a right for students of the Open university to have their examination papers re-marked on appeal. [7420]

Mr. Forth: It is for the Open university, as an autonomous higher education institution, to establish its own procedures for marking examination papers and to set up appropriate appeals procedures.

Education Expenditure

Mr. Blunkett: To ask the Secretary of State for Education and Employment what amounts have been requested by way of capital spending in 1997–98 by each local education authority; and what has been the total amount requested in England. [7473]

Mr. Don Foster: To ask the Secretary of State for Education and Employment what was the schools capital expenditure annual capital grants bid for each local education authority for 1997–98. [7711]

Mrs. Gillan: Each year we invite LEAs to submit their plans for education capital expenditure so that we can determine the level of their annual capital guidelines. The following table shows the total of each LEA's planned expenditure for 1997–98, as submitted to the Department in October.

Lea	*Total planned expenditure (£000)*
Barking and Dagenham	3,584
Barnet	8,143
Barnsley	5,361
Bath and North-east Somerset	4,,382
Bedfordshire	9,897
Berkshire	5,892
Bexley	7,787
Birmingham	53,490
Bolton	5,872
Bournemouth	7,179
Bradford	63,643
Brent	10,278
Brighton and Hove	4,311
Bristol	3,024
Bromley	3,974
Buckinghamshire	13,740
Bury	1,900
Calderdale	9,121
Cambridgeshire	27,575
Camden	4,933
Cheshire	39,356
City	0
Cornwall	9,605
Coventry	12,334
Croydon	6,736
Cumbria	20,529
Darlington	3,488
Derby	8,837
Derbyshire	30,355
Devon	38,113
Doncaster	3,527
Dorset	14,341
Dudley	5,505
Durham	49,951
Ealing	67,218
East Riding of Yorks	2,872
East Sussex	24,747
Enfield	22,652
Essex	84,555
Gateshead	10,282
Gloucestershire	31,964
Greenwich	10,568
Hackney	9,073
Hammersmith and Fulham	9,371
Hampshire	28,299
Haringey	16,573
Harrow	16,926
Hartlepool	3,921
Havering	5,851
Hereford and Worcester	10,890
Hertfordshire	27,171
Hillingdon	3,814
Hounslow	7,447
Hull	12,826
Isle of Wight	12,094
Isles of Scilly	49
Islington	8,839
Kensington and Chelsea	2,555
Kent	50,939
Kingston	5,969
Kirklees	6,795
Knowsley	2,901
Lambeth	22,534
Lancashire	34,469
Leeds	42,407
Leicester	1,486
Leicestershire	6,375
Lewisham	30,904
Lincolnshire	8,936
Liverpool	23,325
Luton	8,568
Manchester	48,375
Merton	6,552
Middlesbrough	2,198
Milton Keynes	12,179
North Somerset	5,269
North Tyneside	8,169
North Yorkshire	29,821
North-east Lincolnshire	14,471
Newcastle	5,372
Newham	10,461
Norfolk	23,979
North Lincolnshire	6,007
Northamptonshire	20,729
Northumberland	1,799

Lea	Total planned expenditure (£000)
Nottinghamshire	24,672
Oldham	8,048
Oxfordshire	30,218
Poole	4,442
Portsmouth	9,438
Redbridge	12,611
Redcar and Cleveland	2,856
Richmond	4,685
Rochdale	8,669
Rotherham	4,770
Rutland	290
South Gloucestershire	8,367
South Tyneside	9,677
Salford	29,083
Sandwell	11,982
Sefton	3,521
Sheffield	51,309
Shropshire	5,981
Solihull	4,708
Somerset	12,130
Southampton	3,229
Southwark	8,260
St. Helens	5,310
Staffordshire	24,120
Stockport	6,028
Stockton on Tees	5,754
Stoke on Trent	9,147
Suffolk	21,155
Sunderland	9,010
Surrey	25,683
Sutton	8,071
Tameside	5,901
Thamesdown	5,269
Tower Hamlets	12,595
Trafford	8,957
Wakefield	27,486
Walsall	6,804
Waltham Forest	11,937
Wandsworth	4,439
Warwickshire	5,528
West Sussex	12,920
Westminster	4,853
Wigan	16,365
Wiltshire	10,760
Wirral	9,976
Wolverhampton	12,798
York	5,223
Totals	1,903,343

TREASURY

Gross Domestic Product

Mr. Meacher: To ask the Chancellor of the Exchequer what has been the level of United Kingdom gross domestic product for each year since 1970 at *(a)* current prices and *(b)* 1996 prices; what has been the annual percentage change in United Kingdom gross domestic product at constant prices for each of these years; what was the Government take of gross domestic product in each of these years at *(a)* current prices and *(b)* 1996 prices; and what was the annual percentage change in this Government share of gross domestic product at constant prices in each of these years. [5570]

Mrs. Angela Knight: Figures for GDP at current and constant prices are published in table 1.1 of the "United Kingdom National Accounts—The Blue Book". Government receipts as a percentage of money GDP are provided in the "Financial Statement and Budget Report". This shows that general Government receipts as a percentage of money GDP are currently lower that at any time during the last Labour Government.

Women

Ms Janet Anderson: To ask the Chancellor of the Exchequer what steps he is taking to measure and evaluate the effect of his Department's policies on women. [5478]

Mrs. Angela Knight: In July this year the model guidance on policy appraisal for equal treatment was revised and circulated at Cabinet level for Departments to adapt to their own circumstances. A copy was placed in the Library of the House. Advice based on this model will be circulated to officials in the Treasury.

Economic and Monetary Union

Mr. Llew Smith: To ask the Chancellor of the Exchequer what proposals he has drawn up in regard to recital 13 of the European Commission's draft regulation on surveillance and co-ordination of budgetary positions of European Union member states in respect of the Maastricht treaty articles on economic and monetary union. [6790]

Mr. Kenneth Clarke: The text of the draft regulation remains to be negotiated by the Council of Ministers in due course. I now expect these negotiations to start early next year. Under the treaty provisions negotiated at Maastricht, no new economic policy obligations can be imposed on the UK unless we decide to join the single currency.

Mr. Smith: To ask the Chancellor of the Exchequer if he will make a statement on the implications of the stability pact to be established as part of the preparations for economic and monetary union for levels of employment and security of employment. [6808]

Mr. Clarke: I refer the hon. Member to the statements that I made to the House on 25 November, *Official Report*, columns 21–43, and on 3 December, *Official Report*, columns 797–813. By helping to ensure a stable macroeconomic environment in the third stage of EMU, a credible and effective stability pact would help provide a strong foundation for employment-creating growth. Negotiations on the details of a pact which might prove credible and effective are continuing.

Mr. Smith: To ask the Chancellor of the Exchequer what proposals he plans to put forward in respect of article 109j(3) of the Maastricht treaty. [6830]

Mr. Clarke: The Council of Economic and Finance Ministers agreed at its meeting on 11 November, under article 109j(2) of the EC treaty, that there is not at present a majority of countries which fulfil the conditions for the adoption of the single currency and that stage 3 of economic and monetary union will not therefore start in 1997. It has recommended its finding to the Council, meeting as Heads of State and Government, for a final decision under article 109j(3) in Dublin on 13 and 14 December. This recommendation has been submitted for scrutiny in the usual way.

Mr. Smith: To ask the Chancellor of the Exchequer what response he has made in respect of the European Commission proposals for *(a)* council regulation on the strengthening of the surveillance and co-ordination of budgetary positions, and *(b)* council regulation on speeding up and clarifying the implementation of the excessive deficit procedure, COM (96) 496 final of 16 October; and if he will place copies in the Library. [6789]

Mr. Clarke: I submitted to Parliament an explanatory memorandum on the Commission's published proposals on 31 October 1996 and subsequently made statements to the House on 25 November *Official Report*, columns 21–43, and on 3 December *Official Report*, columns 797–813, clarifying the Government's position and approach to the draft stability pact regulations. I also wrote to all Members of Parliament on 22 November 1996 on this same subject, arranging for copies of the letter to be deposited in the Libraries of both Houses.

Sir John Stanley: To ask the Chancellor of the Exchequer what assessment he has made of the implications of Britain's opt-out from the final stage of EMU for the application of provisions of the stability pact to Britain while the opt-out is maintained. [5443]

Mr. Clarke *[holding answer 21 November 1996]:* The Commission's draft regulations on the stability pact imply no sanctions or new policy obligations that can be imposed on those member states that do not participate in a single currency. The UK's opt-out will remain effective for as long as we choose to maintain it.

Tax (Tobacco Products)

Mr. Cummings: To ask the Chancellor of the Exchequer what estimate he has made of the loss in tobacco tax revenue for *(a)* 1995–96 and *(b)* 1996–97 arising from (i) legal and (ii) illegal imports. [6899]

Mr. Oppenheim: Customs' latest estimate of total tax revenue—excise duty and VAT—lost from legitimate personal imports of tobacco products purchased duty paid in other EU member states is £80 million for the calendar year 1995. Customs estimate that total tax revenue of £70 million was lost from this activity in calendar year 1994.

Customs' current estimate of revenue evaded by smuggling of tobacco products is £560 million per year. This figure does not include any amount for commercial fraud. The actual loss to the Exchequer could be less than the amount evaded if some smuggling represents additional consumption rather than substituting for similar goods bought in the UK. Customs have no official estimate of the extent of such additional consumption, if any. There was no previous official estimate of revenue evaded by smuggling.

Interest Rates

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer if he will list the levels of real interest rates for each year since 1976 and for each quarter since the first quarter of 1992. [7387]

Mrs. Angela Knight: Data on short-term interest rates and inflation can be found in "Financial Statistics" table 7.10 and "Economic Trends" table 1.1, respectively. Both publications are available from the House Library.

Private Finance Initiative

Mr. Chidgey: To ask the Chancellor of the Exchequer how many private finance initiative contracts have been let in each quarter by the Departments of *(a)* Health, *(b)* Education and Employment and *(c)* Transport since the introduction of the private finance initiative. [7724]

Mr. Jack: Information at that level of detail is not held centrally. Questions about PFI in particular Departments are a matter for the Departments concerned.

Mr. Chidgey: To ask the Chancellor of the Exchequer what was the Government's initial forecast for private finance initiative uptake by November; and what figures were achieved. [7723]

Mr. Jack: No target was set for November 1996. By April 1996, £4.8 billion of PFI deals had been agreed, against a target of £5 billion; £7 billion of PFI deals have now been agreed and we remain on course to meet the target of £14 billion of agreed PFI deals by the end of 1998–99.

Finance Bill

Mr. Matthew Banks: To ask the Chancellor of the Exchequer when the Finance Bill will be published; and if he will make notes on clauses available to hon. Members as usual. [8046]

Mr. Jack: The Finance Bill will be published on Friday 3 January 1997. Explanatory notes on the Bill's clauses will be placed in the Vote Office and the Library of the House that day. In addition, the public will be able to obtain copies of the explanatory notes from the Treasury. They will also be available on the Internet at http://www.hm treasury.gov.uk. The explanatory notes build on the information previously provided in the notes on clauses by containing fuller explanatory material for each clause and schedule in the Bill, and aim to provide Parliament with a better understanding of the purpose and effect of the Government's proposals.

EU Budget

Mr. Matthew Banks: To ask the Chancellor of the Exchequer if he will make a statement on the outcome of the European Union Budget Council held on 19 November. [8174]

Mr. Oppenheim: Sir Stephen Wall, United Kingdom representative to the European Union, represented the United Kingdom at the Budget Council on 19 November. The Council considered the European Parliament's proposed changes to the draft budget which the Council established in July—see *Official Report*, 12 November 1996, columns *161–62*—and established a second reading draft budget for 1997.

The Council's second reading draft budget totals 88,759 million ecu or £69,425 million in commitment appropriations and 81,877 million ecu or £64,042 million in payment appropriations. The second reading draft budget is 1,470 million ecu or £1,150 million in commitments and 3,930 million ecu or £3,074 million in payments below the financial perspective ceilings and at 1.16 per cent. of Community gross national product is substantially within the new own resources ceiling of 1.24 per cent. The following table compares the outcome of the Budget Council with the proposals in the Commission's

preliminary draft budget and with the proposals in the European Parliament's draft budget, with reference to the financial perspective ceilings.

The European Parliament will consider the draft budget for 1997 at its plenary session in December. The 1996 Community budget is expected to be adopted by the Parliament on 12 December, to take effect from 1 January 1997.

The Council took no formal votes, the presidency concluding that there was the necessary majority to establish the second reading draft budget for 1997.

The Council also agreed letter of amendment No. 2 to the 1997 draft budget which provides for the financing of certain agricultural measures in connection with beef consumption.

£1= 1.2785 ecu

	Financial perspective ceilings[1]		*Preliminary draft budget*		*European Parliament first reading draft budget*		*Budget council second Reading Draft budget*	
	mecu	*£ million*	*mecu*	*£ million*	*mecu*	*£ million*	*mecu*	*£ million*
Commitment appropriations								
1. EAGGF guarantee	41,805	32,698	41,805	32,698	40,805	31,916	40,805	31,916
2. Structural operations	31,477	24,620	31,477	24,620	31,477	24,620	31,477	24,620
3. Internal policies	5,603	4,382	5,523	4,320	5,529	4,325	5,462	4,272
4. External action	5,622	4,397	5,528	4,324	5,495	4,298	5,400	4,224
5. Administration	4,352	3,404	4,369	3,418	4,284	3,350	4,245	3,320
6. Reserves	1,158	906	1,58	906	1,158	906	1,158	906
7. Compensation	212	166	212	166	212	166	212	166
Union priorities	—	—	—	—	300	235	—	—
Negative reserve	—	—	—	—	73	57	—	—
Total: Commitment appropriations	90,229	70,574	90,072	70,452	89,187	69,759	88,759	69,425
Total: Payment appropriations	85,807	67,115	84,521	66,110	82,515	64,541	81,877	64,042

[1] Throughout this reply the rate of £1=1.2785 ecu has been used (the rate notified in the *Official Journal* as prevailing on the last working day of the last month (31 October).

Open-ended Investment Companies

Mr. Matthew Banks: To ask the Chancellor of the Exchequer what progress has been made with proposals for open-ended investment companies. [8175]

Mrs. Angela Knight: Regulations under the European Communities Act 1972, permitting the formation in Great Britain of the first stage of open-ended investment companies, those which fall within the scope of the undertakings for collective investment in transferable securities directive, were made on 11 November and come into force on 6 January 1997.

The Treasury is publishing today a consultation document outlining proposals to enable the formation of a second stage of open-ended investment companies, which would also be regulated by the Securities and Investments Board, with a wider range of investment powers. I am placing copies of the document in the Library of the House. Subject to the outcome of the consultations, which will continue until 24 January 1997, I hope to lay an order under the Deregulation and Contracting Out Act 1994 to bring this about. I look forward to receiving the views of the investment funds industry and other interested parties on these proposals which will bring the investment opportunities for open-ended investment companies into line with those for authorised unit trusts.

Utility Prices

Mr. Battle: To ask the Chancellor of the Exchequer if he will express in real terms, and where the year of privatisation equals 100, the utility component of the retail prices index including VAT in *(a)* the latest available period and *(b)* 1979 for (i) gas prices, (ii) electricity prices, (iii) electricity and gas prices, (iv) water prices and (v) electricity, gas and water prices. [5302]

Mr. Jack *[holding answer 25 November 1996]:* The information requested is given in the table. As the table shows, even including the introduction of VAT for electricity and gas, prices have rise more slowly than overall retail prices since privatisation. Water price changes reflect the large-scale capital investment and environmental programmes to which the privatised utilities are committed.

	Gas[1]	*Electricity*[1]	*Electricity and gas*[2]	*Water*[1]	*Electricity, gas and water*[2]
Year of privatisation	*1986*	*1990*	*1990*	*1989*	*1990*
1979	76	98	93	73	91
October 1996	80	98	96	146	103

[1] Source ONS.
[2] Using 1990 weights.

The components of the retail prices index for electricity and gas, and for electricity, gas and water assume a privatisation year of 1990—the year that the electricity utilities were fully privatised. These figures have been deflated by the RPI, and include VAT for electricity and gas.

HOME DEPARTMENT

Air Weapons

13. **Ms Corston:** To ask the Secretary of State for the Home Department if he will make a statement on the licensing of air weapons. [6160]

Mr. Maclean: High-powered air weapons already require a firearms certificate in the same way as other firearms. Low-powered air weapons do not, but there are restrictions on their possession and use by young people under 17.

Electronic Tagging

14. **Mrs. Fyfe:** To ask the Secretary of State for the Home Department in how many cases in respect of shoplifting, electronic tagging has been used in place of a custodial sentence. [6161]

Mr. Sackville: Since the trials began in July 1995, 48 offenders have been sentenced to a curfew order and tagged after conviction for an offence of theft, including theft from shops. It is not possible to know in which of these cases the court would have passed a custodial sentence had electronic monitoring not been available.

Kent Chief Constable

15. **Mr. David Shaw:** To ask the Secretary of State for the Home Department if he will meet chief constables from Kent to discuss policing. [6162]

Mr. Howard: I met the chief constable on 22 November. We discussed a number of policing issues, including his initiatives for tackling crime in the county in partnership with the local community.

City Centre Crime

16. **Mr. Fabricant:** To ask the Secretary of State for the Home Department if he will make a statement on the initiatives he is taking to reduce city centre crime. [6163]

Mr. Maclean: Our strategy for tackling crime is a four-pronged approach:

(1) ensuring that everything possible is done to prevent crime;

(2) that the police have the powers and resources they need to catch criminals;

(3) that the innocent are acquitted and the guilty convicted; and

(4) that criminals are properly punished.

North London (Policing)

17. **Sir Michael Neubert:** To ask the Secretary of State for the Home Department when he next expects to meet the Commissioner of Police of the Metropolis to discuss the policing of north London. [6164]

Mr. Maclean: My right hon. and learned Friend meets the Commissioner regularly to discuss the policing of all parts of the Metropolitan area. The last such meeting was on 20 November.

European Immigration Policies

18. **Dr. Goodson-Wickes:** To ask the Secretary of State for the Home Department what recent discussions he has had with his European counterparts on immigration policies. [6165]

Mr. Howard: I have regular discussions on immigration matters with his counterparts, under the auspices of the Justice and Home Affairs Council.

Sex Offence Cases

19. **Mr. Pickthall:** To ask the Secretary of State for the Home Department what representations he has received on the use of abuse of process to frustrate trials in sex offence cases. [6166]

Mr. Maclean: My right hon. and learned Friend has not received any recent representations about applications to stay trials in sex offence cases on the grounds of abuse of process. If the hon. Member has concerns on this issue, I should be happy to pass them on to the appropriate authorities.

Young Offenders

20. **Mr. Clelland:** To ask the Secretary of State for the Home Department what proportion of young offenders are not engaged in work, training or education. [6167]

Mr. Maclean: A survey at 10 police stations in 1993–94 showed that 47 per cent. of those under 21 years charged or cautioned were not engaged in work, training or education.

23. **Mr. David Nicholson:** To ask the Secretary of State for the Home Department what proposals he has to reform the criminal justice system in respect of the treatment of young offenders. [6171]

Mr. Maclean: The Government have introduced a number of measures to improve the criminal justice system in respect of the treatment of young offenders. We have tightened up the criteria for cautioning and introduced new standards for the supervision of young offenders in the community. The Crime (Sentences) Bill provides for the extension of electronic monitoring of curfew orders to 10 to 15-year-olds. In addition. the Government intend to publish a Green Paper on preventing children and young people most at risk of offending from becoming involved in crime.

26. **Dr. Lynne Jones:** To ask the Secretary of State for the Home Department if he will list for each of the last three years the number of cases where the police have asked for charges to be brought against young offenders; and what percentage of such cases have resulted in a court conviction. [6174]

Mr. Maclean: Statistics on police charges are not available centrally. Information based on court proceedings data is given in the table.

Prosecutions of offenders aged 10 to 20 at magistrates courts and convictions at all courts, 1993 to 1995

England and Wales, Indictable offences

	Prosecutions at magistrates courts[1]	*Convictions at all courts*	*Percentage*
1993	149,100	80,900	67
1994	155,600	83,600	62
1995	150,000	81,600	63

[1] Includes the youth court.

29. **Mr. Congdon:** To ask the Secretary of State for the Home Department what plans he has to ensure that the public are protected from persistent young offenders. [6177]

Mr. Maclean: The Government have introduced a number of measures to ensure that the public are protected from persistent young offenders. We have strengthened the courts' powers for dealing with such offenders by increasing the maximum sentence for youth custody for 15 to 17-year-olds, by introducing long periods of

detention for 10 to 13-year-olds for serious offences and by providing for a new sentence for persistent 12 to 14-year-old offenders.

The Crime (Sentences) Bill extends the electronic monitoring of curfew orders to 10 to 15-year-olds and gives youth courts the discretion to allow the identification of juveniles convicted of an offence.

The Government intend to publish a Green Paper on preventing children and young people most at risk of offending from becoming involved in crime.

Mr. Harry Greenway: To ask the Secretary of State for the Home Department what assessment he has made of the effectiveness of juvenile courts in deterring youth criminality. [6333]

Mr. Maclean: It is not the youth court itself that is intended to deter offending, but the sentences that the court passes on those whom it has found guilty. The Government collect data on re-conviction rates for sentences imposed on juvenile offenders aged 14 to 16 years. The latest available figures are for 1991 and are provided in the table.

Table 1: Reconviction rates within two years, based on the 1991 sentencing sample by age at sentence

Age at sentence	*Reconviction rate*	*Number sampled*
Aged 14 to 16		
Absolute discharge	[83]	[6]
Conditional discharge	58	571
Fine	59	220
Supervisor order	80	275
Community service order	76	50
Attendance centre order	70	224
Care order	[80]	[5]
Otherwise dealt with	53	32

Drug Seizures

21. **Mr. Simon Coombs:** To ask the Secretary of State for the Home Department what is the total estimated street value of the drugs seized in the United Kingdom in each of the last three years. [6168]

Mr. Maclean: The total estimated street value of drugs seized by Her Majesty's Customs and Excise was £475 million in 1993, £551 million in 1994, and £458 million in 1995.

Estimates of the street value of police seizures of illegal drugs are not collected centrally.

Police and Local Authority Co-operation

22. **Mr. Touhig:** To ask the Secretary of State for the Home Department what plans he has to make co-operation between local authorities and the police on matters of crime prevention a statutory requirement. [6170]

Mr. Maclean: None.

Holocaust Denial

24. **Mr. Gapes:** To ask the Secretary of State for the Home Department what plans he has to make holocaust denial a criminal offence. [6172]

Mr. Kirkhope: I have no such plans.

Knives

25. **Mr. Llwyd:** To ask the Secretary of State for the Home Department what assessment he has made of the current legislation affecting the purchase by the public of knives; and if he will make a statement. [6173]

Mr. Maclean: The sale of flick-knives and gravity knives is prohibited under the Restriction of Offensive Weapons Act 1959, as amended. My right hon. and learned Friend can prohibit the sale of other weapons by specifying them in an order under section 141 of the Criminal Justice Act 1988. Fourteen bladed and other articles have been prohibited in this way. My right hon. and learned Friend will consider adding further articles where they can be defined in a way which distinguishes them from articles which have legitimate purposes. There were 62 convictions for offences under these two pieces of legislation between 1985 and 1995. We have also proposed the introduction of a new offence of marketing a knife in a way which suggests a violent use for it.

Prisoners (Serving of Sentences)

27. **Mr. Jacques Arnold:** To ask the Secretary of State for the Home Department what steps he is taking to ensure that convicted prisoners serve their full sentence. [6175]

Mr. Maclean: I believe that there should be greater honesty in sentencing. Accordingly, the Crime (Sentences) Bill contains provisions which will ensure that the sentence actually served will match more closely the sentence imposed by the court.

Mr. Stephen: To ask the Secretary of State for the Home Department if he will make a statement about the effects of his proposals to abolish the present parole and early release arrangements. [4048]

Mr. Maclean: I refer my hon. Friend to amendment No. 76 to the Crime (Sentences) Bill and the associated new clause 8, which were considered in Committee on 3 December. The amendments make clear the intended effects of the Government's proposals to abolish the present parole and early release arrangements.

Homeless People (Voting Rights)

28. **Mr. Barnes:** To ask the Secretary of State for the Home Department what representations he has received in the past year concerning the voting rights of homeless people; and if he will make a statement. [6176]

Mr. Sackville: As well as a small amount of correspondence from members of the public, we have received some 15 representations from hon. Members, mostly urging us to issue guidance to electoral registration officers. In addition, a petition organised by *The Big Issue* was received. Officials have also been in correspondence with organisations representing the homeless. Guidance was issued in July.

Japanese Pupils (Visas)

Mr. Garnier: To ask the Secretary of State for the Home Department how many Japanese citizens aged between 11 and 18 years held visas allowing them to study in the United Kingdom at boarding schools in each year from 1990 to 1996. [7280]

Mr. Kirkhope: The number of Japanese citizens aged 11 to 17 years who were admitted on arrival as students to the United Kingdom for more than six months were:

	Number
1990	860
1991	680
1992	890
1993	810
1994	870
1995	1,050
1996 January to September	[1]1,080

[1] Provisional.

Information on the type of education institution attended, and whether the person had an entry clearance, is not available.

Drunkenness (London)

Mr. John Marshall: To ask the Secretary of State for the Home Department if he will make a statement about the number of arrests for drunkenness in the Finchley and Golders Green division of the Metropolitan police during each of the past five years. [7251]

Mr. Maclean: The area of Finchley and Golders Green is policed by the Golders Green division of the Metropolitan police. The number of arrests for drunkenness on the division since 1994 is as follows:

Year	*Arrests*
1994	305
1995	366
1996 to date	135

Figures for earlier years are not readily available.

Police (Administrative Burdens)

Mr. Straw: To ask the Secretary of State for the Home Department what progress has been made in implementing each of the recommendations in the Home Office police research group paper 3, "Opportunities for Reducing the Administrative Burdens on the Police" (1993). [7444]

Mr. Maclean: The analysis contained in police research group paper 3, which was the work of independent consultants from PA Consulting Group commissioned by my right hon. and learned Friend, provided much of the source material for the Masefield scrutiny into administrative burdens on the police in the context of the criminal justice system.

The 16 recommendations contained in PA's report are reflected in the recommendations and endorsements subsequently presented in the Masefield scrutiny report. These recommendations are being taken forward by the trial issues group. An action plan is prepared quarterly to track progress with implementing the recommendations.

Mr. Straw: To ask the Secretary of State for the Home Department what were the recommendations of the Masefield scrutiny report on police paperwork; what progress has been made in implementing these recommendations; and if he will place a copy of the document in the Library. [7445]

Mr. Maclean: The Masefield scrutiny into administrative burdens on the police in the context of the criminal justice system reported in June 1995. Recommendation 4 and endorsements 8 and 9 in the report concerned police paperwork on case files.

Full or phased implementation of new style abbreviated files—endorsement 8—is taking place in 40 forces with the remaining three planning to introduce the new files by 31 December 1996. These new files were designed to reduce significantly the number of administrative documents required in cases which are likely to result in a guilty plea in the magistrates court. Police forces are required to prepare and implement a programme to employ civilians to produce records of taped interviews, or ROTIs—recommendation 4. A Home Office circular issued in July 1995 asked chief officers to implement this recommendation by 31 March 1997. In the new style abbreviated files, ROTIs have been replaced with short descriptive notes, or SDNs, comprising brief accounts of admissions, any mitigating or aggravating features and other relevant material. The SDNs are being piloted for 12 months.

The scrutiny endorsed the use of dual case files by the police and Crown Prosecution Service—endorsement 9. A total of 37 forces have now implemented the dual file system, with three others planning to do so by the end of 1996.

A copy of the scrutiny report has been placed in the Library.

Merseyside Police Authority

Mr. Parry: To ask the Secretary of State for the Home Department if he will make a statement on the current funding of the Merseyside police authority. [6169]

Mr. Maclean: The Government's proposals give Merseyside police authority a total spending power of £235 million in 1997–98, an increase of £8.3 million or 3.7 per cent. over 1996–97. The increase includes £1.1 million in additional grant as Merseyside's share of funding for the recruitment of additional police officers. It would be sufficient to recruit 55 more officers in 1997–98. It is for the chief constable to decide how to allocate his resources.

WALES

National Health Service Trusts

Mr. Morgan: To ask the Secretary of State for Wales what was the overspend or underspend position of each trust and each health authority as at 30 September 1996; and what appraisal he has made of the overall position relative to the budget figures. [5910]

Mr. Hague: NHS trusts are required to break even taking one year with another. This can be monitored only through accruals accounting reported in the trusts' income and expenditure statement. The Welsh Office receives regular monitoring returns from trusts and the position for the period ending 30 September is set out in table 1.

The total position reveals a reported surplus of £1.7 million, which is a significant improvement on the first quarter performance. Trusts that are reporting a deficit have been advised to take appropriate steps to rectify the situation.

Health authorities are required to ensure that spending is contained within notified cash limits for the financial year. Table 2 illustrates the health authority reported spend at the end of September against the latest notified revenue cash limit. No health authority is expected to exceed its finally notified cash limit at the end of the financial year.

Table 1: NHS Trusts Wales—year to date as at 30 September 1996 income and expenditure—net surplus/(deficit)

Trust	*£000*
Bridgend	(241)
Cardiff Community	175
Carmarthen	(414)
Ceredigion	(148)
Clwydian	112
Derwen	154
East Glamorgan	122
Glan y Mor	175
Glan Clwyd	43
Glan Hafren	(175)
Gwent Community	24
Gwynedd Community	1,009
Gwynedd Hospitals	1,137
Llandough	(1)
Llanelli	18
Mid Glamorgan Ambulance	52
Morriston	(1,608)
Nevill Hall	132
North Glamorgan	21
North Wales Ambulance	140
Pembroke	129
Powys	(25)
Rhondda	(71)
Swansea	7
SEWAT	(197)
UHW Dental	135
UHW	923
Velindre	330
West Wales Ambulance	21
Wrexham	(191)
Total	1,788

Table 2

£000

Health authority	*Latest notified cash limit*	*Reported spend at end September*
North Wales	373,847	186,979
Dyfed Powys	294,847	143,514
Morgannwg	299,945	147,733
Bro Taf	436,830	222,769
Gwent	304,698	150,902

School and College Inspections

Mr. Barry Jones: To ask the Secretary of State for Wales how much his Department and its agencies spent in each of the last three years on *(a)* school inspections and *(b)* further education inspections; and if he will make a statement. [7236]

Mr. Jonathan Evans: This is a matter for the Chief Inspector of Schools in Wales. I have asked him to write to the hon. Member, and a copy of his reply will be placed in the Library of the House.

Maindy Road Rail Depot, Cardiff

Mr. Jon Owen Jones: To ask the Secretary of State for Wales when he plans to make a decision on the planning appeal submitted by Railtrack over Cardiff county council's order to remove an office block from Maindy road rail depot. [7679]

Mr. Gwilym Jones: My right hon. Friend will issue his decisions on the appeal as soon as possible.

TRADE AND INDUSTRY

Child Labour

Mr. MacShane: To ask the President of the Board of Trade what representations he proposes to make about child labour at the forthcoming World Trade Organisation conference in Singapore. [7010]

Mr. Nelson: I will strongly support calls to encourage the International Labour Organisation in its efforts to promote the elimination of exploitative child labour worldwide.

Mr. MacShane: To ask the President of the Board of Trade what steps he is taking to ensure that goods imported into the United Kingdom are not produced by child labour. [7182]

Mr. Nelson: The Government are as strongly opposed to the exploitation of child labour as anyone, but we believe that import restrictions and other trade measures are not the way to deal with social issues.

Mr. MacShane: To ask the President of the Board of Trade what representations he has made to European Union member states about European Union policy on child labour at the World Trade Organisation interministerial conference in Singapore. [7008]

Mr. Nelson: We have made it clear to our European partners that we do not support the inclusion of trade and labour standards in the work programme of the World Trade Organisation or the establishment of a WTO working party on the issue, and the Council of Ministers has agreed to promote the primacy of the International Labour Organisation in this area.

Publicity

Mr. Donohoe: To ask the President of the Board of Trade what promotional and public information campaigns his Department is *(a)* currently running and *(b)* planning to run during the next six months; and for each campaign (i) how much it will cost, (1) in total and (2) to his Department, (ii) what agencies or bodies are undertaking the work and (iii) what is its planned duration. [7405]

Mr. John M. Taylor: For the purpose of this question, promotional and publicity campaigns are defined as being multi-media campaigns containing above-the-line advertising.

Cost	Agencies/Bodies undertaking the work	Planned duration
(a) CURRENTLY RUNNING		
Biotechnology Means Business		
(1) £1,400,000 (over 3 years)	Cogent (via COI)	3 years (1995–98)
(2) as above	De Facto (marketing)	—
Languages for Export[1]		
(1) £100,000	Leo Burnett (via COI)	ongoing
(2) as above	—	—
(b) PLANNED		
Queens Awards 1998[1]		
(1) £315,000	Leo Burnett (via COI)	Six months from April 1997
(2) as above	—	—
Employment Agency Standards		
(1) £25,000	tbd	tbd
(2) as above	—	—

[1] Funded from centrally-managed budgets.

tbd—to be decided.

On business link, the Department is currently taking stock of its promotional effort, having just completed a third wave of business link advertising. No further plans have been confirmed although it is possible that a fourth wave might be considered.

In addition to campaigns, the Department undertakes publicity projects across a wide range of media to publicise particular programmes.

Mr. Donohoe: To ask the President of the Board of Trade how much his Department has spent on promotional or public information campaigns in each of the last five years; and how much he estimates will be spent on these campaigns during the (i) current and (ii) next financial years. [7541]

Mr. Taylor: Expenditure from centrally managed budgets for multimedia campaigns containing above-the-line advertising has been as follows:

1991–92: £3,916,000

1992–93: £4,997,000

1993–94: £3,902,000

1994–95: £4,570,000

1995–96: £4,636,000.

Comparable figures for this year and next are not yet available.

EU Pressure Equipment Directive

Mr. Austin-Walker: To ask the President of the Board of Trade (1) what assessment he has made of the possible impact of amendment 8 to the proposed EU pressure equipment directive upon companies employing an automatic process for the building of pressure vessels; [7729]

(2) what representations he has received regarding the proposed EU pressure equipment directive; and if he will make a statement. [7728]

Mr. Ian Taylor: The proposed EU pressure equipment directive is one of a series creating a free market in products. In negotiations on the directive, the Government have been seeking to maintain health and safety, while ensuring that the requirements are no more onerous or complex for manufacturers than necessary. One important principle has been to provide manufacturers with as wide a choice of conformity assessment procedures as possible, including the use of properly assessed and monitored quality assurance systems.

The European Parliament's amendment No. 8 seeks to restrict the use of quality assurance by requiring additional, independent product inspection for equipment in the higher risk categories. The Government are not persuaded that the amendment has benefits for health and safety but consider that increases in costs are likely for a large number of manufacturers, including those employing automatic processes for the building of pressure vessels. The Council did not agree with the European Parliament's amendments and the proposal has been referred for conciliation. During conciliation the Council will seek to persuade the European Parliament that the conformity assessment provisions of the common position text are adequate as they stand and that this amendment should be withdrawn.

Petro-coke

Mr. Hardy: To ask the President of the Board of Trade if he will prevent the *(a)* construction and *(b)* conversion of electricity generati g stations for the use of petro-coke. [5584]

Mr. Page *[holding answer 25 November 1996]:* Any power station proposal which requires consent under section 36 of the Electricity Act 1989 is considered on its individual merits against the background of a policy that, as a general rule, matters such as the need for a generating station, its capacity, choice of fuel used and type of plant are commercial matters for the applicant. Such proposals must also satisfy the requirements of the Environment Agency. It would not be appropriate for me to prejudge what decision will be taken on a particular application.

Digital Television Services

Mr. Maclennan: To ask the President of the Board of Trade what steps the Government are taking to ensure that members of the public will be able to purchase a single set-top box capable of delivering all digital television services. [6576]

Mr. Ian Taylor *[holding answer 28 November 1996]:* Regulations which came into force on 23 August ensure that the provision of a common interface cannot be excluded from digital set-top boxes and that conditional access providers cannot favour boxes which exclude such an interface. A common interface allows connection of alternative conditional access modules and other elements of the digital decoder such as tuners for other delivery means, thus allowing extension to all digital services.

However, as was made clear during the passage of the Broadcasting Act 1990, the Government do not consider it appropriate to mandate a common interface, a common set-top box, or provision for consumers to add additional tuner modules for cable, terrestrial or satellite to a digital set-top box. Indeed, the terms of the directive through which conditional access regulation is being implemented, and the single market regulations, do not allow the Government to mandate any such technical features. The Italian Government recently attempted to mandate technical specifications including a common interface but have been stopped by intervention from the European Commission under single market rules.

Microsystem Research

Mr. Tony Banks: To ask the President of the Board of Trade what support he is providing for microsystem research in the United Kingdom in the current year. [7284]

Mr. Ian Taylor *[holding answer 3 December 1996]:* Research support for microsystems in the current year is provided from several sources.

The Government contribute to the EU framework programme for information technologies, Esprit, which has so far committed 13.5 million ecu on microsystems projects, in half of which UK companies and academia are participating.

The Engineering and Physical Science Research Council's programmes for nanotechnology have a projected spend of £1.2 million in 1996–97 for academic research, supported by industry. Projects have also been funded under EPSRC's mechanical engineering programmes, which have a projected spend of £9.1 million in 1996–97.

The Department's nanotechnology programme has a projected spend of £2.5 million in 1996–97 for industrial support.

Mr. Banks: To ask the President of the Board of Trade what assessment he has made of the financial support for microsystem research provided by European Union Governments. [7283]

Mr. Taylor *[holding answer 3 December 1996]:* Microsystems are specifically included in the European Union's current fourth framework programme for information technology. I have made no assessment of the support provided by individual member states.

Offshore Companies

Mrs. Clwyd: To ask the President of the Board of Trade what mechanisms exist between the United Kingdom Government and the Governments of the *(a)* Isle of Man and *(b)* Channel Islands to ensure the regulation of companies operated by United Kingdom nationals from the United Kingdom and registered in *(a)* and *(b)*. [7367]

Mr. Sackville: I have been asked to reply.

Information passes regularly between regulatory bodies of the United Kingdom and the Crown dependencies. Each of the Crown dependencies regulates companies incorporated within its jurisdiction in different ways. Companies operated in the United Kingdom by United Kingdom nationals are subject to regulation under United Kingdom law in respect of activities carried out in the United Kingdom wherever they are registered.

HEALTH

NHS Trusts (Expenditure)

Mr. Redmond: To ask the Secretary of State for Health how many NHS trusts had overspendings *(a)* in excess of £10 million, *(b)* in excess of £5 million and *(c)* in excess of £1 million, as at 30 September. [471]

Mr. Malone: All trusts are obliged to break even on income and expenditure taking one year with another.

Elderly Infirm People

Mr. Alan Howarth: To ask the Secretary of State for Health what estimate he has made of the average cost of keeping an elderly infirm person in *(a)* a hospital bed, *(b)* a nursing home and *(c)* a residential care home. [6722]

Mr. Burns: Information is not collected in the form requested.

Nerve Gas Attack (Tokyo)

Mr. Livingstone: To ask the Secretary of State for Health what steps his Department has taken to obtain and assess clinical data arising out of the nerve gas attack on the Tokyo subway in March 1995; when these data were passed on to the Chemical and Biological Defence Establishment, Porton Down; and what discussions his Department has held with the Ministry of Defence on these data. [6964]

Mr. Horam: In July 1995, an official from the Department attended a conference in the United States of America at which the nerve agent attacks in Tokyo and Matsumoto were discussed. The Chemical and Biological Defence Establishment was also represented at that conference. Since then, there have been a number of discussions between Ministry of Defence and Department of Health officials, and the Department has set up a small working group to develop guidance on managing the effects on health of incidents where chemicals, including nerve agents, are deliberately released. The group's membership includes national health service and military medical experts and staff from Porton Down.

Hospital Staff (Yorkshire)

Mr. Redmond: To ask the Secretary of State for Health how many doctors and nurses have been employed in NHS hospitals in each year since 1990 in *(a)* South Yorkshire, *(b)* Doncaster and *(c)* Mexborough; and how many vacancies for doctors and nurses in South Yorkshire, Doncaster and Mexborough are currently unfilled. [2675]

Mr. Malone: Individual hospital units cannot be separately identified in the Department of Health's hospital and community health services work force censuses, but staff can be sub-divided between those working in hospitals and those working in the community on the basis of their area of work. The table shown gives information available centrally for South Yorkshire—defined as Barnsley, Doncaster, Rotherham and Sheffield district health authorities—and Doncaster district health authority. It is not possible separately to identify figures for Mexborough.

NHS Hospital and Community Health Services (HCHS) hospital doctors and nursing and midwifery staff in hospital areas of work (excluding agency staff and learners[1]); South Yorkshire[2] and Doncaster District Health Authority (DHA) at September 1990 to 1995

Whole-time equivalents

	1990	*1991*	*1992*	*1993*[3]	*1994*	*1995*
South Yorkshire[2]						
Hospital doctors	n/a	n/a	n/a	n/a	n/a	1,310
Nursing and midwifery staff	9,370	9,440	9,070	10,880	9,300	n/a
Doncaster DHA						
Hospital doctors	n/a	n/a	n/a	n/a	n/a	230
Nursing and midwifery staff	1,970	1,920	1,930	1,990	1,960	n/a
Excluded from figures above:						
Learners[1]						
South Yorkshire[2]	1,740	1,310	660	540	150	n/a
Doncaster DHA	430	380	260	120	50	n/a

Notes:

[1] Learners are nurses on traditional nurse training courses and are directly employed by the NHS HCHS. Project 2000 training was introduced in 1989 and has gradually replaced traditional pre-registration nurse training. Project 2000 students are funded by bursaries. They are supernumary not employees, and are thus excluded from the count of NHS HCHS nursing staff. Figures for Project 2000 students are not available by health authority.

[2] Figures for 1993 should be treated with caution due to the effects in that year of the process of transferring responsibility for the provision of census information from regional health authorities to individual NHS trusts. Comparisons over a longer period of time are likely to give a more reliable comparison.

n/a = Not available. It is not possible to provide figures for hospital doctors below regional level before 1995 and to provide numbers of nursing and midwifery staff in hospital areas of work after 1994.

All figures are rounded to the nearest 10 whole-time equivalents.

Source:

Department of Health annual medical and dental and non-medical work force censuses.

Information about the number of vacancies for doctors and nurses currently unfilled in South Yorkshire, including Doncaster and Mexborough, is not available centrally.

Figures on vacancies for HCHS nurses and midwives are collected by the office of manpower and economics and published in the annual reports of the review body for nursing staff, midwives, health visitors and professions allied to medicine; copies are in the Library.

Laryngectomies

Ms Walley: To ask the Secretary of State for Health if he will issue guidance in respect of the provision of Claudius II for the treatment of laryngectomies; and if he will make a statement. [7107]

Mr. Burns: No. Claudius II is a telephone aid, and cannot be regarded as treatment for laryngectomy patients.

Dental Fluorosis

Sir Ivan Lawrence: To ask the Secretary of State for Health what research his Department has undertaken to assess the risks of dental fluorosis posed to children who drink fluoridated water and ingest fluoridated toothpaste; and if he will make a statement. [7040]

Mr. Malone: The Department of Health has not itself commissioned any research into fluoridation and fluorosis. Government policy on fluoridation is based on extensive research carried out over many decades independently of the Department, which we continue to monitor and evaluate.

Community Care Special Transitional Grant

Mr. Steen: To ask the Secretary of State for Health if he will make it his policy that the special conditions attached to the community care special transitional grant are extended to five years from 30 March 1997 and that 90 per cent. of the grant available for purchasing care by the local authority is required to be spent in the independent sector. [7117]

Mr. Burns: I refer my hon. Friend to the reply my hon. Friend the Secretary of State gave my hon. Friend the Member for Portsmouth, South (Mr. Martin) on 27 November, *Official Report*, column *298*.

Meningitis

Mr. Jon Owen Jones: To ask the Secretary of State for Health if he will list the geographical position and size of bacterial meningitis clusters occurring in each month over the last five years. [7678]

Mr. Horam: Enhanced surveillance of clusters of suspected meningococcal infection was instigated in April 1995. Collation of retrospective data on clusters reported before this time is incomplete. Data on the number of cases associated with clusters by region and month are shown in the tables. The definition of a cluster for reporting is:

"two or more suspected cases occurring within onset of one month in the same educational setting".

In 1996, up to the end of October, 27 clusters were reported involving a total of 94 cases. Many of these cases are not confirmed by laboratory tests. Cases associated with clusters have therefore formed a very small proportion of all cases reported this year.

Invasive meningococcal infection reports
Numbers of clusters (and cases) by region, May to December 1995

Regions	*May*	*June*	*July*	*August*	*September*	*October*	*November*	*December*
Anglia and Oxford	—	—	—	—	—	—	1 (5)	2 (5)
Northern and Yorkshire	—	—	—	—	—	—	4 (15)	3 (7)
North Thames	—	—	—	—	—	—	—	—
North West	—	—	—	—	—	—	—	1 (2)
South Thames	—	—	—	—	—	—	1 (2)	1 (3)
South and West	1 (2)	—	—	—	—	—	—	1 (2)
Trent	—	—	—	—	—	—	1 (3)	—
West Midlands	—	—	—	—	—	2 (4)	1 (2)	—
Wales	—	—	—	—	—	1 (2)	—	—
Total	1 (2)	—	—	—	—	3 (6)	8 (27)	8 (19)

A cluster is defined as two or more suspected cases with onset within one month in the same educational setting. Numbers in brackets indicate the number of cases.
Prepared by the immunisation division, CDSC to 3 December 1996.

Invasive meningococcal infection reports
Numbers of clusters (and cases) by region, January to October 1996

Regions	*January*	*February*	*March*	*April*	*May*	*June*	*July*	*August*	*September*	*October*
Anglia and Oxford	—	1 (2)	—	—	—	—	—	—	—	—
Northern and Yorkshire	2 (10)	2 (7)	1 (2)	1 (2)	—	—	—	—	—	—
North Thames	1 (2)	—	1 (2)	—	2 (18)	—	—	—	—	—
North West	—	—	—	—	1 (2)	—	—	—	—	1 (2)
South Thames	—	—	1 (2)	2 (8)	—	—	—	—	—	—
South and West	1 (3)	3 (6)	1 (2)	—	—	—	1 (3)	—	—	—
Trent	1 (8)	—	—	2 (4)	—	—	—	—	—	—
West Midlands	—	—	—	—	—	1 (7)	—	—	—	1 (2)
Wales	—	—	—	—	—	—	—	—	—	—
Total	5 (23)	6 (15)	4 (8)	5 (14)	3 (20)	1 (7)	1 (3)	—	—	2 (4)

A cluster is defined as two or more suspected cases with onset within one month in the same educational setting. Numbers in brackets indicate the number of cases.
Prepared by the immunisation division, CDSC to 3 December 1996.

Mr. Jones: To ask the Secretary of State for Health if he will list those factors that his Department has evaluated as potentially enhancing the transmission of bacterial meningitis. [7674]

Mr. Horam: Meningococcal infection—meningitis and septicaemia—occurs throughout the year but infections reach a peak in the winter months. Research suggests that risk factors for meningitis include smoking, passive smoking, damp and other prevalent infections such as influenza. Group C infections are more likely in closed and semi-closed communities.

Mr. Jones: To ask the Secretary of State for Health if he will list the recent cases of bacterial meningitis involving students *(a)* living in halls of residence and *(b)* attending colleges, universities and schools. [7675]

Mr. Horam: Detailed data on single cases of confirmed meningococcal infection occurring in schools, universities and colleges are not collated at a national level. From the age distribution of confirmed cases reported in 1996, 161—13 per cent.—of cases have occurred in school-age children and 278—22 per cent.—have occurred in young adults aged 15 to 24 years—many of whom will be in full-time education. Nearly one half of all cases still occur in children under five years of age.

Mr. Jones: To ask the Secretary of State for Health what criteria his Department uses to determine whether an individual is part of a high-risk group when notified of a case of meningitis. [7676]

Mr. Horam: Persons at highest risk of meningococcal disease include infants and pre-school children with a second smaller incidence occurring in adolescence. Some persons with specific immunological disorders may also be at increased risk.

People with prolonged close—household type—contact or intimate contact with an individual with the infection are at increased risk of disease compared with other persons in the community. Risk to persons with other types of contact with cases is low, but after two or more cases in the same place, for example a school, within four weeks a local assessment of risk may be performed and the definition of "high risk" group extended. This guidance is outlined in the Public Health Laboratory Service publication, "PHLS Meningococcal Infections Working Group and Public Health Medicine Environment Group. Control of meningococcal disease: guidance for consultants in communicable disease control" (communicable disease report 1995; 5: R189–195) copies of which are available in the Library.

Food Poisoning

Mr. Salmond: To ask the Secretary of State for Health (1) how much his Department has spent on research into *(a)* E. coli 0157 and *(b)* campylobacter in each year since 1990 and from 1 January to date; [7210]

(2) if he will list the research applications his Department has *(a)* granted and *(b)* rejected to study (i) E. coli 0157 and (ii) campylobacter in each year since 1990 and from 1 January to date. [7209]

Mr. Horam *[holding answer 2 December 1996]:* Information on the amount spent by the Department of Health on research and surveillance into campylobacter and E. coli 0157 since 1990 can be provided only at disproportionate cost. Information on funding since 1993 is available by financial year only and is given in the table:

Campylobacter and E. coli Department of Health research and surveillance expenditure

£000

Financial year	*Campylobacter*	*E. Coli*
1993–94	399	185
1994–95	405	397
1995–96	702	459
1996–97[1]	608	797

[1] Amount committed to spend through contracts.

Lists of research and surveillance projects funded by the Department of Health into campylobacter and E. coli 0157 since 1990 have been placed in the Library.

In addition to the information provided in the tables, there are a number of projects which in part include research-surveillance on campylobacter and E. coli 0157. These are not included in the listings or the costings.

Many of the campylobacter and E. coli 0157 research and surveillance projects funded by the Department arose from recommendations made by the Advisory Committee on the Microbiological Safety of Food. The ACMSF's interim report on campylobacter (1993) and the report on verocytotoxin-producing Escherichia coli (1995)—copies are in the Library—made a number of recommendations for research and surveillance on these organisms. In response to these recommendations, the Department of Health held an open competition for proposals on campylobacter in 1994 and verocytotoxin-producing E. coli—VTEC—in 1995. In both competitions, projects were selected on the basis of a peer review which considered their relevance to policy objectives, feasibility, if they were of high scientific quality, did not duplicate published or currently funded work and represented good value for money.

After review, 10 of 39 campylobacter proposals and 13 of 49 VTEC proposals were approved for funding.

Since 1991, the Department of Health has rejected six E. coli and seven campylobacter research and surveillance applications which were submitted to the microbiological food safety research and surveillance programme outside the open competitions.

It would breach the applicants' confidentiality to list those applications which have been rejected.

NORTHERN IRELAND

Flooding (Newtownards)

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what plans there are to alleviate the flooding of Ballybarnes road at Ballysalagh, Newtownards. [5844]

Mr. Moss: Responsibility for the subject in question has been delegated to the Road Service under its chief executive, Mr. W. J. McCoubrey. I have asked him to arrange for a reply to be given.

Letter from W. J. McCoubrey to Mr. John D. Taylor, dated 27 November 1996:

The Secretary of State for Northern Ireland has asked me to reply to your question about flooding at Ballybarnes Road, Ballysalagh, Newtownards.

Roads Service has no plans to improve drainage along this road. While there is some evidence of limited ponding following heavy rainfall, the problem is not prolonged and is not considered to be of sufficient priority to warrant remedial works.

Prosecutions (Costs)

Ms Mowlam: To ask the Secretary of State for Northern Ireland what is the current average cost in Northern Ireland of processing a prosecution. [6914]

Sir John Wheeler: This information is not readily available and could be obtained only at disproportionate cost.

Young Offenders

Ms Mowlam: To ask the Secretary of State for Northern Ireland what percentage of indictable offences was accounted for by those aged 14 to 25 years in each of the last five years. [6918]

Sir John Wheeler: The information is as follows:

	Total	*Age 14 to 25*	*Percentage*
Persons proceeded against for indictable offences			
1991	10,016	6,017	60
1992	9,857	5,682	58
1993	10,384	5,998	58
1994	9,888	5,559	56
1995	10,273	5,711	56
Persons found guilty			
1991	8,856	5,372	61
1992	8,540	5,009	59
1993	8,899	5,231	59
1994	8,345	4,784	57
1995	8,709	4,972	57

Burglaries

Ms Mowlam: To ask the Secretary of State for Northern Ireland what percentage of burglaries in each of the last five years was committed by people aged under 21 years. [6916]

Sir John Wheeler: The information is as follows:

	Total	Under 21	Percentage
Persons proceeded against for burglary offences			
1991	1,330	676	51
1992	1,326	648	49
1993	1,310	613	47
1994	1,142	573	50
1995	1,107	552	50
Persons found guilty of burglary offences			
1991	1,208	635	53
1992	1,149	589	51
1993	1,114	533	48
1994	979	501	51
1995	951	495	52

These figures relate to persons proceeded against and found guilty where burglary was the primary offence.

Ms Mowlam: To ask the Secretary of State for Northern Ireland what has been the percentage change in the number of burglaries in Northern Ireland since 1979. [6915]

Sir John Wheeler: The number of burglaries recorded in Northern Ireland was 18,433 in 1979 and 16,457 in 1995. The change is therefore a reduction of 10.7 per cent.

Chinese Business Men (Attacks)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what steps his Department is taking to deal with (1) the murders in 1996 of *(a)* Simon Tang in Carrickfergus and *(b)* Albert Leung in Antrim and (2) other violent attacks on Chinese business men and their families; and if he will make a statement. [6896]

Sir John Wheeler: 1. Since the murder of Mr. Tang at his business premises on 24 June, there has been a protracted investigation. HOLMES investigation facilities have been used in managing the investigation.

A number of specific appeals have been made for information, through the press and news media. On 5 November, a poster campaign was launched, appealing for information and offering a reward of £2,000—money raised by the Chinese Welfare Association. This information will shortly also be available on the RUC Internet site.

The inquiry continues, overseen by a detective superintendent.

Mr. Leung was not murdered; he died in hospital on 12 November. He had been the subject of a robbery at his home on 13 May, but received only minor injuries which did not contribute to his death. This case is being investigated as in 2 below.

2. All reported attacks on Chinese business men and their families have received full and proper investigations by the RUC.

On the directions of the then deputy chief constable (operations) a team of CID officers, under the command of the serious crime squad, was formed to conduct investigations into offences of robbery and aggravated burglary at the homes of Chinese business people.

On 13 May, an incident room was set up in Antrim RUC station, resourced by a HOLMES team and an investigation team. The team currently consists of one D/chief inspector, one D/sergeant and seven D/constables.

Inquiries into the attacks are continuing. They appear to be perpetrated by professional criminals.

On 28 May, a Chinese crime conference was held in Belfast, attended by Mr. Flanagan with representatives from community affairs, crime prevention and the serious crime squad. The police officers in attendance give advice on crime prevention measures and answered questions on all aspects of the police investigations into the attacks on the homes of the Chinese community.

Scheduled Offences

Mr. Hunter: To ask the Secretary of State for Northern Ireland how many people in Northern Ireland have been convicted and sentenced for scheduled offences committed since 31 August 1994. [6749]

Sir John Wheeler: The number of people found guilty of scheduled offences, at 31 October 1996, committed from 1 September 1994 to 30 September 1996 is 183.

Crime Statistics

Ms Mowlam: To ask the Secretary of State for Northern Ireland what percentage of men in each age group by which figures are classified between 16 and 65 years have been *(a)* cautioned and *(b)* convicted for an offence. [6917]

Sir John Wheeler: It is not possible to provide accurate figures.

Pension Schemes

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland which public sector pension schemes provided injury benefit pension awards; what number of pensioners are involved; and in each case if the benefit is taxable. [7188]

Sir John Wheeler: The following public sector pension schemes provide injury benefit pension awards. The number of pensioners involved per scheme, in terms of the number in receipt of injury benefit pensions, is shown alongside each scheme:

	Number
Principal civil service pension scheme (NI)	56
Royal Ulster Constabulary scheme	176
Fire Service	54
Health Service scheme	94
Northern Ireland local government officer scheme	n/a

Details concerning the number of awards paid under the terms of the local government officers scheme are not held centrally and it is not possible to provide a figure in this case.

None of the injury benefit pension awards is taxable.

Sainsbury's Stores

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland what representations he has received regarding the proposed opening hours of the new Sainsbury's stores in Northern Ireland. [7018]

Mr. Moss: No representations have been received about the opening hours of the new Sainsbury's stores.

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland what representations he has received from Sainsbury's regarding proposed opening hours for its new stores in Northern Ireland. [7019]

Mr. Moss: No representations have been received from Sainsbury's about the opening hours of its new stores.

Sunday Trading

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland if he will make a statement on opening hours for shops on Sundays in Northern Ireland. [7017]

Mr. Moss: The opening hours of shops on Sundays in Northern Ireland are regulated by the Shops Act (Northern Ireland) 1946, which is currently under review. With some exceptions, it prohibits shops from opening on a Sunday other than for the sale of a limited list of goods and transactions. Comments on the proposal for a draft Shops (Sunday Trading etc.) (NI) Order, intended partially to deregulate the present restrictions on Sunday trading, are now being considered.

Royal Ulster Constabulary

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many RUC officers, by rank, have been the subject of *(a)* disciplinary investigations, *(b)* suspension and *(c)* disciplinary charges arising from participation in public marches and partisan demonstrations in (i) July 1996, and (ii) August 1996; and what are the outcomes and penalties imposed in any subsequent prosecution or disciplinary proceedings. [6094]

Sir John Wheeler *[holding answer 4 December 1996]:* I understand that a total of seven RUC officers—five part-time—are the subject of on-going disciplinary investigations arising out of parades and demonstrations during July and August 1996.

The investigations relate to two incidents in July 1996 and one in August 1996. Six of the officers have been suspended from duty.

All of the investigations are still active and, to date, no disciplinary charges have been preferred.

SOCIAL SECURITY

Housing Benefit Fraud

Mr. Cousins: To ask the Secretary of State for Social Security what fraud prevention targets he set for housing benefit administrations in 1995–96 and 1996–97; which administrations met those targets and which did not; and how much subsidy was withheld. [4922]

Mr. Heald: Each local authority is set a threshold of weekly benefit savings—WBS—to be made through detection of housing and council tax benefit fraud. WBS is a measure of the amount of benefit which would have been paid incorrectly had the fraud not been stopped. Local authorities can earn additional subsidy through good performance in relation to their WBS thresholds, and can have subsidy withheld for poor performance.

Tables showing details of the 1995–96 and 1996–97 figures have been placed in the Library.

Regulations

Mr. Alan Howarth: To ask the Secretary of State for Social Security if he will list the regulation-making powers and the regulations which he has introduced under them in the provisions of the (i) Social Security Act 1988, (ii) Social Security Act 1989, (iii) Social Security Act 1990, (iv) Disability Living Allowance and Disability Working Allowance Act 1991, (v) Child Support Act 1991, (vi) Social Security (Incapacity for Work) Act 1994, (vii) Jobseekers Act 1995, (viii) Pensions Act 1995 and (ix) Disability Discrimination Act 1995. [4793]

Mr. Burt: The information has been placed in the Library.

Some of the listed sets of regulations also include provisions made under Acts other than those specified in your question.

In some instances provisions contained in the Acts specified in your question insert regulation-making provisions in the text of other Acts which are not specified. The lists include regulations made under such provisions.

Benefits Agency (Wales)

Mr. Hanson: To ask the Secretary of State for Social Security (1) if he will list the consultees sent copies of the Benefits Agency document, "Benefits Agency Wales: Blueprint for the Future"; [5947]

(2) if he will extend the consultation period with regard to the document, "Benefits Agency Wales: Blueprint for the Future". [5946]

Mr. Roger Evans: This is an operational matter for Peter Mathison, chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. David Hanson, dated 4 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions asking if he will list the consultees sent copies of the Benefits Agency document, BA Wales Blueprint for the future; and if he will extend the consultation period with regard to the document BA Wales blueprint for the future.

All staff and trade union representatives in Wales received a copy of the document BA Wales, Blueprint for the future. All other consulted, as at 21 November 1996, are listed in the attached annex.

The formal consultation period was due to end on 31 December 1996, however it has been extended to 28 February 1997.

I hope you find this reply helpful.

Annex: Recipients of the BA Wales blueprint as at 21 November 1996

Members of Parliament

Right hon. John Morris QC MP

Llew Smith MP

Win Griffiths MP

Ron Davies MP

Gwilym Jones MP
Rhodri Morgan MP
Cynog Dafis MP
Martyn Jones MP
Barry Jones MP
Jonathan Evans MP
Dafydd Wigley MP
Jon Owen Jones MP
Alun Michael MP
Dr. Alan Williams MP
Rod Richards MP
Right hon. Sir Wyn Roberts MP
Ann Clwyd MP
Gareth Wardell MP
Right hon. Denzil Davies MP
Ted Rowlands MP
Alex Carlile QC MP
Roy Hughes MP
Ray Powell MP
Dr. Kim Howells MP
David Hanson MP
Don Toughig MP
Elfyn Llwyd MP
Roger Evans MP
Peter Hain MP
Paul Flynn MP
Nick Ainger MP
Allan Rogers MP
Donald Anderson MP
Paul Murphy MP
Dr. John Marek MP
Right hon. Alan Williams MP
Walter Sweeny MP
Ieuan Wyn Jones MP

County/Local Council Officials

Neil Pringle, Chief Executive, Powys County Council
Vivian Sugar, Chief Executive, City and County of Swansea
David Foster, Chief Executive, Vale of Glamorgan County Borough Council
G. R. Thomas, Chief Executive, Rhondda Cynon Taff County Borough Council
Dr. Clive Grace, Chief Executive, Torfaen County Borough Council
D. Griffin, Wrexham County Borough Council
K. R. Sawyers, Chief Executive, Neath Port Talbot County Borough Council
Sandy Blair, Chief Executive, Newport County Borough Council
Joyce Redfeam, Chief Executive, Monmouth County Council
Bryn Parry-Jones, Chief Executive, Pembrokeshire County Council
Philys McGreevy, Chief Executive, Flintshire County Council
R. Leadbeter, Chief Executive, Blaenau Gwent County Borough Council
K. Lewis, Chief Executive, Bridgend County Borough Council
B. Davies, Chief Executive, City and County of Cardiff Council
Owen Watkins, Chief Executive, Ceredigion County Council
Huw Vaughan Thomas, Chief Executive, Denbeighshire County Council
Geraint Jones, Chief Executive, Gwynedd Council
Leon Gibson, Chief Executive, Isle of Anglesey County Council
Malgwyn Davies, Chief Executive, Caerphilly County Borough Council
R. Morgan, Chief Executive, Carmarthenshire County Council
C. D. Barher, Chief Executive, Conwy County Borough Council
R. V. Morris, Chief Executive, Merthyr Tydfil County Borough Council

Voluntary organisations

Disability Wales
Help the Aged
National Association for the Care and Rehabilitation of Offenders
RELATE
Standing Conference of Voluntary Organisations for people with learning and disability in Wales
South Glamorgan Interval
Wales Association of Voluntary Councils
Wales Council for the Deaf
Gingerbread Wales
MENCAP in Wales
Physically Handicapped and Able Bodied
SCOPE—people with cerebral palsy
Shelter Cymru
South Glamorgan Race Equality
Wales Council for the Blind
Wales MIND
Wales Pensioners
National Association for Citizens Advice Bureau, North Wales
Age Concern Cymru
Welsh Women's Aid
Somali Advice Centre
NACAB, South Wales
Welsh Refugee Council
Wrexham Consumer Committee
Urban and Rural Development, Welsh Office
Swansea Welfare Rights
CAB, Prestatyn
CAIA Park Community Council, Wrexham
Carmarthen District Access Group
Llaneynion Community Council
TUC Centre for Unemployed
Cardiff Unemployed Worker's Centre
KABLE Consultants
Welfare Rights, Powys Group Council
Ferret Information Systems

Other Government departments

CSA, Northampton
Sheelagh Keyes, Director of Employment Service, Wales.

Mr. Hanson: To ask the Secretary of State for Social Security how many telephone calls were received at each current Benefits Agency office in Wales for each of the last three years. [5948]

Mr. Evans: This is an operational matter for Peter Mathison, chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. David Hanson, dated 4 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions asking how many telephone calls were received at each current Benefits Agency Office in Wales for each of the last three years.

The information is not available in the format requested. Figures were not kept prior to 1995 but are available from January 1995 for BA Districts and from January 1996 for BA Offices.

Such information as is available is shown in the attached table.

I hope you find this reply helpful.

District	*1995 January to December*	*1996 January to October*
Cardiff and Vale	677,237	630,342
Cardiff Central		144,134
Cardiff East		200,536
Cardiff West		136,984
Barry		148,688
Mid Glamorgan	836,001	583,676
Porth		—
Aberdare		—
Bridgend		583,676
Pontypridd		—
Tonypandy		—
Eastern Valleys	457,397	376,156
Merthyr Tydfil		114,121
Blackwood		57,932
Caerphilly		80,182
Ebbw Vale		108,074
Bargoed		[1]15,847
Swansea Bay	512,357	613,611
Swansea		613,611
Morriston		—
Neath		—
Port Talbot		—
Gwent Borders	391,795	306,400
Newport		306,400
Cwmbran		—
Gwyneddigion		
Maldwyn	310,838	354,677
Caernarfon		51,260
Aberystwyth		44,553
Llangefni		111,518
Newtown		70,467
Porthmadog		44,489
Dolgellau		7,368
Holyhead		25,022
Wrexham and North West Coast	560,279	462,319
Wrexham		160,224
Colwyn Bay		92,392
Deeside		82,406
Rhyl		127,297
West Wales	369,110	308,261
Llanelli		86,051
Ammanford		47,052
Carmarthen		45,561
Haverfordwest		79,032
Pembroke Dock		50,565
Total	4,115,014	3,635,442

Figures are provisional and subject to change.
[1] January to February only. Bargoed became a public caller office in March 1996, therefore figures are only available for January and February.

From 1 April 1996, Mid Glamorgan and Eastern Valleys merged to form South Wales Valleys District and Swansea Bay and West Wales merged to form South West Wales District.

Incapacity Benefit

Mr. Alan Howarth: To ask the Secretary of State for Social Security how many incapacity benefit appeals against refusal of benefit on the grounds of failing the all work test have been lodged since April 1995; how many have been decided; and, of those decided, how many were in the claimant's favour. [6050]

Mr. Burt: The information is in the table.

	Total
Appeals lodged	73,095
Appeals heard and decided	30,984
Decided in appellant's favour	14,294

The information was recorded up to 31 October 1996.

Mr. Howarth: To ask the Secretary of State for Social Security how many incapacity benefit appeals against refusal of benefit on the grounds of failing the all work test which have been lodged are awaiting a hearing. [6052]

Mr. Burt: The information is not available in the format requested. Such information as is available is in the table.

	Total
Appeals lodged	73,095
Appeals cleared[1]	40,716
Appeals outstanding[2]	32,919

[1] Includes superseded, withdrawn, struck out and heard and decided.
[2] Not all of the appeals will necessarily proceed to a hearing.
1. The information was recorded up to 31 October 1996.

Special Hardship and Reduced Earnings Allowances

Mr. Rowlands: To ask the Secretary of State for Social Security in how many cases which have gone to appeal in respect of *(a)* the special hardship allowance and *(b)* the reduced earnings allowance the claimants were successful; and what proportion these constituted of the total number of appeals. [6126]

Mr. Burt: The information is not available and could be obtained only at disproportionate cost.

Mr. Tipping: To ask the Secretary of State for Social Security how many appeals have been made against the decision to lower the level of reduced earnings allowance where claimants have evidence that they were guaranteed payments for life; how many have been successful; when such successful claimants received their arrears; and if he will make a statement. [7520]

Mr. Roger Evans: The information is not available and could be provided only at disproportionate cost.

Building Societies

Mr. Tom Clarke: To ask the Secretary of State for Social Security, pursuant to his answer of 20 November, *Official Report*, column *600*, (1) what recent meetings the

Minister for Social Security and Disabled People has had with members of staff of those building societies proposing to convert to banks next year; [6377]

(2) what plans the Minister for Social Security and Disabled People has to meet members of staff of those building societies proposing to convert to banks next year. [6378]

Mr. Burt: None. However, departmental officials have had a number of meetings with representatives of various building societies that have announced their intention to convert into banks.

Benefits Agency Offices (Wales)

Mr. Barry Jones: To ask the Secretary of State for Social Security which Benefits Agency offices he has visited in Wales since his appointment. [6594]

Mr. Roger Evans: My right hon. Friend the Secretary of State has not visited any Benefits Agency offices in Wales. Since September 1995, I have visited six Benefits Agency offices in Wales.

Mr. Jones: To ask the Secretary of State for Social Security if he will visit each Benefits Agency office in Wales. [6595]

Mr. Evans: My right hon. Friend has no immediate plans to do so.

I intend to maintain my programme of visiting Benefits Agency offices in Wales.

Child Support Agency

Mr. Kevin Hughes: To ask the Secretary of State for Social Security how many cases are currently being dealt with by the Child Support Agency. [6602]

Mr. Andrew Mitchell: The administration of the Child Support Agency is a matter for the chief executive, Miss Ann Chant. She will write to the hon. Member.

Letter from Miss Ann Chant to Mr. Kevin Hughes, dated 4 December 1996:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency cases.

The Agency is currently dealing with approximately 962,000 cases.

I hope this is helpful.

Income Support (Yorkshire)

Mrs. Mahon: To ask the Secretary of State for Social Security how many claims for income support were dealt with in *(a)* 1994–95 and *(b)* 1995–96 in (i) Calderdale, (ii) Kirklees and (iii) Bradford; how many of those claims were refused because the applicant was considered not habitually resident in the United Kingdom; what the nationality of those applicants was; how many of those which were refused *(a)* on the grounds of not being habitually resident and *(b)* for other reasons went on to appeal; and how many of those appeals were successful. [6819]

Mr. Roger Evans: The administration of income support is a matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mrs. Alice Mahon, dated 4 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many claims for Income Support (IS) were dealt wit in (a) 1994–95 and (b) 1995–96 in (i) Calderdale, (ii) Kirkless and (iii) Bradford; how many of those claims were refused because the applicant was considered not habitually resident in the United Kingdom; what the nationality of the applicant was; how many of those which were refused went on to appeal; and how many of those appeals were successful.

The information is not available in the format requested. Benefits Agency (BA) Districts were not required to maintain Habitual Residence Test statistics prior to October 1994.

Statistics are not kept which relate to the number of customers who failed the Habitual Residence Test and appealed; nor how many of those appeals were successful.

Statistics on Habitual Residence Test are collated which relate to the number of IS claims processed and the number of applicants who failed the test. The nationality of customers is not recorded but a breakdown of citizenship by United Kingdom (UK), European Economic Area (EEA) and others is maintained. This information is in the attached table.

I hope you find this reply helpful.

Districts	*Subjects*	*1994–95*	*1995–96*
Bradford	IS Claims processed	30,103	30,418
	HRT failures—EEA citizens	'23	29
	HRT failures—UK citizens	'47	101
	HRT failures—Other citizens	'46	77
Kirklees	IS Claims processed	28,594	28,207
	HRT failures—EEA citizens	'3	14
	HRT failures—UK citizens	'21	48
	HRT failures—Other citizens	'5	16
Yorkshire Pennine	IS Claims processed	26,071	25,846
	HRT failures—EEA citizens	'7	6
	HRT failures—UK citizens	'20	79
	HRT failures—Other citizens	'12	12

Figures are provisional and subject to change.

' BA districts were not required to maintain habitual residence test statistics prior to October 1994.

Bradford district includes the offices of Bradford East, Bradford South and Bradford West.

Kirklees district includes the offices of Dewsbury and Huddersfield.

Yorkshire Pennine district, which covers the Calderdale area, includes the offices of Halifax, Keighley and Skipton.

Pensioners (Income Support)

Mr. Flynn: To ask the Secretary of State for Social Security how many pensioners would be entitled to income support in *(a)* 2000–01 and *(b)* 2010–11 if income support rates were increased in 1998 and subsequent years in line with average earnings and the basic pension in line with (i) average earnings and (ii) prices. [7690]

Mr. Roger Evans: The information is set out in the table.

Number of pensioners in receipt of income support, assuming that income support is increased in line with average earnings in 1998 and subsequent years

	2000–01	2010–11
Basic retirement pension increasing in line with average earnings	1,600,000	1,000,000
Basic retirement pension increasing in line with prices	1,700,000	1,400,000

1. Pensioners are defined as those single at state pension age or above, or couples in which the husband is at state pension age or above.

2. Figures have been rounded to the nearest 100,000.

3. Estimates have been made using pension simulation (Pensim) and are based on a number of economic and behavioural assumptions, in particular that prices increase by an average of 3.8 per cent. per year (although this varies between years), and that average earnings increase by 1.5 per cent. per year above prices. Further details of the methodology and assumptions used by Pensim are outlined in GES working paper no. 129 "PENSIM: A Dynamic Simulation Model of Pensioner Incomes", a copy of which is available in the Library.

National Insurance Contributions

Mr. Flynn: To ask the Secretary of State for Social Security what is the estimated contribution income of the national insurance fund in each year from 1996–97 to 2001–01 and in *(a)* 2010–11, *(b)* 2020–21, and *(c)* 2030–31, assuming that in 1998 and subsequent years the lower and upper earnings limits rise (i) in line with prices, (ii) in line with earnings and (iii) the lower limit in line with prices and the upper limit in line with earnings; and what would be the additional income in each case if the upper limit were raised in April 1998 to the same proportion of average earnings as in April 1979. [7691]

Mr. Heald: The information is not available in the format requested and could be provided only at disproportionate cost. Such information as is available is in the table.

National insurance fund contribution income: £ billion at 1994–95 prices

Year	Lower and upper earnings limits both increased in line with prices
1996–97	[1]38.20
1997–98	[1]39.10
1998–99	[1]40.10
1999–00	[1]41.15
2000–01	[2]45.63
2010–11	[2]55.36
2020–21	[2]63.95
2030–31	[2]70.07

Source:

Government Actuary's Department.

Notes:

[1] Calculations are based on the 1996 Budget PES assumptions.

[2] Calculations are based on assumptions adopted for the report by the Government Actuary on the third quinquennial review under section 137 of the Social Security Act 1975, HC 160.

SCOTLAND

Recycling

Mr. Kirkwood: To ask the Secretary of State for Scotland what plans he has to legislate to require companies in Scotland to include a minimum level of recycled content within packaging for products on sale. [6824]

Mr. Kynoch: The Government will introduce regulations on producer responsibility for packaging early next year. These will oblige companies in the packaging chain to recover and recycle specific percentages of packaging waste. This will provide an incentive to create markets for recycled materials, including materials for use in packaging, because industry will share the costs of the proposals.

Mr. Kirkwood: To ask the Secretary of State for Scotland (1) what plans he has to introduce a temporary grant scheme to assist waste collection authorities in setting up and running recycling programmes over the next five years; [6813]

(2) what resources will be allocated to waste collection authorities for 1997–98 to enable them to develop waste recycling schemes to meet Government targets. [6823]

Mr. Kynoch: My right hon. Friend the Secretary of State announced the local government finance settlement for 1997–98 on Budget day; details of its distribution should be with individual councils before Christmas. It will be for individual authorities to determine local priorities and how to allocate their resources across the range of services they provide. We have no plans to introduce a temporary grant for the development of recycling projects.

Mr. Kirkwood: To ask the Secretary of State for Scotland if he will assess the advantages of exempting local authorities as waste collection authorities in Scotland from liability for landfill tax when the price for recycled materials they have collected falls to zero. [6828]

Mr. Kynoch: There are no plans to make this assessment. The scope of the tax is a matter for consideration by my right hon. and learned Friend the Chancellor of the Exchequer.

Mr. Kirkwood: To ask the Secretary of State for Scotland (1) what advice his Department issues to waste collection authorities about variations in price available for waste materials collected for recycling by waste collection authorities; [6826]

(2) what research his Department has *(a)* commissioned and *(b)* evaluated into the fluctuation in price of waste materials collected for recycling by waste collection authorities. [6825]

Mr. Kynoch: It is for individual authorities to consider possible price variations when making a commercial judgment on whether recycling of a specific type of material is sustainable in both environmental and economic terms. As a consequence, the Scottish Office has offered no specific advice to authorities on this matter, nor has it commissioned or evaluated any research into price levels. The Government's recycling advisory unit

has, however, published a series of reports identifying barriers and opportunities which exist for the recycling of various materials.

Mr. Kirkwood: To ask the Secretary of State for Scotland (1) what representations he has received from waste collection authorities about waste recycling targets and the setting up of schemes to meet those targets; [6822]

(2) what targets his Department has set for waste collection authorities recycling by 2000; and if he will make a statement. [6821]

Mr. Kynoch: The representations received by my right hon. Friend have focused generally on price fluctuations for recycled material, the implications this has for recycling targets and on the general issue of resources.

In the White Paper, "This Common Inheritance", Cm 1200, published in 1990, the Government set a target of recycling half the recyclable element of all household waste by 2000. This is a general target, not binding on individual authorities. It equates broadly to the target of 25 per cent. of all household waste.

Mr. Kirkwood: To ask the Secretary of State for Scotland if he will list the grants made available through the environmental action fund to the voluntary sector running recycling projects by amounts awarded in each local authority area in Scotland. [6812]

Mr. Kynoch: The environmental action fund does not support projects in Scotland. The fund's Scottish equivalent is the special grants (environmental) programme.

Details of grants awarded under the programme to voluntary bodies involved in recycling projects in Scotland since 1992–93 are set out in the table:

Organisation	*Financial years*	*Amount £*	*Local authority area(s)*
Environment Centre, Edinburgh	1992–93	4,500	Not applicable
Recycling Advisory Group, Scotland	1996–97	8,000	Not applicable
	[1]1997–98	7,000	
	[1]1998–99	6,000	
Community Service Volunteers	1992–93	3,700	All
Age Concern Orkney	1992–93	3,225	Orkney
Mid Craigie Community Business	1992–93	1,000	Dundee
Lothian and Edinburgh Environmental Partnership	1993–94	3,000	Edinburgh, Midlothian and East Lothian
Scottish Conservation Projects Trust	1993–94	15,000	Stirling and Falkirk
	1994–95	15,000	
	1995–96	15,000	
Tayside Scrapstore	1993–94	1,425	Dundee
Lothian and Edinburgh Environmental Partnership	1995–96	5,000	Edinburgh, Midlothian and East Lothian

[1] The table includes a future commitment to fund the Recycling Advisory Group Scotland in 1997–98 and 1998–99.

Mr. Kirkwood: To ask the Secretary of State for Scotland when he expects the Scottish Environment Protection Agency to publish its strategy for waste recycling in Scotland. [6829]

Mr. Kynoch: The Scottish Environment Protection Agency intends to publish early next year for consultation a draft strategy covering its policies in relation to the recovery and disposal of waste in Scotland, including recycling.

Air Passenger Duty

Mrs. Ray Michie: To ask the Secretary of State for Scotland what plans he has to exempt the Glasgow—Tiree air service from air passenger duty. [6756]

Lord James Douglas-Hamilton: Taxation issues, including the level of air passenger duty, are matters for my right hon. and learned Friend the Chancellor of the Exchequer.

Mrs. Michie: To ask the Secretary of State for Scotland which air routes in Scotland are currently not exempt from the air passenger duty in the highlands and islands. [6754]

Lord James Douglas-Hamilton: All routes operated by aircraft of 10 tonnes or more maximum take-off weight or seating 20 or more passengers are not exempt from air passenger duty.

Mrs. Michie: To ask the Secretary of State for Scotland how many representations he has received in the past year in favour of lifting the air passenger duty on the Glasgow—Tiree route. [6755]

Lord James Douglas-Hamilton: One representation has been received.

GP Fundholding

Mr. Donohoe: To ask the Secretary of State for Scotland how much his Department has spent in each of the last five financial years promoting the development of GP fundholding; and what initiatives have been undertaken to do this. [7165]

Lord James Douglas-Hamilton: Expenditure incurred by the Department in developing fundholding is largely indirect costs, and cannot be separately identified. A specific initiative has however been undertaken to develop models of total purchasing in which a budget is devolved to groups of practices to purchase all community and hospital health care for their patients. Six total purchasing pilots were established in 1995–96 in Scotland and a further site was added in 1996–97. The total cost of the initiative was £1.4 million in 1995–96 and £1.5 million in 1996–97.

Mr. Donohoe: To ask the Secretary of State for Scotland on what basis the management allowances payable to GP fundholders are calculated; and what are the maximum and minimum amounts a fundholding practice can receive. [7166]

Lord James Douglas-Hamilton: Within the limits set down, the management allowance payable is for health boards to determine on the basis of information provided by GP fundholders in their practice plans. Before agreeing the amount for each practice, the health board must be satisfied that it represents value for money. From 1 April 1996, the maximum allowances available are calculated as follows:

	£
Standard fundholding practices	
Fixed standard fundholding allowance (per fund)	28,008
List size allowance per patient:	
for the first 0–6,999	1.93
then 7,000–10,999	1.65
then 11,000–14,999	1.56
then 15,000–20,999	1.20
then 20,000+	1.05
Site allowance (for each major branch surgery)	668
Standard fundholding group allowance (for each practice in excess of one in a single fund)	1,439
Primary care purchasing practices	
Fixed primary care purchasing allowance (per fund)	14,135
Site allowance (for each major branch surgery)	650
Standard primary care purchasing group allowance (for each practice in excess of one in a single fund)	1,250

There is no minimum management allowance. The allowances listed are the maximum which fundholding practices are permitted to spend for fund management purposes.

Mr. Donohoe: To ask the Secretary of State for Scotland what was *(a)* for each health board area in Scotland and *(b)* for the whole of Scotland (i) the amount spent on management allowances for GP fundholders and (ii) the number of GP fundholding practices in each year since 1990–91. [7167]

Lord James Douglas-Hamilton: Expenditure on management allowances for general practitioner fundholding practices in the period 1990–91 to 1995–96 is set out in table 1. The number of general practitioner fundholding practices from 1990–91 is set out in table 2.

Table 1: GP fundholder management allowance

£000

Health Board	*1990–91*	*1991–92*	*1992–93*	*1993–94*	*1994–95*	*[1]1995–96*
Argyll and Clyde	5	17	134	170	211	830
Aryshire and Arran	—	—	77	132	133	194
Borders	—	—	26	55	71	169
Dumfries and Galloway	—	—	—	33	92	218
Fife	—	—	36	85	125	322
Forth Valley	—	32	86	127	165	306
Grampian	—	85	539	1,006	1,310	2,027
Greater Glasgow	—	35	90	275	552	1,214
Highland	—	—	34	101	105	439
Lanarkshire	—	—	178	418	535	1,251
Lothian	16	33	168	429	697	1,098
Orkney	—	—	—	—	—	—
Shetland	—	—	—	—	—	—
Tayside	4	50	186	283	337	688
Western Isle	—	—	—	—	—	—
Scotland	25	252	1,554	3,114	4,333	8,756

[1] Provisional.

Table 2: GP fundholding practices

Health board	*1 April 1991*	*1 April 1992*	*1 April 1993*	*1 April 1994*	*1 April 1995*	*1 April 1996*
Argyll and Clyde	1	5	5	5	18	33
Ayrshire and Arran	—	2	6	5	7	8
Borders	—	—	3	3	7	10
Dumfries and Galloway	—	—	1	3	9	11
Fife	—	1	3	5	16	17
Forth Valley	—	2	3	5	12	17
Grampian	6	26	38	39	42	47
Greater Glasgow	—	2	14	30	60	101
Highland	—	1	4	7	18	21
Lanarkshire	—	2	11	16	17	32
Lothian	2	3	14	25	36	54
Orkney	—	—	—	—	—	—
Shetland	—	—	—	—	—	—
Tayside	4	8	10	12	20	31
Western Isles	—	—	—	—	2	3
Scotland	13	52	112	155	264	385

Cairn Gorm Funicular Railway

Mr. Galbraith: To ask the Secretary of State for Scotland when he expects to consider Highlands and Islands Enterprise's request for grant-aided expenditure on the proposed Cairn Gorm funicular railway. [7096]

Mr. Kynoch: Highlands and Islands Enterprise has sought the consent of my right hon. Friend for the provision of financial assistance for the Cairn Gorm funicular railway. Consideration of this request will not be completed until after the planning issues have been resolved.

Mr. Galbraith: To ask the Secretary of State for Scotland how many representations he has received about the proposed funicular railway on Cairn Gorm; and how many of these oppose the proposal. [7094]

Mr. Kynoch: My right hon. Friend has received a total of 2,840 letters about the proposed funicular railway on Cairn Gorm. Of these, 2,672 oppose the development.

Mr. Galbraith: To ask the Secretary of State for Scotland when he expects Scottish Natural Heritage to conclude a section 50 agreement under the Town and Country Planning (Scotland) Act 1972 with the developers of the proposed funicular railway on Cairn Gorm. [7093]

Mr. Kynoch: I understand that Scottish Natural Heritage has now reached agreement with the Highland council on all issues of principle relating to the drafting of the section 50 agreement. It is likely, therefore, that all parties will be in a position to conclude the section 50 agreement in the near future.

Mr. Galbraith: To ask the Secretary of State for Scotland if he will make a statement on the International Union for the Conservation of Nature and Natural Resources resolution concerning the proposed Cairn Gorm funicular railway made at its meeting in Montreal. [7095]

Mr. Kynoch: The resolution passed by the IUCN meeting in Montreal called on the UK Government to evaluate alternative development options to the proposed funicular railway in the Cairngorms. The resolution failed to recognise that a planning application has been submitted for the construction of a funicular railway, and that this has to be considered according to the statutory rules governing all planning applications. If a planning application for an alternative scheme is lodged, this will be considered in the usual way.

Legal Aid

Mr. Donohoe: To ask the Secretary of State for Scotland what reciprocal arrangements exist throughout the world for British nationals requiring assistance with the costs of legal action on a comparable basis to foreign nationals applying for legal aid within the United Kingdom. [7168]

Lord James Douglas-Hamilton: There are reciprocal arrangements between the United Kingdom and a number of countries worldwide, which are detailed and complex. I will write further to the hon. Member on this matter.

Mr. Donohoe: To ask the Secretary of State for Scotland how much has been spent by the Legal Aid Board on applications for legal aid *(a)* lodged by foreign nationals and *(b)* lodged by foreign nationals resident outside (i) Scotland and (ii) the UK in each of the last five financial year. [7043]

Lord James Douglas-Hamilton: The information is not collected by the board in the form asked for, but it is estimated that the annual cost of applications submitted to the Scottish Legal Aid Board by foreign nationals is between £60,000 and £75,000.

Mr. Donohoe: To ask the Secretary of State for Scotland if he will list *(a)* how many applications have been lodged for legal aid in Scotland, *(b)* the total cost of meeting applications for legal aid, *(c)* the number of successful applications for legal aid, *(d)* how many applications have been discovered by the Legal Aid Board to give false or misleading information, *(e)* the amount claimed in respect of applications for legal aid giving false or misleading information, *(f)* how much money was recouped by the Legal Aid Board in respect of applications giving false or misleading information, *(g)* how many applications for legal aid giving false or misleading information were the subject of reports to the legal authorities and *(h)* in how many cases prosecutions resulted from legal aid applications in which false or misleading information was given for each of the last three financial years. [7003]

Lord James Douglas-Hamilton: The information is set out in the tables.

Analysis of applications made to the Scottish Legal Aid Board

	Applications 1995–96	*Applications granted 1995–96*
Civil legal aid	30,335	20,064
Summary criminal legal aid	74,516	67,382
Solemn criminal legal aid[1]	—	11,560
Criminal appeals	3,131	1,806
Advice and assistance[2]	—	311,167
Legal aid for children[3]	—	2,651
Contempt of court[1]	—	144
Court of session	37	29
Total	108,019	414,803

[1] Applications for contempt of court legal aid, and for solemn criminal legal aid are made to the court.
[2] Grants of legal aid for advice and assistance are made by solicitors.
[3] Grants of legal aid for children are made by the court.

Legal aid payments 1995–96

	Number of cases	*Amount £*
Advice and assistance	271,480	25,070,307
Civil	22,605	32,210,281
Criminal	76,831	74,385,130
Children	2,336	1,674,508
Contempt of court	91	20,140
Total	373,343	133,360,366

Analysis of applications made to the Scottish Legal Aid Board which gave false or misleading information

	False or misleading applications	Amount claimed	Amount recouped by Scottish Legal Aid Board	Applicants reported to legal authorities
		£	£	
1995–96	281	72,058	2,822	11
Six months to September 1996	302	54,004	5,856	5

Analysis of prosecution cases resulting from legal aid applicants giving false or misleading information

	1993–94	1994–95	1995–96
Number of prosecution cases	3	7	[1]17
Successful prosecutions	2	7	11

[1] The number of prosecution cases in 1995–96 includes cases reported to the legal authorities in 1994–95.

Mr. Donohoe: To ask the Secretary of State for Scotland (1) what powers exist to prosecute individuals submitting applications for legal aid who give false or misleading information about their personal circumstances; [7004]

(2) what powers Ministers have to intervene in the handling of legal aid matters by the chief executive of the Legal Aid Board; and what powers the chief executive of the Legal Aid Board has to determine that no legal action should be taken in respect of applications for legal aid giving false or misleading information. [7124]

Lord James Douglas-Hamilton: Under section 3(4) of the Legal Aid (Scotland) Act 1986, the board is obliged to have regard, in the exercise of its functions, to such guidance as may from time to time be given to it by the Secretary of State. However, in terms of section 3(5) it is not appropriate for such guidance to relate to the consideration or disposal of applications for legal aid or advice and assistance.

It is a criminal offence in terms of section 35 of the Legal Aid (Scotland) Act 1986 for a person seeking or receiving legal aid wilfully to fail to comply with any regulations as to the information to be furnished by them or for the purposes of obtaining legal aid knowingly to make a false statement or false representations. In cases where officers of the board believe that a criminal offence has been committed, a report will be made to the police, or to the procurator fiscal, who will decide whether proceedings should be instituted. However, officers of the board may take the view that, while the making of an untrue statement or failure to disclose a material fact by an applicant may trigger regulation 32 of the Civil Legal Aid (Scotland) Regulations 1996, or regulation 18 of the Criminal Legal Aid (Scotland) Regulations 1996, or regulation 18 of the Criminal Legal Aid (Scotland) Regulations 1996, and result in the termination of legal aid and/or the clawback of moneys, the conduct of the assisted person does not amount to a criminal offence under section 35 of the Act. In reaching such a decision, officers of the board have regard to the full circumstances of the case, including any representations made by, or on behalf of, the assisted person.

Cairngorms

Mr. Galbraith: To ask the Secretary of State for Scotland when he expects to apply for a world heritage site listing for the Cairngorms; and if he will make a statement. [7098]

Mr. Kynoch: World heritage site status will be considered only where a high standard of management can be demonstrated. The Cairngorm partnership, which we set up to provide workable and sustainable strategies for the area, is currently consulting on its draft management plan. Once an agreed strategy is in place and significant progress has been made in its implementation, we shall be in a position to take forward the case for world heritage site listing for the Cairngorms.

Bowel Cancer

Mr. Donohoe: To ask the Secretary of State for Scotland what research his Department has *(a)* commissioned and *(b)* evaluated into trends in the rates of bowel cancer in the west of Scotland over the last five years. [7005]

Lord James Douglas-Hamilton: The Scottish Office commissioned research into bowel cancer in Scotland as a whole, totalling £679,047, between 1991 and 1995. Information on trends in the rates of bowel cancer, specifically in the west of Scotland, between 1990 and 1994—the latest years for which figures are available—is set out in the table.

Registrations of cancer of the Large Bowel by sex for the years 1990–94 in the West of Scotland[1], together with crude incidence rates per 100,000 population and European-age standard rates (EASR)

	Year of registration				
	1990	1991	1992	1993	1994
Males					
Number of registrations	765	779	797	806	812
Crude rate per 100,000 population	58.4	59.5	61.1	61.8	62.2
EASR	58.5	59.9	60.4	60.4	60.1
Females					
Number of registrations	851	769	734	776	846
Crude rate per 100,000 population	60.2	54.5	52.2	55.3	60.3
EASR	42.4	38.4	37.0	38.7	42.4

[1] The West of Scotland comprises the health board areas Argyll and Clyde, Ayrshire and Arran, Dumfries and Galloway, Forth Valley, Greater Glasgow and Lanarkshire.

Mr. Donohoe: To ask the Secretary of State for Scotland how many cases of bowel cancer have been recorded for each health board area in Scotland for each of the last five years. [7006]

Lord James Douglas-Hamilton: The number of registered cases of bowel cancer for each health board area in Scotland since 1990 is set out below. Information for 1995 is currently being compiled.

	Year of registration				
Health board	1990	1991	1992	1993	1994
Argyll and Clyde	255	256	264	259	292
Ayrshire and Arran	250	195	193	202	225
Borders	81	75	100	95	62
Dumfries and Galloway	109	98	99	109	106
Fife	210	217	222	218	221

Health board	Year of registration 1990	1991	1992	1993	1994
Forth Valley	145	144	162	166	167
Grampian	339	343	320	348	362
Greater Glasgow	615	630	549	591	615
Highland	155	134	134	170	153
Lanarkshire	242	225	264	255	253
Lothian	448	444	475	517	492
Orkney	8	12	6	9	9
Shetland	11	12	19	12	14
Tayside	258	284	258	303	292
Western Isles	20	22	15	28	23
Scotland	3,146	3,091	3,080	3,282	3,286

Prescription Charges

Mr. Donohoe: To ask the Secretary of State for Scotland what was *(a)* for each health board area in Scotland and *(b)* for Scotland as a whole (i) the amount raised through NHS prescription charges, (ii) the number of prescriptions paid for and (iii) the average charge levied for each prescription for each financial year since 1987 and for the first six months of 1996–97. [7169]

Lord James Douglas-Hamilton: The information for each health board for the financial years 1987–88 to 1995–96 and for the first six months of 1996–97 is set out in the tables.

The amount raised through NHS prescription charges shows the charges paid by patients in respect of drugs and appliances and prescription charges recovered from patients under health board post-dispensing checking arrangements. The amounts shown do not include the sums collected in respect of the sales of pre-payment certificates which are not deemed to be the payment of a charge under the NHS (Charges for Drugs and Appliances) (Scotland) Regulations 1989, as amended.

The average charge levied for each prescription item has been calculated by dividing the total income from NHS prescriptions, which includes income generated through the sale of pre-payment certificates, by the total number of prescription items dispensed.

Value of NHS prescription charges 1987–88 to September 1996

Health board	1987–88 £	1988–89 £	1989–90 £	1990–91 £	1991–92 £
Argyll and Clyde	1,401,971	1,619,931	1,664,327	1,739,909	1,909,549
Ayrshire and Arran	1,343,944	1,363,265	1,493,341	1,599,391	1,720,195
Borders	361,707	418,690	432,012	460,828	507,546
Dumfries and Galloway	506,040	591,008	616,088	650,903	731,447
Fife	1,127,660	1,224,895	1,367,947	1,451,579	1,634,243
Forth Valley	920,575	1,059,355	1,088,334	1,165,445	1,300,438
Grampian	2,043,973	2,006,440	2,205,824	2,399,868	2,694,810
Greater Glasgow	2,525,368	2,694,145	2,847,550	2,945,034	3,142,277
Highland	570,729	715,553	765,988	847,790	959,670
Lanarkshire	1,769,306	1,918,087	2,115,452	2,155,476	2,359,297
Lothian	2,352,445	2,550,357	3,037,177	3,031,138	3,337,516
Orkney	75,240	85,649	87,711	105,903	119,597
Shetland	73,797	79,223	83,269	105,137	103,192
Tayside	1,289,796	1,399,856	1,536,510	1,658,357	1,830,338
Western Isles	79,929	71,498	77,870	86,351	87,519
Scotland	16,442,480	17,797,952	19,419,400	20,403,109	22,437,634

Health board	1992–93 £	1993–94 £	1994–95 £	1995–96 £	April–September[1] 1996 £
Argyll and Clyde	2,034,494	2,165,136	2,293,714	2,369,665	1,157,616
Ayrshire and Arran	1,825,740	1,992,347	2,099,886	2,172,678	1,071,089
Borders	566,992	639,116	690,134	692,281	351,758
Dumfries and Galloway	790,551	889,771	947,752	982,787	492,072
Fife	1,752,818	1,799,866	2,224,604	2,196,186	1,100,681
Forth Valley	1,401,513	1,596,432	1,709,598	1,783,654	883,321
Grampian	3,039,443	3,331,274	3,703,506	3,753,881	1,902,064
Greater Glasgow	3,307,852	3,500,011	3,714,678	3,872,902	1,886,484
Highland	1,042,665	1,119,967	1,249,931	1,283,107	651,096
Lanarkshire	2,520,036	2,742,741	2,839,487	3,029,446	1,469,915
Lothian	3,626,777	4,053,025	4,395,732	4,574,405	2,286,180
Orkney	240,408	164,042	159,794	124,418	63,714
Shetland	113,651	130,688	137,164	156,151	81,288
Tayside	2,011,229	2,206,634	2,371,206	2,407,305	1,189,526
Western Isles	99,184	114,418	135,618	146,437	73,296
Scotland	24,373,353	26,445,468	28,672,804	29,545,303	14,660,100

[1] Provisional.

Number of prescription items paid for by patients 1987–88 to September 1996

Health board	*1987–88*	*1988–89*	*1989–90*	*1990–91*	*1991–92*
Argyll and Clyde	586,839	578,375	594,030	571,582	559,006
Ayrshire and Arran	522,527	521,018	535,044	518,753	508,068
Borders	151,739	149,900	153,616	150,299	148,946
Dumfries and Galloway	212,713	211,759	220,250	214,145	118,272
Fife	470,289	473,778	486,716	478,379	476,826
Forth Valley	385,721	379,450	389,990	378,100	379,832
Grampain	786,456	770,062	792,796	786,412	795,575
Greater Glasgow	1,054,202	1,025,324	1,032,679	968,043	928,024
Highland	257,601	259,368	274,072	276,660	281,916
Lanarkshire	741,925	738,955	761,004	707,139	697,945
Lothian	987,094	983,046	1,013,132	991,866	980,656
Orkney	24,110	23,791	24,494	25,196	26,008
Shetland	31,045	30,139	30,226	30,303	30,299
Tayside	537,69	537,126	550,797	543,774	538,107
Western Isles	29,981	27,473	29,417	27,036	25,746
Scotland	6,779,921	6,709,564	6,888,263	6,667,687	6,495,226

Health board	*1992–93*	*1993–94*	*1994–95*	*1995–96*	*April–September [1] 1996*
Argyll and Clyde	544,024	507,279	482,303	451,365	210,476
Ayrshire and Arran	492,048	464,918	442,229	413,843	194,743
Borders	153,334	149,674	145,428	131,863	63,956
Dumfries and Galloway	215,366	205,661	202,131	187,198	89,468
Fife	472,093	457,049	442,156	418,321	200,124
Forth Valley	379,011	370,334	362,785	339,744	160,604
Grampian	808,448	790,298	774,591	715,025	345,830
Greater Glasgow	891,952	821,936	790,842	737,696	342,997
Highland	276,275	263,329	264,187	244,401	118,381
Lanarkshire	684,209	643,796	606,541	577,037	267,257
Lothian	974,946	946,777	924,074	871,315	415,669
Orkney	26,883	27,497	25,157	23,699	11,584
Shetland	30,781	31,324	29,260	29,743	14,780
Tayside	536,069	519,104	498,760	458,534	216,277
Western Isles	26,337	28,556	27,002	27,893	13,327
Scotland	6,511,776	6,227,532	6,017,446	5,627,677	2,665,473

[1] Provisional.

Average charge levied per prescription item 1987–88 to September 1996

Health board	*1987–88* £	*1988–89* £	*1989–90* £	*1990–91* £	*1991–92* £
Argyll and Clyde	0.43	0.45	0.47	0.49	0.51
Ayrshire and Arran	0.44	0.46	0.48	0.50	0.53
Borders	0.51	0.54	0.57	0.60	0.63
Dumfries and Galloway	0.51	0.53	0.56	0.58	0.38
Fife	0.50	0.52	0.55	0.58	0.62
Forth Valley	0.49	0.51	0.54	0.56	0.59
Grampian	0.59	0.61	0.65	0.69	0.76
Greater Glasgow	0.34	0.35	0.36	0.37	0.38
Highland	0.52	0.55	0.59	0.62	0.67
Lanark	0.42	0.44	0.46	0.47	0.49
Lothian	0.50	0.53	0.56	0.59	0.63
Orkney	0.50	0.53	0.58	0.61	0.68
Shetland	0.50	0.54	0.56	0.60	0.68
Tayside	0.47	0.49	0.52	0.54	0.58
Western Isles	0.35	0.36	0.39	0.40	0.42
Scotland	0.45	0.47	0.50	0.52	0.54

Average charge levied per prescription item 1987–88 to September 1996

Health board	*1992–93* £	*1993–94* £	*1994–95* £	*1995–96* £	*April–September [1] 1996* £
Argyll and Clyde	0.53	0.54	0.57	0.57	0.56
Ayrshire and Arran	0.55	0.58	0.60	0.61	0.61
Borders	0.67	0.71	0.76	0.74	0.74
Dumfries and Galloway	0.67	0.69	0.72	0.71	0.69
Fife	0.66	0.70	0.74	0.73	0.72
Forth Valley	0.62	0.67	0.71	0.71	0.68

Average charge levied per prescription item 1987–88 to September 1996

Health board	*1992–93* £	*1993–94* £	*1994–95* £	*1995–96* £	*April–September*[1] *1996* £
Grampian	0.83	0.89	0.95	0.95	0.94
Greater Glasgow	0.39	0.39	0.41	0.42	0.41
Highland	0.70	0.72	0.78	0.76	0.75
Lanark	0.51	0.53	0.55	0.55	0.53
Lothian	0.68	0.72	0.77	0.78	0.77
Orkney	0.74	0.84	0.89	0.90	0.93
Shetland	0.74	0.79	0.84	0.90	0.91
Tayside	0.63	0.67	0.70	0.69	0.67
Western Isles	0.46	0.52	0.54	0.60	0.59
Scotland	0.58	0.61	0.64	0.64	0.63

[1] Provisional.

Food Poisoning

Mr. Salmond: To ask the Secretary of State for Scotland how much has been spent by *(a)* the Scottish Office Home and Health Department and *(b)* the Scottish Office Agriculture, Environment and Fisheries Department on research into (i) E. coli 0157 and (ii) campylobacter in each year since 1990, and from 1 January to date. [7206]

Mr. Raymond S. Robertson *[holding answer 2 December 1996]:* The information requested is set out in the tables. The majority of research in this area is funded by the Departments of my right hon. Friend the Secretary of State for Health and my right hon. and learned Friend the Minister for Agriculture, Fisheries and Food, but in the light of the current outbreak in Scotland, my Department will review with those Departments the future funding of research into E. coli 0157 and campylobacter.

The Scottish Office Department of Health

£000

	E. coli 0157	*Campylobacter*
1990–91	—	19
1991–92	9	5
1992–93	39	4
1993–94	25	—
1994–95	5	21
1995–96	58	33
1996–97	14	11

The Scottish Office, Agriculture, Environment and Fisheries Department

£000

	E. coli 0157	*Campylobacter*
1990–91	—	—
1991–92	36	—
1992–93	48	—
1993–94	48	—
1994–95	50	—
1995–96	70	—
1996–97[1]	170	—

[1] Committed to be spent.

Mr. Salmond: To ask the Secretary of State for Scotland if he will list the research applications his Department has *(a)* granted and *(b)* rejected to study (i) E. coli 0157 and (ii) campylobacter in each year since 1990, and from 1 January to date. [7207]

Mr. Robertson *[holding answer 2 December 1996]:* Eleven research applications were submitted to the Scottish Office between 1990 and 1996, of which eight were successful and three unsuccessful. The latter projects were rejected following assessment by external referees and the expert research committee which advises my Department on the grounds that they were either of insufficient scientific quality or were in the area of basic science and had little immediate relevance to public health and clinical practice. The applications are listed in the table.

	Date
SUCCESSFUL APPLICATIONS	
E.Coli 0157	
1. Epidemiology of enteric diseases with special reference to E.coli.	1991
2. Innate immunity in breast milk and colostrum: characterisation of glycoproteins which bind to fimbraie and other adhesins of pathogenic E.coli.	1991
3. Human E.coli 1057 infection in Scotland—an epidemiological study.	1992
4. Antagonistic interactions between gut organisms.	1995
5. Epidemiology of verotoxin-producing E.coli in Scotland with particular reference to serogroup 01157: application and development of molecular typing methods.	1995
6. A study of inter-relationships between livestock conditions, slaughterhouse practices and the microbiological safety of carcases.	1996
Campylobacter	
1. Effect of ammonia production by campylobacter pylori on gastric function.	1990
2. Epidemiology of pathogenic campylobacter Spp in Scotland: development of genotyping methods.	1994
UNSUCCESSFUL APPLICATIONS	
E.coli 0157	
1. The pathophysiology of haemolytie—uraemic syndrome in association with infection by vetotoxin—producing E.coli 0157.	1995
2. Final structure analysis of VTEC in Scotland.	1996
Campylobacter	
1. Genetic characterisation of clinical isolates of campylobacter pylori.	1990

Mr. Donohoe: To ask the Secretary of State for Scotland how much it cost the national health service to treat cases of food poisoning in Scotland during the last financial year. [7424]

Lord James Douglas-Hamilton: The information requested is not collected.

Air Passenger Duty (Orkney)

Mr. Wallace: To ask the Secretary of State for Scotland what is the estimated additional cost per annum to *(a)* Orkney health board and *(b)* Shetland health board of the proposed increase in air passenger duty. [7050]

Lord James Douglas-Hamilton *[holding answer 4 December 1996]:* The additional costs per annum are estimated to be £17,000 for Orkney and £13,500 for Shetland.

Written Answers to Questions

Friday 6 December 1996

HOME DEPARTMENT

Prevention of Terrorism (Temporary Provisions) Act 1989

Sir Michael Shersby: To ask the Secretary of State for the Home Department what arrangements he has made for this year's review of the Prevention of Terrorism (Temporary Provisions) Act 1989; and how observations from interested persons or organisations should be submitted for consideration. [8294]

Mr. Howard: I am pleased to say that Mr. John Rowe QC has accepted my invitation to carry out the annual review of the Act for a further two years.

Written observations on the operation of the Act should be submitted to Mr. Rowe, c/o room 647, Home Office, 50 Queen Anne's gate, London SW1H 9AT, by 15 January 1997.

AGRICULTURE, FISHERIES AND FOOD

Christmas Expenditure

Mr. Donohoe: To ask the Minister of Agriculture, Fisheries and Food how much his Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for his Department's headquarters; and what are the type and country of origin of the trees. [7561]

Mr. Boswell: Such information is disaggregated and is not readily available. No Christmas trees will be bought with public funds for the Department's headquarters.

Set-aside Scheme

Mr. Flynn: To ask the Minister of Agriculture, Fisheries and Food what new plans he has in respect of using set-aside land to improve the environment. [7995]

Mr. Baldry: I refer the hon. Member to the reply that my hon. Friend the Minister for Rural Affairs gave him on 18 July, *Official Report*, column *1295*. These changes have been welcomed by conservation organisations.

Potatoes

Mr. William Ross: To ask the Minister of Agriculture, Fisheries and Food what is the legislation for Great Britain which corresponds to the statutory rules of Northern Ireland 1996, No. 524, relating to potatoes originating in the Netherlands. [7921]

Mr. Boswell: The corresponding legislation is the Potatoes Originating in the Netherlands Regulations 1996, statutory instrument 1996 No. 2563. A copy has been placed in the Library of the House.

ENVIRONMENT

Tradeable Permits

Mr. Meacher: To ask the Secretary of State for the Environment what plans he has for tradeable permits for *(a)* sulphur dioxide discharges and *(b)* water discharges for industry. [7230]

Mr. Clappison: A possible role for tradeable permits in relation to sulphur dioxide emissions was discussed in the consultation paper on a national strategy for meeting the UK's commitments under the United Nations Economic Commission for Europe second sulphur protocol. The outcome of that consultation will be announced later this year.

The Government will also shortly be publishing a discussion paper on the scope for economic instruments to be used in respect of water pollution, including the potential to introduce tradeable permits for discharges from industry.

Private Sector Housing (Single Rooms)

Dr. Lynne Jones: To ask the Secretary of State for the Environment what assessment he has made of the availability of single, non-self-contained rooms in the private sector. [7241]

Mr. Clappison: The rental market is flexible, as evidenced by the recent growth in student accommodation. We believe that it will respond to changes in demand arising from the new housing benefit rules that my right hon. Friend the Secretary of State for Social Security intends to introduce from October 1997 for single people under 60. To encourage people who have spare rooms in their house to let them out, my right hon. and learned Friend the Chancellor of the Exchequer announced in the Budget an increase in the current rent-a-room threshold of £3,250. From April 1997, rental income of up to £4,250 will be exempt from tax.

Dr. Jones: To ask the Secretary of State for the Environment what estimate he has made of *(a)* the number of single under-60s living in private deregulated accommodation and *(b)* the proportion of that accommodation which consists of single, non-self-contained rooms. [7242]

Mr. Clappison: An estimated 430,000 people aged under 60 formed one-person households in the deregulated private rented sector in England in 1995–96, and of these 70,000 were in single non-self-contained rooms. A further 670,000 single people were in house-shares or flat-shares in the deregulated sector. The number of these who had single non-self-contained rooms is not known, although it is likely to be the large majority.

These estimates are from the 1995–96 survey of housing in England and, like all estimates from sample surveys, are subject to sampling variability. The deregulated sector has been taken as all private lettings other than regulated lettings and those not accessible to the public. Single people have been taken as those not living as one of a couple or as a lone parent with a dependent child.

Bathing Water

Mr. Morgan: To ask the Secretary of State for the Environment what plans he has to include statistics on UK

compliance with EU bathing water directive standards, in addition to those for coliforms, in the next edition of "The Environment in Your Pocket" yearbook. [7448]

Mr. Clappison: The content of the 1997 edition of "The Environment in your Pocket" has yet to be decided. However, it is likely that it will again include one or two items on bathing waters, as in the 1996 edition, but there is a limit to what can be included in a booklet of this size.

The information given in "The Environment in your Pocket" is a distillation of some of the key statistics published in detail in the annual "Digest of Environmental Statistics". Full, detailed statistics on performance of all bathing waters against bathing water directive standards for all parameters for which a mandatory standard is set will continue to be published in "Digest No. 19" in 1997 and on the Internet World Wide Web site—address: http://www.open.gov.uk/doe/epsim.

Seals

Mr. Ainger: To ask the Secretary of State for the Environment what direct support in *(a)* cash and *(b)* other forms his Department has offered to organisations actively engaged in caring for ill and injured seals in the United Kingdom. [7390]

Mr. Clappison *[holding answer 3 December 1996]:* From a search of available information, my Department has not directly offered any cash support to organisations actively involved in caring for ill and injured seals in the United Kingdom. However, in conjunction with the Welsh Office, my Department is providing significant funding for investigations of marine mammal strandings, including seals, in England and Wales in order to monitor causes of disease and death and changes in their patterns of incidence.

Mr. Ainger: To ask the Secretary of State for the Environment how many post mortems carried out on seals from west Wales have established the presence of the herpes virus in the last two months. [7392]

Mr. Clappison *[holding answer 3 December 1996]:* Five post mortems were conducted on grey seals washed up on the west Wales coast in the last two months under the Government-funded marine mammals strandings project. None of the carcases had lesions consistent with seal herpes virus infection. Post mortem examination of a larger number of carcases was not possible due in some cases to the decomposed state of the stranded animals and others being washed back to sea before collection was possible.

Mr. Ainger: To ask the Secretary of State for the Environment what requests his Department has received for help from organisations actively involved in caring for ill or injured seals in the last 10 years. [7394]

Mr. Clappison *[holding answer 3 December 1996]:* From a search of available information, my Department appears not to have received any requests for help from organisations actively involved in caring for ill and injured seals in the last 10 years.

Mr. Ainger: To ask the Secretary of State for the Environment how many post mortems have been carried out on dead seals on his Department's behalf by the Zoological Society of London and by Liverpool university in each of the last five years. [7391]

Mr. Clappison *[holding answer 3 December 1996]:* The table records the numbers of post mortem examinations of stranded seals which the Zoological Society of London has carried out under contract to my Department during the last five years.

	England		*Wales*	
Year	*Phoca vitulina (Common seal)*	*Halichoerus grypus (Grey seal)*	*Phoca vitulina (Common seal)*	*Halichoerus grypus (Grey seal)*
1991	0	10	1	8
1992	0	5	0	26
1993	4	15	0	15
1994	1	4	0	20
1995	1	3	0	5
1996	0	1	0	5
Total	6	38	1	79

Mr. Ainger: To ask the Secretary of State for the Environment if he will make it his policy to provide information gained from post mortem reports on dead seals to those individuals and organisations actively engaged in caring for seals; and if he will make a statement. [7393]

Mr. Clappison *[holding answer 3 December 1996]:* Results of post mortem investigations carried out as part of the Government-funded marine mammals strandings project are periodically published in scientific journals. Data are also available via published annual and five-yearly reports.

Mr. Ainger: To ask the Secretary of State for the Environment what *(a)* discussions and *(b)* exchanges of information have taken place between his Department and the seal rehabilitation and research centre, Pieterburen, the Netherlands, and Professor Osterhaus of Erasmus university, Rotterdam, about the discovery of a herpes virus in dead Atlantic grey seal pups washed ashore in south-west Wales in recent weeks. [7395]

Mr. Clappison *[holding answer 3 December 1996]:* No discussions or exchanges of information have taken place between my Department and the seal rehabilitation and research centre, Pieterburen, or Professor Osterhaus or Erasmus university, Rotterdam. However, under the marine mammals strandings project, results of post mortem investigations are made available via published articles and reports. The information contributes to an international pool of knowledge on the autecology of marine mammal species.

SCOTLAND

Funicular Railway, Cairn Gorm

Mr. Galbraith: To ask the Secretary of State for Scotland what steps he will take to ensure that a section 50 agreement between Scottish National Heritage and the developers of the proposed funicular railway on Cairn Gorm conforms to the requirements of the EU birds and habitats directives (79/409 and 92/43). [7097]

Mr. Kynoch: I understand that the Highland council has indicated that planning permission for the development of a funicular railway on Cairn Gorm will be conditional on completion of an agreement under section 50 of the Town and Country Planning (Scotland) Act 1972 and section 49A of the Countryside (Scotland) Act 1967, designed primarily to ensure that there is no breach of the birds and habitats directives, and the withdrawal of the objection lodged by Scottish Natural Heritage. Scottish Natural Heritage, which has a statutory duty to exercise its nature conservation functions to secure compliance with the habitats directive, will withdraw its objection only if it is satisfied that the section 50 agreement will ensure that the operation of the funicular railway would not result in a breach of the requirements of the directives.

Deaths

Mrs. Wise: To ask the Secretary of State for Scotland how many deaths were registered in Scotland between *(a)* 1 April and 30 September 1994, *(b)* 1 October 1994 and 31 March 1995, *(c)* 1 April 1995 and 30 September 1995 and *(d)* 1 October 1995 and 31 March 1996 for people aged (i) 60 to 69, (ii) 70 to 79, (iii) over 80 years of age and (iv) in total. [7421]

Lord James Douglas-Hamilton: The figures requested are given in the table.

Deaths by age and specific dates, April 1994 to March 1996[1]

	60–69	*70–79*	*80+*	*All ages*
1 April 1994 to 30 September 1994	5,160	8,234	10,718	28,271
1 October 1994 to 31 March 1995	5,383	9,144	12,315	31,074
1 April 1995 to 30 September 1995	5,025	8,131	11,049	28,243
1 October 1995 to 31 March 1996	5,313	9,280	13,085	31,987

[1] 1996 figures are provisional.

Food Poisoning

Mr. Donohoe: To ask the Secretary of State for Scotland how many cases of food poisoning have been diagnosed in each of the last 10 years in each health board area in Scotland; and how many people were resident in each health board area during this period. [7431]

Lord James Douglas-Hamilton: The information is set out in the tables. The information in the first table relates to notifications of cases of food poisoning to the Common Services Agency for the Scottish health service.

Table 1: Notifications of food poisoning by health board area: 1986–1995

	Argyll and Clyde	*Ayrshire and Arran*	*Borders*	*Dumfries and Galloway*	*Fife*	*Forth Valley*	*Grampian*	*Greater Glasgow*
1986	438	166	68	293	267	205	670	586
1987	317	255	71	311	280	267	790	554
1988	396	120	132	257	569	320	905	669
1989	455	182	142	291	524	299	1,080	632
1990	384	281	186	249	550	335	1,323	745
1991	213	228	228	188	587	364	1,187	771
1992	167	348	204	234	527	482	1,621	999
1993	326	411	175	315	549	365	1,150	732
1994	568	386	236	338	560	491	1,103	1,164
1995	634	446	238	343	634	411	1,771	1,293

	Highland	*Lanark-shire*	*Lothian*	*Orkney*	*Shetland*	*Tayside*	*Western Isles*
1986	163	284	1,202	—	15	285	21
1987	190	390	1,246	1	24	344	9
1988	205	490	1,242	—	27	391	11
1989	342	523	1,184	2	27	446	27
1990	366	567	1,183	1	20	513	54
1991	282	556	1,208	—	18	466	22
1992	338	788	1,549	18	38	536	28
1993	342	742	1,394	29	46	570	26
1994	329	862	1,531	8	45	627	36
1995	328	952	1,630	15	25	548	29

1. Excludes campylobacters for 1986–1989.
2. Includes campylobacters from 1990.
3. Figures relate to the health board of notification—this may not always be the health board of residence.

Table 2: Estimated population resident in health board areas in Scotland: 1986–95 (as at 30 June)

	Argyll and Clyde	*Ayrshire and Arran*	*Borders*	*Dumfries and Galloway*	*Fife*	*Forth Valley*	*Grampian*	*Greater Glasgow*
1986	445,300	376,200	101,700	145,400	346,500	272,500	504,500	960,500
1987	442,700	376,400	102,000	145,500	346,700	272,800	504,600	952,200
1988	441,300	376,000	102,300	145,700	346,600	272,200	503,500	940,400
1989	440,000	376,400	102,800	147,100	347,600	272,100	507,600	932,700
1990	439,500	376,700	103,600	147,600	348,800	273,100	510,200	924,500

Table 2: Estimated population resident in health board areas in Scotland: 1986–95 (as at 30 June)

	Argyll and Clyde	Ayrshire and Arran	Borders	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow
1991	437,400	376,900	104,100	147,700	349,400	272,900	515,600	922,600
1992	434,300	376,600	104,800	147,900	349,900	272,700	522,400	918,200
1993	432,900	376,800	105,300	147,900	351,200	272,900	522,100	915,700
1994	433,000	377,000	105,700	147,800	352,100	273,400	532,500	916,600
1995	432,800	377,200	106,200	147,900	351,600	273,900	532,800	912,500

	Lanarkshire	Lothian	Orkney	Shetland	Tayside	Western Isles
1986	565,300	743,100	19,100	22,400	390,500	31,000
1987	564,200	744,600	19,100	22,400	390,200	30,500
1988	561,900	742,900	19,200	22,300	389,300	30,300
1989	562,200	747,100	19,300	22,200	388,900	30,000
1990	562,700	750,300	19,400	22,400	391,100	29,800
1991	561,300	751,000	19,560	22,540	392,500	29,400
1992	561,600	750,600	19,710	22,640	394,600	29,350
1993	561,400	753,900	19,760	22,830	395,200	29,410
1994	561,200	758,600	19,810	22,880	395,000	29,310
1995	561,200	764,600	19,870	23,090	395,600	29,040

Public Defender Service

Mr. Austin Mitchell: To ask the Secretary of State for Scotland if he will make a statement on his proposals for a public defender service. [7515]

Lord James Douglas-Hamilton: Clause 45 of the Crime and Punishment (Scotland) Bill seeks to empower the Scottish Legal Aid Board to employ solicitors to provide criminal legal assistance, the aim being to set up pilot studies to assess the realistic cost of criminal legal assistance and to compare the costs and benefits of in-house and external provision. In Committee, I undertook to clarify this power by providing for the number of solicitors to be employed by the board to be restricted to six, for the Secretary of State to be required to report to Parliament within three years of the provisions coming into force and for the provisions to lapse five years after coming into force, subject to any transitional arrangements. I shall bring forward amendments to this effect on Report.

Overseas Travel (Diseases)

Mr. Donohoe: To ask the Secretary of State for Scotland (1) how much it has cost the national health service in Scotland to administer immunisations against rare or tropical diseases to people travelling abroad from the United Kingdom; [7530]

(2) how much the national health service spent in the last financial year treating rare or tropical diseases contracted by visitors to foreign countries. [7529]

Lord James Douglas-Hamilton: The information requested is not collected.

Christmas Expenditure

Mr. Donohoe: To ask the Secretary of State for Scotland (1) how much his Department plans to spend on celebrating Christmas and the new year. [7580]

(2) how much his Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for his Department's headquarters; and what are the type and country of origin of the trees. [7558]

Lord James Douglas-Hamilton: Christmas cards will be sent to some organisations and individuals who have worked closely with the Department and its agencies during the past year. The precise numbers and total costs are not yet available. Four fir trees grown in Scotland have been purchased for buildings in Edinburgh and Glasgow at a cost, including containers, of £115 each. Decorations purchased in previous years will be reused. The total labour costs of delivering, installing, decorating, lighting, dismantling, removing and recycling the trees are estimated to be £550.

Roads Programme

Mr. Norman Hogg: To ask the Secretary of State for Scotland what assessment he has made of the impact of the Budget statement on the Scotland roads programme; and if he will make a statement. [7831]

Lord James Douglas-Hamilton: My right hon. Friend will make a statement on these matters in the near future.

Community Care

Mr. Welsh: To ask the Secretary of State for Scotland if he will list the costs of preparing and producing the report on the provision of community care services in Angus, Dundee and Perth and Kinross. [7815]

Lord James Douglas-Hamilton: The costs of preparing and producing the report on the provision of community care services in Angus, Dundee and Perth and Kinross were as follows:

Item	£
Report preparation	
Manager's time	7,700
Inspectors' time (includes 20 per cent. overhead costs)	26,250
Administrative support	1,000

Item	£
Consultancy (Price Waterhouse)	19,364
Market research costs	2,643
Research assistance	1,865
Total	58,822
Report production	
Production of summary report	295
HMSO	17,953
Total	18,248
Combined total cost	77,070

OVERSEAS DEVELOPMENT ADMINISTRATION

Iraq

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his current estimate of the number of children dying of hunger and disease each week in Iraq; and if he will make a statement. [7522]

Dr. Liam Fox: We do not have reliable estimates. Figures produced by the Government of Iraq cannot be relied upon, given their history of deceit.

This year we have spent some £6 million on emergency assistance for Iraq through non-governmental organisations and United Nations agencies. Of this, some £1.6 million was targeted on children's needs—£0.5 million in northern Iraq and £1.1 million in Baghdad-controlled Iraq.

The Government are pleased that Iraq has now finally agreed to the implementation of Security Council resolution 986, as we have urged them to do since its adoption in April 1995. Saddam Hussein's refusal to implement it for so long has caused much unnecessary suffering for the Iraqi people.

Paraguay

Ms Short: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Government of Paraguay are required to settle the indigenous peoples' land claims in the Paraguayan Chaco before the second phase of the EU project on sustainable development in the Paraguayan Chaco begins; and if this is a precondition for the United Kingdom Government voting for the second phase to proceed. [7704]

Dr. Liam Fox: With other EU member states, we approved a proposal for the sustainable development of the Chaco region of Paraguay in September 1994. Approval was given subject to several conditions, one of them being that the Government of Paraguay would be required to settle the indigenous peoples' land claims in the project region before the start of the second operational phase. UK support for the second phase of the project remains conditional on this requirement being met.

Indonesia

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs on what occasions since 1980 the prospect of arms sales for United Kingdom companies has been a factor in the granting of aid to Indonesia. [7527]

Dr. Liam Fox: In no instance has the prospect of arms sales been a factor in decisions by the Overseas Development Administration concerning the granting of aid to Indonesia.

NATIONAL HERITAGE

Yorkshire County Cricket Club

Mr. Batiste: To ask the Secretary of State for National Heritage if she will make a statement on the eligibility for EU and lottery funds of the proposed move of Yorkshire county cricket club to Wakefield. [7037]

Mr. Sproat: It would not be appropriate for me to comment at this stage on the eligibility of possible applications by Wakefield metropolitan city council for European and national lottery funding for the proposed new ground for Yorkshire county cricket club in Wakefield. Any such applications will be treated on their merits. In general terms, applications to the European structural fund must demonstrate that new investment will be attracted to the region in which the project is sited, while applications for lottery moneys for sports projects must demonstrate that the proposed facilities will benefit the whole community. The Sports Council has already advised YCCC that applications to the lottery sports fund for spectator accommodation currently have relatively low priority, but the policy is under review, in discussion with a number of sports including cricket.

TRANSPORT

A205, Catford

Mr. Dowd: To ask the Secretary of State for Transport if he will make a statement on the status of the A205 Catford town centre improvement within the trunk roads programme; and when he expects construction to start. [7385]

Mr. Bowis: I have asked the chief executive of the Highways Agency to write to the hon. Member.

Letter from Lawrie Haynes to Mr. Jim Dowd, dated 6 December 1996:

The Secretary of State for Transport has asked me to reply to your recent question about the A205 Catford Town Centre improvement scheme.

The Secretary of State announced on 26 November that this scheme has been retained in the trunk road programme. However, the planning consent which was granted to the Greater London Council has lapsed and we propose to publish fresh draft Orders under the Highways Act 1980. It is therefore too early to say when construction will start. That will depend upon the satisfactory completion of the statutory planning procedures and the continuing availability of funds.

Publicity

Mr. Donohoe: To ask the Secretary of State for Transport what promotional and public information campaigns his Department is *(a)* currently running and *(b)* planning to run during the next six months; and for each campaign (i) how much it will cost, (1) in total and (2) to his Department, (ii) what agencies or bodies are undertaking the work and (iii) what is its planned duration. [7407]

Mr. Bowis: Information relating to the promotional and public information campaigns run by the Department of Transport through its agencies is not collected centrally. The information below relates to the central transport group of the Department of Transport only.

The bulk of the Department's promotional and public information work concerns continual campaigns to encourage safer road use.

(a) The annual Christmas drink drive advertising campaign is currently running. It will run throughout December and will cost £1.2 million.

(b) Child pedestrian safety advertising will run in January and February 1997 costing £800,000. Over the next six months it is planned to spend a further £400,000 to publicise various road safety topics.

The Department works with advertising agencies Abbot Mead Vickers and D'Arcy Masius Benton and Bowles to secure creative advise in addressing its road safety messages through advertising campaigns to the public; it works with the Central Office of Information to ensure that it secures effectiveness and value for money in the purchasing of advertising media. In other areas of providing information for the public—advice on transport security, mobility for disabled people, vehicle emissions etcetera—it works with various suppliers of design, print, and other media.

Mr. Donohoe: To ask the Secretary of State for Transport how much his Department has spent on promotional or public information campaigns in each of the last five years; and how much he estimates will be spent on these campaigns during the (i) current and (ii) next financial years. [7539]

Mr. Bowis: Information relating to the promotional and public information campaigns run by the Department of Transport and its agencies is not collected centrally. The figures relate to the central transport group of the Department of Transport only.

The figures for the last five years are as follows:

1991–92: 8,270,000
1992–93: 8,760,000
1993–94: 8,275,000
1994–95: 8,039,000
1995–96: 8,356,000[1]

(i) estimate for current financial year:
1996–97: 9,648,000[1]

(ii) detailed budget estimates for the next financial years have not yet been finalised.

[1] Expenditure for 1995–96 and 1996–97 includes advertising in respect of the flotation of Railtrack.

Channel Tunnel (Safety)

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 27 November, *Official Report*, column *265*, what is the estimated time delay between an incident in mid-channel tunnel and the arrival of firefighting teams during the night. [7663]

Mr. Watts: During normal operations, firefighting teams are usually based at night in the fire equipment management centres at either end of the tunnel. The maximum estimated attendance time for teams to reach the middle of the tunnel from the FEMCs is about 20 minutes. Under the current temporary arrangements, Eurotunnel has assured the Channel Tunnel Safety Authority that firefighting teams will maintain a permanent 24-hour presence in the service tunnel while the damaged section of the southern tunnel is repaired.

Mrs. Dunwoody: To ask the Secretary of State for Transport, pursuant to his answer of 27 November, *Official Report*, column *265*, what inspections have been undertaken by the Channel Tunnel Safety Authority since the tunnel became operational. [7662]

Mr. Watts: Numerous regular inspections have been undertaken both by members of the Channel Tunnel Safety Authority and by inspectors from national authorities.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will list the members of the Channel Tunnel Safety Authority, together with the organisations that they represent. [7651]

Mr. Watts: There are 10 full members of the Channel Tunnel Safety Authority. They are:

Roger Lejuez (current chairman of the Safety Authority), Inspecteur Général des Transports et des Travaux Publics, Ministère des Transports; Claude Charmeil, Ingénieur Général des Ponts et Chausées, Ministère des Transports; Pierre Desfray, Ingénieur Divisionnaire des Travaux Publics de l'Etat, Ministère des Transports; François Barthélémy, Chef de la Mission du Transport des Matières Dangéreuses, Ministère des Transports; and Jean-Pascal Cogez, Sous-Préfet du Pas-de-Calais.

Edward Ryder CB (current head of the UK delegation), formerly HM chief inspector of nuclear installations, Health and Safety Executive; Peter Moss, head of channel tunnel division, Department of Transport; Sandra Caldwell, head of division A—safety policy directorate, Health and Safety Executive; Jeremy Beech CBE, QFSM, chief fire officer of Kent; and Victor Coleman, deputy chief inspector of railways, HM railway inspectorate, Health and Safety Executive.

Mrs. Dunwoody: To ask the Secretary of State for Transport if the Kent fire brigade took part in the safety evacuation exercise carried out by Eurotunnel on Sunday 1 December. [7666]

Mr. Watts: Yes.

Mrs. Dunwoody: To ask the Secretary of State for Transport in what circumstances decisions taken by the Channel Tunnel Safety Authority can be vetoed by individual members. [7652]

Mr. Watts: Decisions by the Channel Tunnel Safety Authority are taken by agreement between the UK and French delegations. There is no power to veto by individual members.

Mrs. Dunwoody: To ask the Secretary of State for Transport if he will place in the Library the minutes of the last three meetings of the Channel Tunnel Safety Authority. [7650]

Mr. Watts: The Anglo–French Channel Tunnel Safety Authority does not publish the minutes of its meetings. A summary of the safety authority's proceedings is published in the annual reports of the Channel Tunnel Safety Authority, which are placed in the Library of the House.

Mrs. Dunwoody: To ask the Secretary of State for Transport (1) pursuant to his answer of 27 November, *Official Report*, columns *264–66*, if he will place in the

Library the inspection reports on the maintenance checks undertaken on the decoupling device involved in the fire on 18 November; [7661]

(2) pursuant to his answer of 27 November, *Official Report*, columns *264–66*, if he will place in the Library copies of all incident reports not yet in the public domain; [7646]

(3) if he will make public the findings of safety checks conducted by Eurotunnel; [7667]

(4) pursuant to his answer of 27 November, *Official Report*, columns *264–66*, what factors preclude him from placing in the Library correspondence between Eurotunnel and the Channel Tunnel Safety Authority relating to the design of wagons; [7664]

(5) what independent research was conducted by the Fire Research Station on the safe design of the channel tunnel; and if he will place copies in the Library. [7653]

Mr. Watts: This is precluded under the terms of the channel fixed-link concession agreement dated 14 March 1986, which states

"Each of the parties hereto and the Intergovernmental Commission and the Safety Authority shall hold in confidence all Documents and other information whether technical or commercial supplied to them by or on behalf of any other party hereto relating to the Fixed Link and shall not save as required by law or procedural practices publish or otherwise disclose the same otherwise than for the purposes contemplated by this Agreement."

Mrs. Dunwoody: To ask the Secretary of State for Transport how many representatives from *(a)* his Department, *(b)* the Health and Safety executive and *(c)* the Channel Tunnel Safety Authority attended the recent evacuation exercise staged by Eurotunnel; and if he will list the independent observers attending the exercise. [7648]

Mr. Watts: Two representatives from the Department of Transport, three representatives from the Health and Safety Executive and three from the Channel Tunnel safety Authority attended the evacuation exercise staged by Eurotunnel on 1 December 1996. Representatives from Kent fire brigade, Kent county constabulary and Her Majesty's fire inspectorate were also present.

Mr. Skinner: To ask the Secretary of State for Transport what consultations there have been between the Channel Tunnel Safety Authority and people with experience in fighting fires in coal mines with particular reference to those familiar with the foam plug technique. [7462]

Mr. Watts: The Channel Tunnel Safety Authority is able to obtain information and advice from a number of sources, including the Health and Safety executive and Kent fire brigade.

Heavy Vehicles (Wheel Loss)

Sir Roger Moate: To ask the Secretary of State for Transport what assessment he has made of the estimates of annual fatalities caused by the loss of wheels from heavy commercial vehicles which have been sent to him; what estimate he has made of the number of *(a)* fatalities and *(b)* incidents; what research he is undertaking into this problem; what assessment he has made of the availability of safety wheel nuts; and if he will make a statement. [7974]

Mr. Bowis: An analysis by the Transport Research Laboratory of fatal accidents involving heavy goods vehicles indicates that wheel detachment occurs in about one such accident in a hundred. Applying this estimate to available road accident data would suggest that there are approximately five to six such fatal road accidents a year. A further analysis by the Vehicle Inspectorate's accident and defect database shows that between 1982 and 1994 there were approximately 320 accident cases involving the loss of wheels from commercial vehicles.

I am currently investigating ways of improving the collection and collation of relevant data on wheel loss. I am pleased to announce that, following joint discussions with the Vehicle Inspectorate and the Association of Chief Police Officers, a nationwide survey of the extent of the problem is planned to take place at the beginning of February 1997. Further research will be considered in light of the outcome of this study.

My Department has received many representations from manufacturers of proprietary products which claim to address the problem of wheel loss. We have not commissioned research into such products or their availability.

Christmas Expenditure

Mr. Donohoe: To ask the Secretary of State for Transport how much his Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for his Department's headquarters; and what are the type and country of origin of the trees. [7562]

Mr. Bowis: My Department does not keep a central record of expenditure on trees and decorations. Two British pine trees will be on display in our headquarters building.

Mr. Donohoe: To ask the Secretary of State for Transport how much his Department plans to spend on celebrating Christmas and the new year. [7577]

Mr. Bowis: My Department does not keep a central record of expenditure on celebrating Christmas and the new year.

French Lorry Drivers' Dispute

Mrs. Roche: To ask the Secretary of State for Transport what action he is taking to ensure that small businesses not in the transport sector receive *(a)* appropriate and *(b)* expeditious compensation for losses arising from the French lorry drivers' dispute. [7819]

Mr. Watts: We are seeking to clarify with the French Government whether they will consider claims from non-transport businesses which suffered losses.

Trunk Road Improvement Schemes

Mr. Key: To ask the Secretary of State for Transport if he will list the trunk road improvement schemes which he has reassessed following the recommendations of the Standing Advisory Committee on Trunk Road Assessment and indicate for each such scheme the impact on traffic induction forecasts and on economic appraisals. [3968]

Mr. Watts *[holding answer 25 November 1996]:* I have asked the chief executive of the Highways Agency to write to my hon Friend.

Letter from Lawrie Haynes to Mr. Robert Key, dated 6 December 1996:

The Secretary of State for Transport has asked me to reply to your recent question asking if he will list the trunk road improvement schemes which he has reassessed following the recommendations of the Standing Advisory Committee on Trunk Road Assessment, and indicate for each such scheme the impact on traffic induction forecasts and on economic appraisals.

We are carrying out SACTRA assessments for all schemes in the National Trunk Roads Programme. So far, 63 schemes from the 1996 Trunk Road Programme have been assessed.

The schedule classifies schemes into simple, intermediate and complex categories. Simple schemes are those where induced traffic effects are not considered to be significant and no further traffic or economic assessment is required. They are listed at Annex A. Intermediate schemes generally require a more flexible test to assess induced traffic and economic effects. Complex schemes are assessed in the same way as intermediate schemes but also require further detailed analysis.

The further assessments for intermediate and complex schemes are being undertaken as part of general scheme preparation. Results are being produced for key stages such as public consultation and publication of draft Orders. Completion of all the assessments will, therefore, take some time. The table at Annex B shows the results for those schemes which have had detailed assessments completed. Annexes C and D are lists of the schemes in the intermediate and complex categories respectively for which the further assessments have yet to be carried out.

The assessments indicate that the volume of additional traffic induced by schemes is generally less than 10 per cent., and in many cases below 5 per cent. Nevertheless, there can be significant variations on this; for example where substantial new development follows a road opening.

The economic assessment process for induced traffic is still being developed and improved. For now, where induced traffic is likely to be a significant factor, we are undertaking sensitivity tests based on assumptions that provide an extreme test of scheme economics. For example, in some cases sensitivity has been tested with significantly higher volumes of induced traffic than are expected. I am pleased to say that, so far, although there are some significant reductions in Benefit Cost Ratio, none of the schemes assessed have failed the tests, even where unrealistically high levels of induced traffic have been assumed, and all have remained good value for money.

Annex A: National trunk road schemes—preliminary SACTRA classifications

Simple

A2 Lydden—Dover Improvement

A205 Catford Town Centre Improvement

A303 Winterbourne Stoke Bypass

A303 Ilminister Bypass Improvement

A303 Sparkford—Ilchester improvement

A30/A303 Marsh Honiton and A35 Honiton Eastern Bypass

A35 Tolpuddle—Puddletown Bypass

A417 North of Stratton—Nettleton Improvement

A419 Latton Bypass

A419/A417 Cirencester and Stratton Bypass

A428 Norse Link Road

A43 Geddington Bypass

A564 Doverridge Bypass

A595 Parton—Lillyhall Improvement

A6 Rothwell—Desborough Bypass

A65 Hellifield and Long Preston Bypass

A65 Manor Park Bends Improvement

A69 Haltwistle Bypass

M23 Jns 8–9 Widening

Note:

The classifications shown above are preliminary and may change as a result of further detailed analysis.

Annex B: National trunk road schemes—preliminary induced traffic appraisal

Scheme	*Reduction in benefit to cost ratio Per cent.*	*Amount of induced traffic Per cent.*
A13 Ironbridge–Canning Town Improvement	37	5
A13 Movers Lane Junction Improvement	23	5
A13/A112 Prince Regent Lane Junction Improvement	38	<5
A13/A117 Junction Improvement	38	<5
A19 Norton–Parkway Interchange Improvement	2	<5
A1(M) Alconbury–Peterborough	21	<5
A249 Iwade Bypass–Queenborough Improvement	no change	'25
A27 Worthing–Lancing Improvement (now withdrawn)	30	5
A30 Honiton to Exeter Improvement	30	10
A34 Newbury Bypass	17	10
A36 Salisbury Bypass	15	5
A453 Clifton Lane Improvement	21	<5
A556(M) M6–M56 Link Improvement	no change	<5
A6(M) Stockport North/South Bypass	<5	5
M40 Jn 1A–3 Widening	41	<5

The reduction in Benefits to Cost Ratio (BCR) compares the induced traffic appraisal with the original fixed trip matrix evaluation.

The amount of induced traffic is an approximate figure based on the number of additional trips induced by the scheme compared with the do-minimum trip matrix.

' Indicates induced traffic includes major new development dependent on the scheme.

Annex C: National trunk road schemes—preliminary SACTRA classifications

Intermediate

A120 Stansted–Braintree Improvement (S272)

A1(M) Ferrybridge–Hook Moor Improvement

A21 Lamberhurst Bypass

A259 Bexhill and Hastings Western Bypass

A2/A282 Dartford Improvement

A3 Hindhead Improvement

A34 Chieveley/M4 Jn 13 Improvement

A40 Western Circus Junction Improvement

A43 Moulton–Broughton Improvement

A43 Silverstone Bypass

A43 Whitefield Turn–Brackley Hatch Improvement

A564 Derby Southern Bypass Contract A

A6 Clapham Bypass

A6 Great Glenn Bypass

A6 Rushden and Higham Ferrers Bypass

A63 Castle Street Hull Improvement

M1–A1 Link Road Lofthouse–Bramham

M1 Jns 25–28 Widening

M11 Jn 5 North Facing Slip Roads

M2 Jns 1–4 Widening

M25 Terminal 5 Spur (Heathrow)

M4 Jns 8(9)–10 Widening

M6 Jns 11A–16 Widening

M6 Jns 16–19 Widening

M63 Jns 6–9 Widening

Note:

The classifications shown above are preliminary and may change as a result of further detailed analysis.

Annex D: National trunk road schemes—preliminary SACTRA classifications

Complex

A1 Gateshead Western Bypass

M1 Jns 10–14 Widening

M1 Jns 6A–10 Widening

M25 Jn 12–15 Widening

M25 Jn 15–16 Widening

NORTHERN IRELAND

Investment (Belfast, West)

Dr. Hendron: To ask the Secretary of State for Northern Ireland what level of *(a)* public and *(b)* private investment has been secured by his Department for the constituency of Belfast, West since 31 August 1994. [5125]

Mr. Ancram: From the information available, it is estimated that direct departmental public investment commitments are in excess of £330 million for this period. Related private sector investment is estimated at £101 million. In addition some £33.8 million under "Making Belfast Work" has been spent for the financial years 1994–95 and 1995–96. Figures for the Northern Ireland Office, and the Departments of Education and of Finance and Personnel are not included in these figures and can be made available only at a disproportionate cost.

Targeting Social Need Initiative

Mr. McGrady: To ask the Secretary of State for Northern Ireland what assessment he has made of the implementation of the targeting social need initiative. [6784]

Mr. Ancram: The targeting social need initiative has made a valuable contribution to addressing the problems of areas and people in greatest need. Since 1994, the results of specially commissioned research have been available to assist Departments in identifying areas of greatest need on the basis of objective criteria. These data have been used in the targeting of relevant Government and European Union programmes. Annual statements on public expenditure in Northern Ireland have highlighted specific programmes where expenditure has been increased or maintained. In 1994, management consultants reviewed the implementation of the initiative in the Department of Economic Development and recommendations were adopted, including the establishment of action plans. Other Departments are currently initiating similar strategies.

Northern Ireland Forum

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland which delegates to the forum have submitted their resignations to him and which have had their names submitted for removal by their party's nominating representatives; and which nominating representatives he has changed and for what reasons. [7187]

Mr. Ancram: Thirteen members of the forum have written to my right hon. and learned Friend purporting to tender their resignation from the forum. They are the hon. Member for South Down (Mr. McGrady), Ms Brid Rodgers, Mr. Patsy McGlone, Mr. Hugh Carr, Mr. Mark Durkan, Mr. Donovan McClelland, Mr. Tommy Gallagher, Mr. Frank Feely, Mr. Arthur Doherty, Mr. Alisdair McDonnell, Mr. Alban Maginness, Ms Dorita Field and Mr. Sean Farren.

No delegates have had their names submitted for removal by their party's nominating representative.

Since the talks started to Secretary of State has made one change concerning nominating representatives. Following a number of representations he concluded that Councillor Mark Langhammer, who was originally designated as the nominating representative of Labour had ceased to be

"the Leader ... or otherwise the most appropriate person to act on behalf of Labour",

the statutory criterion for the post of nominating representative. The Secretary of State also concluded that that criterion was met by Mr. Malachi Curran. Notice that Mr. Curran was nominating representative of Labour appeared in the *Belfast Gazette* of 16 August.

Private Finance Initiative

Mr. Dowd: To ask the Secretary of State for Northern Ireland how many private finance initiative schemes have been used to date and how many are planned for implementing transport schemes in Northern Ireland. [7381]

Mr. Moss: The responsibility for implementing transport schemes in Northern Ireland lies with the Northern Ireland Transport Holding Company and its operating subsidiaries Ulsterbus, Citybus and Northern Ireland Railways. I understand from the chairman of the NITHC that no private finance initiative schemes have been used to date but that three are being progressed.

Cycle Routes

Mr. Dowd: To ask the Secretary of State for Northern Ireland (1) what progress his Department has made in implementing a pilot cycle route in the Belfast urban area; [7373]

(2) how many miles of dedicated cycle routes there are currently in Northern Ireland; and if he will list them. [7374]

Mr. Moss: Responsibility for the subject in question has been delegated to the Roads Service under its chief executive, Mr. W. J. McCoubrey. I have asked him to arrange for a reply to be given.

Letter from W. J. McCoubrey to Mr. Jim Dowd, dated 5 December 1996:

The Secretary of State for Northern Ireland has asked me to reply to your questions about dedicated cycle routes in Northern Ireland and about the implementation of a pilot cycle route in the Belfast urban area.

At present dedicated cycle facilities exist at:

Craigavon new town development: Some 15 miles

Belfast, Sydenham By-pass: Some 6 miles

Belfast, Tillysburn—Palace Barracks, Hollywood: Some 2 miles

You may also be interested to know that Roads Service has entered into a partnership with Sustrans, the Bristol based cycling charity, to assist in developing the Northern Ireland part of the National Cycle Network. This is expected to result in the development of some 380 miles of cycle route, much of which will be along lightly trafficked rural roads. The stage has been reached where the framework report has been largely agreed. Subject to a satisfactory outcome from an investment appraisal and subsequently, to the legislative and statutory consultative procedures, it is hoped to have the first lengths of the network under construction in the summer of 1997.

Unfortunately, legislative difficulties have arisen which have delayed introduction of the pilot scheme referred to in "Transportation in Northern Ireland: The Way Forward". It had been intended that a length of dedicated cycle route of mixed type—for example, segregated sections for cyclists only, sections shared by cyclists and pedestrians—should be introduced from the University of Ulster at Jordanstown to Rushpark on the Shore Road in Belfast. By mixing the types of route their relative performance could be monitored. Progress is continuing on this, but it has been slower than originally intended. This length will now be incorporated into one of the early stages of the National Cycle Network to be developed in 1997.

I hope that you will find this information helpful.

Road Safety Plan

Mr. Dowd: To ask the Secretary of State for Northern Ireland what progress his Department has made in meeting each target set out in the road safety plan published in July 1995. [7377]

Mr. Moss: The road safety plan for Northern Ireland covers the three-year period from 1995–96 to 1997–98 and is received annually with a major review and update during the third year.

A report monitoring progress will be available shortly and I will place a copy in the Library.

Park and Ride Facilities

Mr. Dowd: To ask the Secretary of State for Northern Ireland what have been the results of the feasibility study for park and ride facilities at bus and railway stations cited in his Department's document, "The Way Forward". [7379]

Mr. Moss: The Northern Ireland Transport Holding Company in conjunction with its operating subsidiaries—Citybus Ltd., Northern Ireland Railways Ltd. and Ulsterbus Ltd.—have now audited existing park and ride facilities and their usage at key locations in Northern Ireland. They are in the course of finalising a station modernisation programme to create improved or new interchanges providing secure parking for bicycles and private cars.

Transport (EU Funds)

Mr. Dowd: To ask the Secretary of State for Northern Ireland what EU funds *(a)* have been used and *(b)* he proposes to use for (i) developing and improving transport within Northern Ireland and (ii) linking Northern Ireland with the Republic of Ireland, and if he will list the schemes. [7371]

Mr. Moss: The information requested is in the table:

	Grant committed to schemes within Northern Ireland	*Grants committed to schemes linking Northern Ireland with the Republic of Ireland*
Transportation sub-programme	£39.3 million (47.9 mecu)	£43.8 million (53.4 mecu)
Interreg II	£3.9 million (4.7 mecu)	nil
Programme for peace and reconciliation	nil	£1.6 million (1.9 mecu)

Balance of grant to be committed:

1. Transportation sub-programme: £32.7 million (39.8 mecu)
2. Interreg II: £4.1 million (5 mecu)
3. Programme for peace and reconciliation: nil

It is not possible to anticipate how uncommitted grant will be allocated to schemes (i) developing and improving transport within Northern Ireland and (ii) those linking Northern Ireland with the Republic of Ireland.

The mecu value is provided using an exchange rate of £ = 1.22 mecu.

The list of schemes to which grant has been committed is as follows:

TRANSPORTATION SUB-PROGRAMME

Approved projects developing and improving transport in Northern Ireland

Cross Harbour Rail Link

Great Victoria Street Railway Station

Antrim/Bleach Green Rail Line

Road Network Management System

Limavady By-Pass

Antrim–Ballymena/A26

Belfast City Airport Road Access

Londonderry Port

Transit Shed

Mobile Crane

Scrap Grab

Pneumatic Cement Handler

Animal Feedstuffs Storage Facility

Larne Harbour

Redlands Transit Shed

Belfast Harbour

Fast Ferry Facilities

Newry Bus Station

Rail Freight Market Survey

Port Productivity Study

Deep Water Quay Study

Passenger/Business Survey
Antrim/Bleach Green Stations Study
Belfast/N'Ards Corridor Study
Approved projects linking Northern Ireland with the Republic of Ireland
Belfast/Dublin Rail Upgrade
Newry By-Pass II
Newry By-Pass III
A5 Omagh Thru-Pass 2
A5 Maghermason
A5 Burndennett
A5 Garvaghy
A5 Leckpatrick
INTERREG II
Approved projects developing and improving transport in Northern Ireland
Londonderry
Plough Boat
Concrete Walls for Coal Storage
Log Grab Equipment
Multiuser Freight Centre
Warrenpoint Harbour
Fork Lift Trucks
A32 Tummery Road
B127 Ummera Road
A4 Sligo Road
West End Junctions
A4 Tullyvannon
Dromore Inner Link
Ballyquin Road
Craigmore Road
A2 Newells Cross
A25 Rathfriland Road
Northway/Mill Avenue
A3 Armagh Road
A50 Katesbrige Road
Drumgooland
A50 Bann Road
Ballymagreehan
A50 Katesbridge Road
Moneyslane
A50 Castlewellan Road
Corbett Milltown
A50 Castlewellan Road
Rosies Corner
A50 Castlewellan Road
SE of McCoys Garage
A50 Castlewellan Road
Corbett Lake
A50 Bann Road
Tullynascoo
Ballievy Crossroads
A50 Castlewellan Road
SE of Anglers Rest
A27 Poyntzpass Road
Druminargal
A27 Poyntzpass Road
Monclone
A27 Newry Road
A27 Auglish Road
A29 Moy Road
Portadown Road
A29 Keady Road/B31 Jctn
PROGRAMME FOR PEACE AND RECONCILIATION
Approved projects linking Northern Ireland with the Republic of Ireland
Aghalane Bridge
Aghalane Bridge Border crossing
A509 Enniskillen to border road
Cross-Border Road Signs

Mr. Dowd: To ask the Secretary of State for Northern Ireland what funds from the transportation sub-programme of the European Commission 1994–99 have already been spent to date; and what are the projections of expenditure for the next three financial years. [7372]

Mr. Moss: The information requested is as follows:

Forecast outturn to the end of 1996: £51.5 million (62.9 mecu)
Forecast outturn to the end of 1997: £22.1 million (27.0 mecu)
Forecast outturn to the end of 1998: £16.3 million (19.9 mecu)
Forecast outturn to the end of 1999: £23.9 million (29.2 mecu)

The information is given in calendar years consistent with Commission practice. The mecu value is provided using an exchange rate of £1 = 1.22 ecu.

"The Way Forward"

Mr. Dowd: To ask the Secretary of State for Northern Ireland what progress his Department has made in achieving its objectives set out in the document "The Way Forward". [7375]

Mr. Moss: Progress has been made in the key areas of management and co-ordination of public transport services and the introduction of further bus priority measures. Work is currently under way to bring forward changes in car parking policy; to extend provision of park and ride facilities; to improve cycling and pedestrian facilities; to reduce the mobility gap; and to develop a public travel awareness campaign.

Railways

Mr. Dowd: To ask the Secretary of State for Northern Ireland what plans his Department has to extend the railway system in Northern Ireland. [7382]

Mr. Moss: Responsibility for operational matters, such as the extension of the railway system in Northern Ireland, lie with the Northern Ireland Transport Holding Company and its operating subsidiary Northern Ireland Railways. I understand from the chairman of the holding company that, while there are no current proposals to extend the existing railway system, plans are progressing for the reinstatement of the line from Antrim to Bleach Green for passenger traffic. This line has not been used for regular passenger services for a number of years.

Bus Priority Schemes

Mr. Dowd: To ask the Secretary of State for Northern Ireland what progress his Department has made in respect of the programme of bus priority schemes; and when he expects them to be completed. [7378]

Mr. Moss: Bus lanes have been in operation on the Ormeau road and Nelson street, Belfast since 1992. Further bus lanes were opened on the Albert Bridge road and Queen's square in April 1996. It is hoped to begin implementation of a further three lengths of bus lane, on Great Victoria street, Lisburn road and Malone road, in mid-January 1997. Investigations are under way into schemes on a further eight lengths of street in Belfast city centre, which have been identified as having the potential to accommodate bus lanes.

A pilot study into the operational implications and potential benefits of introducing selective vehicle detection systems at signalised junctions has been under way on the Upper Newtownards road since spring 1993. Due to changing technology, this will of necessity be a protracted study. The intention is to assess the potential benefits of extending such a system to other routes in the city.

All these measures, together with others being investigated from earlier studies, feed into a rolling programme of bus priority development.

Retail Planning Policy

Mr. Dowd: To ask the Secretary of State for Northern Ireland what progress his Department has made in reviewing retail planning policy; and if he will make a statement. [7376]

Mr. Moss: Responsibility for the subject in question has been delegated to the Planning Service under its chief executive, Mr. T. W. Stewart. I have asked him to arrange for a reply to be given.

Letter from T. W. Stewart to Mr. Jim Dowd, dated 5 December 1996:

Mr Moss has asked me to reply to your Question about the review of retail planning policy.

The review has been completed and a Planning Policy Statement entitled Retailing and Town Centres (copy enclosed) was published in June 1996.

Transport (Belfast)

Mr. Dowd: To ask the Secretary of State for Northern Ireland when he expects the public transport study of Belfast city centre to be completed. [7380]

Mr. Moss: A study was undertaken in 1995 specifically to explore the introduction of further lengths of bus priority lane within Belfast city centre. Other aspects of public transport in the city centre remain to be studied, to provide a comprehensive and detailed analysis of the issues.

Accidents at Work

Mr. Barnes: To ask the Secretary of State for Northern Ireland, pursuant to the answer to the hon. Member for Eltham (Mr. Bottomley) of 18 November, *Official Report*, column *388*, what is the fatality rate per 100,000 employees/self-employed in Northern Ireland. [7281]

Mr. Ancram: The fatality rate in Northern Ireland for employees/self-employed, as a result of accidents at work, has been assessed at 3.96 per 100,000 for the calendar year 1995.

Beaches

Mr. Morgan: To ask the Secretary of State for Northern Ireland if he will list for each year since 1991 those beaches which complied with the EU bathing water directive standard guide for *(a)* total and faecal coliforms, *(b)* faecal streptococci, and *(c)* coliforms and faecal streptococci combined. [7447]

Mr. Moss: Responsibility for the subject in question has been delegated to the Environment and Heritage Service under its chief executive, Mr. Robert C. Martin. I have asked him to arrange for a reply to be given.

Letter from Robert C. Martin to Mr. Rhodri Morgan, dated 5 December 1996:

As Chief Executive of Environment and Heritage Service, I am responsible for all operational aspects of the Department of the Environment for Northern Ireland's environmental policies.

I am therefore responding to the Parliamentary Question which you put down in the House of Commons on 3 December 1996;

'to ask the Secretary of State for Northern Ireland, if he will list for each year since 1991 those beaches which complied with the EU Bathing Water Directive Standard Guide for

(a) total and faecal coliforms,

(b) faecal streptococci, and

(c) coliforms and faecal streptococci combined.'

The information requested is best summarised on the attached table. Please note that monitoring for the faecal streptococci parameter commenced in 1992 and therefore the table is not complete for the year 1991.

I trust you will find this reply helpful.

Bathing water compliance with the guideline standard in Northern Ireland, 1991–1996

Year	*1991*			*1992*			*1993*		
Site	*a*[1]	*b*[2]	*c*[3]	*a*[1]	*b*[2]	*c*[3]	*a*[1]	*b*[2]	*c*[3]
Benone	P	nd	nd	P	P	P	P	P	P
Castlerock	F	nd	nd	F	F	F	F	F	F
Portstewart	P	nd	nd	F	P	F	F	P	F
Portrush (Mill)	P	nd	nd	P	P	P	P	P	P
Portrush (Curran)	P	nd	nd	P	P	P	P	F	F
Ballycastle	F	nd	nd	F	F	F	F	P	F
Browns Bay	P	nd	nd	F	F	F	P	P	P
Helens Bay	F	nd	nd	F	P	F	F	F	F
Crawfordsburn	P	nd	nd	F	P	F	F	P	F
Ballyholme	F	nd	nd	F	F	F	F	F	F
Groomsport	P	nd	nd	P	P	P	F	F	F
Millisle	P	nd	nd	P	F	F	F	F	F
Tyrella	P	nd	nd	P	P	P	P	P	P
Newcastle	P	nd	nd	F	F	F	F	F	F
Cranfield (Nicholson's)	P	nd	nd	P	F	F	P	P	P
Cranfield Bay	P	nd	nd	F	F	F	P	F	F
Number of passes	12			7	8	5	7	8	5

Year	1994			1995			1996		
Site	a[1]	b[2]	c[3]	a[1]	b[2]	c[3]	a[1]	b[2]	c[3]
Benone	P	P	P	P	P	P	P	P	P
Castlerock	F	P	F	F	P	F	F	P	F
Portstewart	P	P	P	P	P	P	F	P	F
Portrush (Mill)	P	P	P	P	P	P	P	P	P
Portrush (Curran)	P	P	P	P	P	P	P	P	P
Ballycastle	P	P	P	F	P	F	P	P	P
Browns Bay	P	P	P	P	P	P	P	P	P
Helens Bay	F	P	F	F	F	F	P	P	P
Crawfordsburn	P	P	P	P	P	P	P	P	P
Ballyhorne	P	P	P	P	F	F	P	P	P
Groomsport	P	P	P	P	P	P	P	P	P
Millisle	F	P	F	P	P	P	P	P	P
Tyrelia	P	P	P	P	P	P	P	P	P
Newcastle	F	F	F	P	P	P	P	P	P
Cranfield (Nicholson's)	P	P	P	P	P	P	P	P	P
Cranfield Bay	F	F	F	P	P	P	P	P	P
Number of passes	12	15	12	13	14	12	14	16	14

[1] Guideline standard for total and faecal coliforms.

[2] Guideline standard for faecal streptococci.

[3] Guideline standard for total and faecal coliforms combined with faecal streptococci.

P-pass

F-fail

nd-no data, faecal streptococci monitoring began in 1992.

Health and Social Services (Needs Assessments)

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland if he will list the information leaflets currently provided by health and social services trusts to individuals undergoing assessment of need for social services support. [7743]

Mr. Moss: Information relating to the range of leaflets currently provided by trusts to individuals undergoing assessment of need for social services support is not collected centrally.

Rev. Martin Smyth: To ask the secretary of state for Northern Ireland if he will list for each health and social services trust the current procedures to monitor unmet need as a result of assessment and the procedures adopted by the Department of Health and Social Services management executive to collect such information. [7747]

Mr. Moss: Health and social services boards and trusts, in their respective roles of commissioners and providers of community care services, have the responsibility for assessing the needs of their resident populations, and for meeting those needs within the context of available resources and local priorities. Trusts supply their respective boards with information on the level of services supplied to meet assessed need, but details of these procedures is not held centrally. The HSS executive liaises with boards to identify any areas of service provision which are under particular pressure for consideration within the annual public expenditure survey and allocation process.

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland (1) if he will list by trust the number of assessments of needs of carers taken under guidance equivalent to the Carers Recognition and Services Act 1995; [7748]

(2) if he will list by health and social services trust the number of assessments provided for adult carers and carers who are deemed children under the guidance. [7749]

Mr. Moss: I refer the hon. Gentleman to the reply that I gave to the hon. Member for Redcar (Ms Mowlam) on 4 November 1996, *Official Report*, column *381*.

Disabled Persons (Northern Ireland) Act 1989

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland what plans he has to bring into effect the remaining parts of the Disabled Persons (Northern Ireland) Act 1989. [7745]

Mr. Moss: None. The requirements of the remaining parts of the Act are, to a very large extent, reflected in the existing arrangements for community care.

Health and Personal Social Services Legislation

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland what plans he has to consolidate health and personal social services legislation. [7746]

Mr. Moss: None.

Emergency Provisions Acts

Mr. John Marshall: To ask the Secretary of State for Northern Ireland what arrangements he has made for the review of the Northern Ireland (Emergency Provisions) Acts 1991 and 1996. [8326]

Sir Patrick Mayhew: I am pleased to say that Mr. John Rowe QC has accepted by invitation to carry out the annual review of the Acts for a further two years.

EDUCATION AND EMPLOYMENT

Jobseeker's Allowance

Mr. Rooney: To ask the Secretary of State for Education and Employment if a course of 16 guided learning hours a week funded or part-funded by the Further Education Funding Council is deemed part time under jobseeker's allowance regulations. [7686]

Mr. Forth: Yes.

Mr. Rooney: To ask the Secretary of State for Education and Employment if part-time students in receipt of jobseeker's allowance who have paid in excess of £250 in course fees will be deemed to have limited their availability for work. [7687]

Mr. Forth: The Employment Service would normally refer cases such as these to an independent adjudication officer for a decision on the jobseeker's availability for work. It is then a matter for the adjudication officer to decide.

Employment Service

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will publish a breakdown

of spending in 1996–97 and proposed spending in 1997–98 on the Employment Service, giving the percentage change between the two years. [7472]

Mr. Forth: The following table sets out:

(a) figures for 1996–97 as shown in the 1996 departmental report. They do not reflect in-year changes, which have not yet been settled;

(b) figures for 1997–98 which take account of the plans announced by my right hon. and learned Friend the Chancellor of the Exchequer in his Budget statement so far as the Employment Service 's programme and capital funding but not its running costs are concerned. This is because the final allocation of running costs as between the Employment Service and the rest of the Department has not yet been settled.

Since the figures do not reflect in-year changes in 1996–97 or the full outcome of the plans for 1997–98 announced in the Budget statement, the figures cannot be directly compared and hence no percentage change is shown.

		£ million (net of VAT)
	1996–97[1]	*1997–98*
Running costs	910	[2]871
Programme funding	304	353
Capital funding and other administrative costs	87	32
Total	1,301	1,256

[1] Figures for 1996–97 are as shown in the 1996 departmental report. They do not reflect in-year changes, which have not yet been settled.
[2] The figure shown is based on the figure given in the 1996 departmental report, increased by £71 million reflecting the transfer of former receipts from DSS to the ES baseline.

Training and Enterprise Councils

Mr. Blunkett: To ask the Secretary of State for Education and Employment if she will list each training or employment scheme run by the training and enterprise councils employment service, giving for each the total budgeted spending for 1996–97 and planned spending for 1997–98 and the percentage change between the two years. [7474]

Mr. Paice: The information requested is in the following table:

Expenditure on DFEE programmes run by training and enterprise councils

	£ millions		
	1996–97 expected spend	*1997–98 planned spending*	*percentage change*
Training for work	467.173	446.320	–4.5
Work-based training for young people	723.451	745.082	+3.0
Local competitiveness budget	77.350	66.131	–14.5
Performance-related funding[1]	21.455	—	n/a
Jobmatch pilots	1.026	0.270	–73.7
Further education competitiveness and development funds	28.828	26.374	–8.5
Adult guidance	1.327	NIL	–100
Out of school childcare	9.630	4.100	–57.4
Work experience	6.559	10.197	+55.5

Expenditure on DFEE programmes run by training and enterprise councils

	£ millions		
	1996–97 expected spend	*1997–98 planned spending*	*percentage change*
TEC discretionary fund	15.000	23.000	+53.3
European structural funds	25.950	27.420	+5.8
TEC strategy budget	100.464	95.000	–5.4
Total	1.478.213	1.443.804	–2.3

[1] Resources for performance-related funding are determined on an annual basis after the PES settlement and will be funded in 1997–8 (as in previous years) out of the resources for the main TEC programmes.

Mr. Blunkett: To ask the Secretary of State for Education and Employment what advice she is giving to training and enterprise councils about the reductions that they should make in the delivery of local training programmes arising from planned reductions in funding for 1997–98. [7475]

Mr. Paice: The Secretary of State wrote to training and enterprise councils on 26 November giving details of plans for TEC programmes in 1997–98. A copy of that letter has been placed in the Library.

Christmas Expenditure

Mr. Donohoe: To ask the Secretary of State for Education and Employment how much her Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for her Department's headquarters; and what are the type and country of origin of the trees. [7565]

Mr. Robin Squire: A total of 12 Christmas trees will be purchased for DFEE and Employment Service headquarters offices nationally, at a cost of £1,559, including decorations. Details of the type and origin of the trees are as follows: one artificial, made in England; one English pine; eight Norway spruce—six German, two Norwegian—and two Nordman firs from Holland.

HEALTH

Dental Services

Mr. Gordon Prentice: To ask the Secretary of State for Health what has been the largest annual amount paid to a single dentist offering NHS treatments in each year since 1990. [5242]

Mr. Malone: The information is contained in the following table:

The largest amount of general dental service gross fee[1] earnings[2] paid to a single dentist offering national health service treatment in each year since 1991–92[3]

	£
1991–92	395,000
1992–93	486,000
1993–94	661,000
1994–95	617,000
1995–96	604,000

[1] Gross fees payments do not account for all NHS earnings. Other payments such as maternity and seniority payments would have been made in addition to gross fees.

[2] Rounded to the nearest £1,000.
[3] Data before 1991–92 are not available. The new contract in October 1990 resulted in major revisions to information systems.

Food Poisoning

Mrs. Currie: To ask the Secretary of State for Health if he will list for each of the past 10 years the number of cases of salmonella poisoning and the number of deaths where salmonellosis is mentioned as a primary or secondary cause. [7357]

Mr. Horam: Information on the number of salmonella isolations and the number of deaths where salmonella was given as an underlying cause is:

Salmonella in humans in England and Wales

Year	*Isolations*[1]	*Deaths*
1986	16,976	40
1987	20,532	52
1988	27,478	58
1989	29,998	61
1990	30,112	68
1991	27,693	62
1992	31,355	59
1993	30,650	35
1994	30,411	39
1995	[2]29,717	36

Source:
Deaths—Office for National Statistics.
Isolations—Public Health Laboratory Service.
Notes:
Deaths: figures represent death registrations, except for 1993 and 1994 which represent deaths which occurred in the year. Data from 1993 onwards may not be directly comparable to previous years because of a changeover to an automated coding system.
[1] Source: LEP (formally DEP) data 1985 to 1991. The Public Health Laboratory Service salmonella dataset: 1992 onwards.
[2] Provisional.

Since 1993 all causes of death mentioned on the death certificate are analysed and are presented in the following table:

Deaths in England and Wales with a mention of salmonella infection, by occurrence 1993–95

Year	*Deaths*[1]
1993	59
1994	63
1995	65

[1] Includes the data where salmonella was presented in the first table as an underlying cause.

Similar information for earlier than 1993 could be provided only at disproportionate cost.

Mrs. Clwyd: To ask the Secretary of State for Health how many cases of food poisoning have been linked to the consumption of meat or meat products sold as fresh which were previously frozen. [7362]

Mr. Horam: The information requested is not available.

Christmas Expenditure

Mr. Donohoe: To ask the Secretary of State for Health how much his Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for his Department's headquarters; and what are the type and country of origin of the trees. [7568]

Mr. Horam: No central record is kept of the annual expenditure on Christmas trees and decorations throughout the Department. Three trees will be bought for the Department's London headquarters offices this year, at a total cost of £1,546. Where natural trees are purchased they will be of Nordmaniana variety from sustainable forests in Norway.

Mr. Donohoe: To ask the Secretary of State for Health how much his Department plans to spend on celebrating Christmas and the new year. [7582]

Mr. Horam: The headquarters of the Department of Health plans to spend an estimated sum of £1,120 on the purchasing and postage of charity Christmas cards for 1996. Any other costs which may arise are covered by the hospitality expenditure of the Department which is included in the running costs sum published in the annual report, copies of which are available in the Library.

Organophosphates

Mr. Flynn: To ask the Secretary of State for Health what recent communications he has had from his advisers on possible links between organophosphates and human ailments. [7996]

Mr. Horam: The Department receives advice and information on a regular basis about organophosphates and their possible effects on human health from a number of sources both external and internal. OP compounds have been reviewed several times by the independent expert committee which advise the Government on pesticides and veterinary products, which found that there was no evidence to support a ban or suspension on their use when used properly.

SOCIAL SECURITY

Benefit Fraud

Mr. Alan Howarth: To ask the Secretary of State for Social Security how many calls have been made to the benefit cheats hotline; and of those, how many were later found to be *(a)* confirmed fraud, *(b)* suspected fraud, and *(c)* no fraud suspected. [6054]

Mr. Heald: The information is not available in the format requested because of the time taken to conclude investigations and to collate the data.

However, the national benefit fraud hotline has answered over 100,000 calls since the launch on 5 August 1996.

Mr. Jim Cunningham: To ask the Secretary of State for Scotland Security what percentage of Coventry's target of £927,234 to be uncovered from benefit fraud has so far been received. [5863]

Mr. Heald *[holding answer 27 November 1996]:* Each local authority is set a threshold of weekly benefit savings to be made through the detection of housing benefit and council tax benefit fraud. Authorities can earn additional subsidy through performance in relation to their WBS thresholds, and can have subsidy withheld for poor performance.

As at 30 September 1996 WBS recorded for the city of Coventry were £647,341—70 per cent. of its threshold for 1996–97.

National Insurance Contributions

Mr. Flynn: To ask the Secretary of State for Social Security if he will estimate the yield of national insurance contributions at current rates, gross and net of rebates, in *(a)* 2000–01, *(b)* 2010–11, *(c)* 2020–21 and *(d)* 2030–31, if from 1998 the lower earnings limit were increased in line with prices and upper earnings limit were (i) increased in line with prices and (ii) earnings or (iii) abolished; and what would be the yield if, in each case, the lower earnings limit were increased in line with earnings. [5897]

Mr. Heald: The information is not available in the format requested and could be provided only at disproportionate cost. Such information as is available is in the table.

National insurance contributions: £ billion at 1994–95 prices

Great Britain

Class 1 employee and employer	*2000–01*	*2010–11*	*2020–21*	*2030–31*
Lower and upper earnings limits both increased in line with prices				
Gross	57.45	68.25	77.05	83.20
C/O rebate	5.95	5.85	5.55	5.60
Net	51.50	62.40	71.50	77.60
Lower earnings limits increased in line with prices and no upper earnings limit for employees and employers[1, 2]				
Gross	62.55	76.25	88.95	99.50
C/O rebate	5.95	5.85	5.55	5.60
Net	56.60	70.40	83.40	93.90

Source:

Government Actuary's Department.

Notes:

1. Calculations are based on assumptions adopted for the Report by the Government Actuary on the Third Quinquennial Review under Section 137 of the Social Security Act 1975 HC 160.

[1] Assumes an upper earnings limit remains in place for the calculation of contracted-out rebates.

[2] Assumes that the current 10 per cent. contribution rate for employees would apply to earnings above the upper earnings limit.

Incapacity Benefit

Mr. Llew Smith: To ask the Secretary of State for Social Security what action he intends to take in the case of David Holmes, details of which have been forwarded to him; and if he will make a statement on the implementation of incapacity benefit. [6249]

Mr. Burt: The administration of incapacity benefit is a matter for Peter Mathison, chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Llew Smith, dated 5 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking what action he intends to take in the case of David Holmes, details of which have been forwarded to him; and if he will make a statement on the implementation of incapacity benefit.

I was very sorry to hear of the death of Mr. David Holmes and for reasons of confidentiality I will write to you separately to provide the relevant facts.

It may be useful if I briefly outline the All Work Test (AWT) which was applied to Mr. Holmes' Incapacity Benefit (IB) claim.

The AWT, which is an integral part of IB, looks at the effect of a client's illness of their ability to carry out a range of work related activities, rather than the condition itself. The test identifies various functional areas, such as walking or standing, which are relevant when assessing capacity for work. The medical test for IB is different from the more usual General Practitioner's (GP) examination in which the aim is to make a diagnosis and arrange appropriate treatment.

The information gathered for the AWT involves the views of the client, his GP and a Benefits Agency Medical Services (BAMS) doctor in an assessment of the effect of the medical condition on the client's ability to carry out the work related activities. The independent Adjudication Officer takes all these views into account and decides whether a person is capable of work. Neither the examining doctor nor the GP have a role to play in deciding the claim.

IB was successfully implemented on 13 April 1995, involving the training of 1,400 doctors and 40,600 administrative staff in the new procedures. New information Technology systems were developed to support BAMS and Benefits Agency staff. Performance has been maintained consistently and has not suffered as a result of implementation. IB is being constantly reviewed to ensure its continued efficiency.

Wrexham Benefits Agency Office

Dr. Marek: To ask the Secretary of State for Social Security what estimate he has made of the number of claimants who tried, but were unable, to contact the Wrexham Benefits Agency office by telephone during the periods of telephone service interruption between 27 and 29 November. [7457]

Mr. Roger Evans: This is an operational matter for Peter Mathison, the chief executive of the Benefits Agency. He will write to hon. Member.

Letter from Peter Mathison to Dr. John Marek, dated 5 December 1996:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking what estimate he has made of the number of claimants who tried, but were unable to contact the Wrexham Benefit Agency by telephone during the periods of telephone service interruption between the 27th and 29th of November.

On 27 and 28 November there was an interruption to the telephone service of 45 minutes and 2 minutes respectively. Wrexham office received 657 and 717 calls on those days against an average for November of 663. This would indicate that there was not a significant loss of calls.

On 29 November there was a prolonged interruption of 3 hours 45 minutes. Our information shows that 250 fewer calls were received than on average.

These interruptions are due to technical problems which are currently being investigated by engineers. Every effort is being made to identify and rectify this intermittent fault.

I apologise for this interruption to the telephone service.

I hope you find this reply helpful.

Christmas Expenditure

Mr. Donohoe: To ask the Secretary of State for Social Security (1) how much his Department plans to spend on celebrating Christmas and the new year; [7583]

(2) how much his Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for his Department's headquarters; and what are the type and country of origin of the trees. [7567]

Mr. Burt: The only departmental expenditure on Christmas and new year is for official Christmas cards, at an estimated cost this year of £3,240.

Social Security Appeals

Mr. Flynn: To ask the Secretary of State for Social Security how many appeals were heard by the social security appeal tribunal covering the Newport, Gwent, area in October; in how many cases the appellant was neither present nor represented; and in how many of these cases the appellant had informed the tribunal of his or her intention not to attend the hearing. [6310]

Mr. Roger Evans *[holding answer 27 November 1996]:* The information is set out in the table.

	Total
Cases heard	43
Appellant neither present nor represented	15
Appellant informed tribunal of intention not to attend the hearing	1

FOREIGN AND COMMONWEALTH AFFAIRS

Publicity

Mr. Donohoe: To ask the Secretary of State for Foreign and Commonwealth Affairs what promotional and public information campaigns his Department is *(a)* currently running and *(b)* planning to run during the next six months; and for each campaign (i) how much it will cost, (1) in total and (2) to his Department, (ii) what agencies or bodies are undertaking the work and (iii) what is its planned duration. [7415]

Mr. Hanley: The diplomatic wing information effort aims to promote the influence and prestige of the UK overseas and seek long-term friends for Britain. This activity is delivered via exhibitions, publications, films/television, sponsored visits, the Internet, etcetera. Expenditure for 1996–97 is estimated to be £13.9 million.

The only public information campaign is that directed at UK nationals travelling abroad, giving them consular advice and information. The estimated cost in 1996–97 is £310,000. On behalf of the consular division, the Passport Agency inserts the checklist for travellers leaflet in every passport issued. The cost is based on 2p per passport plus 6 per cent. administration costs. Actual cost to the consular publicity budget for 1995–96 was £116,000.

The ODA does not run specific campaigns. Its publicity budget covers development education, publications, exhibitions, the British Overseas Development newspaper, the ODA roadshow and the Internet. The budget for the current and the next financial year for this work is £1.5 million.

The work is on-going.

Mr. Donohoe: To ask the Secretary of State for Foreign and Commonwealth Affairs how much his Department has spent on promotional or public information campaigns in each of the last five years; and how much he estimates will be spent on these campaigns during the (i) current and (ii) next financial years. [7544]

Mr. Hanley: The diplomatic wing information effort aims to promote the influence and prestige of the UK overseas and seek long-term friends for Britain. This activity is delivered via exhibitions, publications, films/television, sponsored visits, the Internet, etcetera.

The only public information campaign is that directed at UK nationals travelling abroad, giving them consular advice and information. The figures for this are contained in the table.

The ODA does not run specific campaigns. Its publicity budget covers development education, publications, exhibitions, the British Overseas Development newspaper, the ODA roadshow and the Internet. These figures are also contained in the table.

	Diplomatic wing consider publicity £	*ODA* £
1997–98 Estimate	345,000	1,500,000
1996–97 Estimate	310,000	1,500,000
1995–96 Actual	414,255	1,270,000
1994–95 Actual	162,700	1,355,000
1993–94 Actual	295,000	1,200,000
1992–93 Actual	342,619	1,012,000
1991–92 Actual	Not Known	961,000

Cyprus

Mr. MacShane: To ask the Secretary of State for Foreign and Commonwealth Affairs what contacts he has had with the Greek Cypriot Government since 1 January. [7656]

Mr. David Davis: My right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign Secretary had talks with President Clerides and Foreign Minister Michaelides of Cyprus on 19 June. My right hon. and learned Friend the Foreign Secretary had further discussions with them in New York on 27 September.

Mr. MacShane: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment the Government have made of the advantages of acceptance of the application by Cyprus for membership of the European Union; and if he will make a statement. [7659]

Mr. Davis: We welcome the European Union's acceptance of Cyprus's application to join the EU and the decision to open accession negotiations six months after the end of the intergovernmental conference. The UK shares the hopes of most EU member states that Cyprus will join the EU as a bi-communal, bi-zonal federation following a comprehensive political settlement. On that basis, it will bring considerable benefits to both communities on the island.

Mr. MacShane: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking in respect of proposals to reunify Cyprus; and if he will make a statement. [7671]

Mr. Davis: We are determined to put our full weight behind UN-led efforts to achieve a just and lasting settlement in Cyprus on the basis of UN Security Council resolutions which call for a bi-zonal, bi-communal

federation. My right hon. and learned Friend the Foreign Secretary will visit Cyprus later this month to take forward discussions to this end.

China (Death Penalty)

Mr. Jon Owen Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to raise the issue of China's policy of executing Chinese nationals who commit tax fraud with the Chinese Government, before the transfer of Hong Kong's sovereignty. [7665]

Mr. Hanley: We and our EU partners have expressed to the Chinese authorities our concern about the use of the death penalty when this is in disregard of international legal safeguards.

The death penalty was abolished in Hong Kong by the Crimes (Amendment) Ordinance in April 1993. Under the Sino-British joint declaration, the laws previously in force in Hong Kong shall be maintained, save for any that contravene the Basic Law and subject to any amendment by the Hong Kong special autonomous region legislature.

Christmas Expenditure

Mr. Donohoe: To ask the Secretary of State for Foreign and Commonwealth Affairs how much his Department plans to spend on celebrating Christmas and the new year. [7585]

Mr. Hanley: The normal course of official entertainment in pursuit of the Department's objectives includes events during the festive season. Their cost is not recorded separately, but is included in the running cost expenditure which is published in the annual departmental report. To produce the information requested would require consulting all overseas posts and departments in London, and would involve disproportionate cost. The cost of the Department's staff Christmas parties is met by the staff themselves.

Mr. Donohoe: To ask the Secretary of State for Foreign and Commonwealth Affairs how much his Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for his Department's headquarters; and what are the type and country of origin of the trees. [7570]

Mr. Hanley: This year, the Foreign and Commonwealth Office will spend £1,126 on Christmas trees and decorations One tree will be brought for the main FCO building in King Charles street. It is a Norwegian spruce imported by the supplier from Norway and cost £325.

TRADE AND INDUSTRY

Rural Newsagents

Mr. Dafis: To ask the President of the Board of Trade what assessment he has made of the contribution of local professional newsagents to rural communities; what assessment his Department has made of the effect of a non-negotiable margin decrease on their businesses; and if he will make a statement. [7952]

Mr. Page: The Government made clear their commitment to rural communities in "Rural England 1996", Cm 3444. Newspaper retailing is a valued service in all communities. Newsagents margins on the sale of newspapers are a commercial matter for the parties concerned.

Christmas Expenditure

Mr. Donohoe: To ask the President of the Board of Trade how much his Department plans to spend on celebrating Christmas and the new year. [7575]

Mr. John M. Taylor: Disaggregated information of this nature is not available. The Department's budget for official hospitality this financial year, excluding the net controlled agencies, is £515,000.

Mr. Donohoe: To ask the President of the Board of Trade how much his Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for his Department's headquarters; and what are the type and country of origin of the trees. [7563]

Mr. Taylor: As the Department and its agencies occupy some 220 sites, a global figure is not readily available. As to the six headquarters buildings occupied by the DTI in central London, the cost of decorating reception and public areas is estimated at £1,500, including the purchase of five Christmas trees of the Abies Nobilis variety from Scotland.

EU Telecommunications Council

Mr. Dover: To ask the President of the Board of Trade if he will make a statement on the outcome of the EU Telecommunications Council on 28 November. [8509]

Mr. Ian Taylor: I represented the UK at the Telecommunications Council held in Brussels on 28 November.

The Council unanimously agreed a resolution on illegal and harmful content on the internet, based on the self-regulatory principles of the UK's NetWatch scheme.

No progress was made on a draft directive on postal services. A number of compromises concerning the second stage of liberalisation were considered but none attracted sufficient support.

There was a short debate on key issues of a directive on the application of open network provision to voice telephony in a competitive environment. Additionally, the European Commission made presentations on: the work of an experts group on potential health risks linked to mobile telecommunications; the Commission's Communication "Europe at the forefront of the global information society—Rolling Action Plan", its Green Paper on numbering policy for telecommunications services in Europe; and on an informal meeting on satellite communications held in Paris on 10 October.

Working Time Directive

Mr. Dover: To ask the President of the Board of Trade what is his response to the rejection by the Court of Justice of the European Communities of the United Kingdom's

application to have the EU working time directive annulled; what plans he has to consult on implementing the directive; and if he will make a statement. [8510]

Mr. Lang: The European Court of Justice has now given its judgment, and we will obey the law. In due course, we will secure changes to the EC treaty which will mean that the directive no longer affects the United Kingdom.

The directive is a complicated document. Its implementation will mean imposing novel limits and controls on working time. Unlike any other EU member state, we have no framework of law which we could easily extend or modify to comply with the arbitrary working time limits required by the directive. Implementation measures must be carefully tailored to the circumstances of British business, to minimise disruption and avoid imposing any unnecessary burdens. That is why we need to consult widely on all the issues and options arising from the terms of the directive.

I am today issuing a consultation document on implementing the directive. The consultation document seeks views on various issues, such as enforcement arrangements; taking advantage of "derogations" and "options" the directive allows; defining certain terms, for example, what hours are to count as "night time"; and setting particular limits, for example, the duration and terms of a standard "in work" rest break and the standard reference period for averaging night work hours.

The consultation period will last until 6 March. We will then take stock of the position in the light of responses.

Small Businesses

Mrs. Roche: To ask the President of the Board of Trade, pursuant to his answer of 2 December, *Official Report*, column *498*, on small business statistics what plans he has to keep figures on *(a)* the percentage of United Kingdom small and medium enterprises which export, *(b)* the figures in each European Union country and *(c)* the European Union average. [7833]

Mr. Page: My Department plans to continue to assess information from any available source that might contain data on the percentage of United Kingdom SMEs that export, or similar data for all other EU countries, or an EU average.

Exports (Libya)

Mrs. Beckett: To ask the President of the Board of Trade if he will list the goods and services in respect of which licences for export to Libya were issued in each year since 1992. [2969]

Mr. Lang *[holding answer 7 November 1996]:* The export of licensable goods is regulated by both the Export of Goods (Control) Orders, the EC regulation on dual-use goods, and the associated Dual-Use and Related Goods (Export Control) Orders. These are supplemented in the case of Libya by the Libyan sanctions orders.

Table 1 lists, by legislation heading, the category of goods for which licences were issued, after full consideration under the EG(C)O and dual-use goods regulations.

The Libyan sanctions orders additionally confer licensability to the supply of materials to airfields, technical advice or training to air or ground personnel, direct insurance for aircraft, oil pumping or refining equipment and an assets freeze against the Government or public authorities in Libya. The types of goods for which licences have been issued again after full consideration by my Department since 1992 are summarised in the list.

Table 1: Legislation categories under which export licences have been issued for Libya since 1992

EG(C)0 1991

IL 1460[1]	IL 1529	IL 1567	A2
IL 1501	IL 1533	IL 1572	End use control
		ML1	
IL 1502	IL 1537	(pre-embargo)	
IL 1520	IL 1564	PL 7007	
IL 1527	IL 1565	PL 7011[1]	

[1] Licences in those categories were revoked post-embargo. *N.B.: The basis of the numbering system used for categories changed after the EG(C)01991)*

Following entries under the EG(C)0 1992, EG(C)0 1994 or DUEC 1995

IC350	4A003	5A990	A10
2B230	4A004	7A001	A20
2B350	5A001		End use control

General description of goods for which licences for Libya have been issued under the Libyan sanctions orders

Alarm detection equipment

Aviation training

Catalyst loading sacks

Case wear rings

Flowmeters and spare parts therefor

Pump system for the Great Man Made River project

Pumps and spare parts for pumps

Repair of premises

Spare parts for gas turbine compression drives

Spare parts for heaters

Spare parts for manufacturing equipment for pump control panels

Storage of aircraft components

Turbine blade examination kits.

WALES

Health Care (Private Sector)

Mr. Barry Jones: To ask the Secretary of State for Wales how much his Department spent purchasing health care from the private sector in each of the last three years; and if he will make a statement. [7234]

Mr. Gwilym Jones: The amount spent purchasing health care from non-NHS providers—that is, the private

sector together with non-profit-making organisations—for each of the last three years is as follows:

	£000
1993–94	11,775
1994–95	15,599
1995–96	23,396

It is for health authorities to purchase health care appropriate to the needs of their resident population.

Christmas Expenditure

Mr. Donohoe: To ask the Secretary of State for Wales how much his Department will spend on Christmas trees and decorations this year; how many Christmas trees will be bought for his Department's headquarters; and what are the type and country of origin of the trees. [7559]

Mr. Hague: Fifty pounds will be spent on decorations. No expenditure will be incurred on Christmas trees.

Mr. Donohoe: To ask the Secretary of State for Wales how much his Department plans to spend on celebrating Christmas and the new year. [7579]

Mr. Hague: My Department has no central budget for Christmas celebrations and no special expenditure is forecast beyond the purchase of departmental Christmas cards at a cost of £1,052.

Cardiff Bay Development Corporation

Mr Morgan: To ask the Secretary of State for Wales what arrangements he has discussed with the chairman of the Cardiff Bay development corporation and the relevant local authorities concerning the rental payments on private finance initiative deals entered into by the corporation after transfer of all assets and liabilities to the local authorities after the winding up of the corporation. [8000]

Mr. Hague: None. The corporation has not yet entered into financial commitments on any PFI deals. I will be considering wind-up issues, including the transfer of assets and liabilities, following receipt in March next year of the corporation's report on the outcome of its consultations with local authorities and other bodies about its draft wind-up action plan.

Gwent Health Authority

Mr. Morgan: To ask the secretary of State for Wales what consultations he has had with the chairman of the Gwent health authority regarding concerns expressed by the district auditor about the sum outstanding from the executive car loan of the previous chief executive. [7999]

Mr. Hague: None. This will be a matter for the health authority to address.

Welsh Health Common Services Authority

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 28 November, *Official Report,* column *402,* if he will place a copy of the post-project evaluation on the move to Crickhowell house in the Library. [8023]

Mr. Hague: The report was prepared by the authority and I have asked the chief executive to let the hon. Member have a copy.

Meningitis

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to his oral statement of 2 December, *Official Report,* columns 669–75, on the meningitis outbreak at the university of Wales, Cardiff, if the strain of the 14 October case in the tower block, Pen y Lan, has now been confirmed; and what it was. [8022]

Mr. Jon Owen Jones: To ask the Secretary of State for Wales which strain of meningitis was identified in the Cardiff student who fell ill with the disease in October. [7788]

Mr. Hague: Initial blood samples taken from the patient concerned did not confirm meningococcal infection. Further follow-up testing has identified meningococcal infection, although it has not been possible, to date, to identify the type.

TREASURY

Computers

Mr. Luff: To ask the Chancellor of the Exchequer what resources he has allocated to enable all computer software operated by the Treasury to be adapted to deal with *(a)* the year 2000 problem and *(b)* the proposed single European currency; and if he will make a statement. [5740]

Mrs. Angela Knight: The Treasury has work in hand to identify and test computer software for year 2000 compliance. This work is being undertaken by a project team alongside existing responsibilities. The current plan is that any remedial work will be scheduled into the maintenance and upgrade cycle of computer systems concerned.

It was agreed at the European Council in Madrid in December 1995 that the single currency will be introduced over a transition period of up to three and a half years from January 1999 in those countries which participate. It is envisaged that public administrations in those countries which participate, along with many private sector operators, will change many or all of their systems around the end of that period, when euro banknotes and coins become available. Given that the Government have not decided whether the United Kingdom should seek to participate in the single currency and that, if it were to do so, there would be a transitional period after the introduction of the euro before its use would become necessary for all activities, the Treasury has not committed resources at this stage to adapting its computer software to deal with the single currency.

Tobacco and Alchol Duty

Mr. Foulkes: To ask the Chancellor of the Exchequer what estimates he has made of the annual amount lost to the Treasury through evasion of duty on *(a)* wines, *(b)* spirits, *(c)* beer, and *(d)* tobacco products by (i) falsification of export documents, (ii) illegal imports and (iii) other means; what plans he has to counter such evasion; and if he will make a statement. [6786]

Mr. Oppenheim: There is no official estimate of revenue lost due to the falsification of export documents for alcohol and tobacco.

Customs' current estimate of the total revenue evaded—excise duty and value added tax—annually through the smuggling of alcohol and tobacco is set out in the table. The estimate does not include any amounts for commercial fraud. The amount actually lost to the Exchequer will be less than the amount evaded, because many smuggled goods, particular alcoholic products, represent additional consumption rather than substituting for similar goods purchased in the UK.

Product type	*Revenue evaded (£ million)*
Beer and Cider	110
Wine	50
Spirits	50
Tobacco Products	560
Total	770

The Chancellor announced in his Budget statement that the Government would be cracking down on the evasion of excise duty and VAT. To this end, a further allocation of some 190 staff will be made to customs for the financial year 1997–98 specifically to combat the smuggling of alcohol and tobacco, for the investigation of excise fraud and to improve compliance with excise regulations. This is in addition to the front-line, support and investigation staff currently deployed to combat this type of evasion.

Rev. Martin Smyth: To ask the Chancellor of the Exchequer what further steps he is taking to protect *(a)* tobacconists and *(b)* others from (i) cheap and (ii) illegal imports. [4307]

Mr. Oppenheim *[holding answer 26 November 1996]:* It is quite legal for travellers to other member states to purchase excise goods without the requirement to pay UK excise duty on their return home, providing the goods are for their own use. However, it is illegal for such goods to be imported for a commercial purpose without payment of UK duty.

Customs and Excise currently has over 250 excise verification officers employed directly to prevent single market smuggling of excise goods. The Chancellor announced in his Budget speech that a further 70 posts are to be added to this number. This front-line force is backed up by specialist intelligence and investigation teams, whose resources are also being increased under the Department's investigation and intelligence fundamental expenditure review.

"Financial Statement and Budget Report"

Mr. Timms: To ask the Chancellor of the Exchequer if he will list the equivalent figures for the year 1996–97 to those given in table 5.5 of the "Financial Statement and Budget Report". [7220]

Mr. Darling: To ask the Chancellor of the Exchequer if he will provide a breakdown by Department of the £1.1 billion estimated capital expenditure under the private finance initiative in 1996–97, referred to in table 5.4 of the "Financial Statement and Budget Report", 1997–98, along the same lines as the figures for 1997–98 in table 5.5 of the same report. [7195]

Mr. Jack *[holding answer 2 December 1996]:* The information requested is as follows:

£ million	*1996–97*
Defence	40
FCO/ODA	0
Agriculture	0
DTI	[1]—
DfEE	0
Transport	550
Environment	80
Home Office	120
Legal (LCD)	[1]—
Health	70
Social Security	130
Scotland and Forestry Commission	30
Wales	20
Northern Ireland	10
Chancellor's department	30
Local authorities	50
Total	1,130

[1] Less than £10 million.

The principal reasons for the reduction in the estimated outturn for 1996–97 from £1.9 billion in the 1995 "Financial Statement and Budget Report" down to £1.1 billion in the 1996 report are better estimates of the likely phasing of the capital expenditure on some signed transport projects, and somewhat slower than expected progress in procurement of some other projects.

Mr. Meale: To ask the Chancellor of the Exchequer if he will list the amounts raised by the Treasury in each year since 1979 through taxation on beer. [7255]

Mr. Oppenheim *[holding answer 3 December 1996]:* The information requested is given in the table.

	Total revenue—nominal £ million
1979	1,380
1980	1,760
1981	2,080
1982	2,330
1983	2,580
1984	2,800
1985	3,034
1986	3,130
1987	3,200
1988	3,420
1989	3,520
1990	3,780
1991	4,160
1992	4,300
1993	4,190
1994	4,560
1995	4,740

The figures cover excise duty and VAT. Value added tax has been estimated from Office for National Statistics figure for consumers' expenditure on beer.

Economic and Monetary Union

Mr. Llew Smith: To ask the Chancellor of the Exchequer when Her Majesty's Government prepared the paper on budgetary discipline in stage three of economic and monetary union in respect of negotiations on a stability pact for economic and monetary union; and if he will place a copy in the Library. [6893]

Mr. Kenneth Clarke: The briefing note "Budgetary Discipline in Stage Three of Economic and Monetary Union" was prepared for the European Union Commissioners; Sir Leon Brittan and Neil Kinnock, in early October. The note was placed in the Library of both Houses on 25 November 1996.

Golden Shares

Mr. Harvey: To ask the Chancellor of the Exchequer, pursuant to his answer to the hon. Member for Newham, North-West (Mr. Banks) of 25 November, *Official Report*, columns *71-72*, what powers the Government can exercise under the terms of each of the golden or special shares they hold. [7103]

Mr. Jack: Special shares are confined to those companies where the Government judge that they need to retain specific limited powers over the future ownership, control, or conduct of a privatised company. Powers are generally limited to:

(i) a clause providing that the holder of the special share may redeem the share at any time for its face value (usually £1);

(ii) a clause limiting shareholdings by any one person, or group of persons acting in concert, to 15 per cent., with powers for the board of directors to disenfranchise any shareholder in breach of this limit to the extent of the excess;

(iii) a clause entrenching itself, and the two clauses above, against amendment unless there is both a resolution passed by the ordinary shareholders at general meeting in the usual way and the holder of the special share has given written consent.

Certain other provisions are included in specific special shares, mainly in connection with defence or security issues, relating to the appointment and nationality, of chief executives, and other directors, the disposal of material assets and the aggregate level of foreign ownership.

Special shares do not enable the Government to interfere in the day-to-day conduct of the privatised business. They do not carry any rights to vote at general meetings and entitle the holder to speak only on matters relating to the rights of the holder of the special share.

VAT Inspection Duty

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer against how many *(a)* importers and *(b)* agents value added tax inspection duty is being levied on imports of (i) prawns and (ii) cod from (1) Iceland, (2) Norway and (3) the Faroe Islands brought in under EUR 1 certificates accepted by Her Majesty's Customs and Excise at the time of import and subsequently deemed invalid; and what amount is being claimed. [7277]

Mr. Oppenheim: The following customs duty demands are currently outstanding:

Country	*Goods*	*Importers*	*Agents*	*Total (£)*
Iceland	prawns	14	2	416,700
	cod	3	2	122,000
Norway	prawns[1]	3	—	
	cod	3	—	56,300
Faroe Islands	prawns	6	5	1,143,000
	cod	—	—	—

[1] Not broken down to maintain confidentiality of individual business.

Government Departments (Payment of Bills)

Mrs. Roche: To ask the Chancellor of the Exchequer when he expects to publish figures for the payment of bills by Government Departments based on amended monitoring arrangements. [7816]

Mrs. Angela Knight: I will publish Government Departments' payment performance shortly.

Privatisation Receipts

Mr. Milburn: To ask the Chancellor of the Exchequer what estimate he has made of the cumulative total for privatisation receipts from 1979–80 to 1996–97 expressed in 1996–97 prices. [7822]

Mr. Jack: I refer the hon. Member to my reply of 8 July 1996, *Official Report*, column *36*, to the hon. Member for Cunninghame North (Mr. Wilson). That reply shows cumulative proceeds from 1979–80 to 1995–96 of £83.86 billion in 1996–97 prices. Estimated proceeds for 1996–97 are £4.5 billion.

Finance Bill

Mr. Robert Ainsworth: To ask the Chancellor of the Exchequer when he expects to publish the Finance Bill. [8109]

Mr. Jack: I refer the hon. Member to the answer that I gave to the hon. Member for Southport (Mr. Banks) yesterday, *Official Report*, column *744*.

Arms Sales (Rwanda)

Mr. Corbyn: To ask the Chancellor of the Exchequer what investigations have been undertaken by his Department concerning breaches of the UN embargo on arms sales to Rwanda. [5781]

Mr. Oppenheim *[holding answer 4 December 1996]:* Customs is aware of the current allegations and will take appropriate action in the light of its assessment of the information obtained.

It is not, however, customs' general practice to comment publicly about the existence or nature of any investigations of individuals or companies not yet accused of criminal offences, since to do so would risk prejudicing any on-going inquiries or future criminal proceedings.

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